

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021



UPPER ALLEN TOWNSHIP
CUMBERLAND COUNTY PENNSYLVANIA

UPPER ALLEN TOWNSHIP, PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2021

BOARD OF COMMISSIONERS

Kenneth M. Martin, PhD, President Richard A.
Castranio, Jr., Vice President Virginia M. Anderson
James G. Cochran
Jeffrey M. Walter

TREASURER

Sharon Shipman

PREPARED BY:

Scott W. Fraser
Township Manager

Kelly Palmer
Asst. Township Manager

Zachary Harvey
Accounting Manager

SPECIAL ACKNOWLEDGEMENTS

MaherDuessel
Auditor

Finance Department
Upper Allen Township

NOTE: the above information is as of August 2022

UPPER ALLEN TOWNSHIP, PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED DECEMBER 31, 2021

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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 30, 2022

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

The Annual Comprehensive Financial Report (AFR) of the Upper Allen Township (Township), Cumberland County, Pennsylvania, for the year ending December 31, 2021 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 of 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, 2021 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 the land suitable for development, 49.53% is residential use. Of the dwellings themselves, approximately 32.58% are single-family detached structures and 3.82% are multi-family structures. Most building activity has taken place since 1964. The balance of the Township's land use is as follows: Commercial is 7.12%; Industrial is 3.81%; Recreation is 1.00%; Public/Semi-Public is 1.95% Transportation is 10.62%; Agricultural is 21.75% and Vacant is 13.38%. The majority of the Township has been developed (86.62%). This percentage includes Agricultural.

The Township has experienced a steady increase in population since 1950. The estimated population for 2020 of 23,183 was given by the American Fact Finder through the U.S. Census.

Housing Growth Trends: 2021

A total of 366 building permits were issued for 2021. The year ended with 163 new single-family residential permits issued, which is an increase of 12.4% over the prior year. According to the statistics from the Cumberland County Planning Commission, the Township was listed third for new residential permits for Cumberland County for 2021.

Employment

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

Messiah University	Education
Thredup Inc.	Commercial
Delta Dental of PA	Commercial
Messiah Village	Retirement Village
Giant Foods LLC	Retail

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 2021 was 3.6%. This is a 1% decrease 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 3.6%, 3.4% for Cumberland County, 3.5% for the four-county Harrisburg area, 5.5% for Pennsylvania, and 3.9% 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

Pension and health care costs for the employees.

General Fund revenue exceeded budget projections by \$716,587 and expenditures came in under budget by \$140,088.

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 24 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, the Upper Allen Township is ranked the 9th safest community in Pennsylvania. The crime rate is 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 2021, the Fire Department responded to 579 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 issued General Obligation Bonds, Series of 2021, in the aggregate principal amount of \$9,110,000 to currently refund the Township's General Obligation Bonds, Series of 2015 and 2016, and fund certain capital projects of the Township.

The Fire Department has several events throughout the year that have a positive impact on the community of Upper Allen Township. The Fire Department held three chicken bar-b-ques in 2021 as well as one fundraiser at Strock's Farm. All these activities require a group of very dedicated individuals (40 firefighters plus 30 social members) 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 to advance the community's prosperity. It also serves 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 bush pickup service one time during 2021. That service is second to none in the County.

With the Township's population being over 20,000, the **Parks Department** is committed to providing safe and fun park areas throughout the Township. The Friendship Park playground was replaced with an all-inclusive playground. This playground features poured in place rubber surfacing, ADA accessible playground equipment and a separated tot lot. Additionally, Friendship Park provides a little over $\frac{3}{4}$ of a mile of walking trails and four athletic fields. This park is in repose to the increase in population in the Township and the growing need for safe and clean recreational space. In 2021, Rosegarden and Country Estates playgrounds were replaced. Additional projects included lights added to tennis and pickleball courts in Fisher Park, Spring Run Acres and Millers Crest basketball courts were completely redone, and improvements were made to two softball fields at Winding Hill Park North.

The **Sewer Department** completed one major capital improvements project in 2021, the Legacy Park/Allendale interceptor extension and replacement project. This three-year, three-phase project replaced the Market Street pumping station and force main with a new gravity sewer at a final construction cost of \$1.76 million. The estimated cost of \$1.6 million was exceeded due to encountering excessive rock in the excavation.

In 2022, the budgeted Grantham Wastewater Treatment Plant Sludge Dewatering and Miscellaneous Improvements Project got underway and will extend into mid-2023. This project, with estimated construction costs of \$1.7 million, involves replacing the existing Envirodyne belt filter press with a new BDP screw press, as well as replacement of conveyor equipment, controls, sludge pumps and piping, polymer feed system, and the utility water system and piping. Other improvements will consist of structural renovations to the sludge dewatering building, installation of sludge bin protective floor plating, demo and removal of the lime silo, upgrades to lighting and heating system, replacement of the digester blowers, replacement of the air compressor/dryer, and replacement of the rubber membrane roofing system.

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-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 or 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 Comprehensive 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.

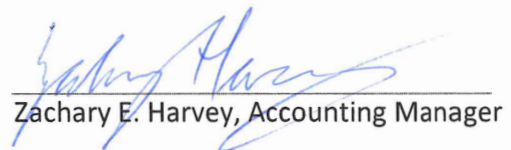
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal 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 appreciation to all members of the Department. We would also like to thank the Township Commissioners for their interest, support in planning and conducting the financial operations of the Township in a responsible and progressive manner.

Respectfully submitted,



Scott W. Fraser, Township Manager



Zachary E. Harvey, Accounting Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Upper Allen Township
Pennsylvania**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

Upper Allen Township (Non-Uniformed)

Current
November 9, 2021



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	Sharon Shipman

Appointed Officials

Manager	Scott W. Fraser
Assistant Township Manager	Kelly Palmer
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, Saidi, Sullivan & Rogers, PC

Department Directors

Administrative Services:	
Accounting Manager	Zachary Harvey
Human Resources	Aimee Brough
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**

Report on the Audit of the Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's

ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information listed in the table of contents. The other information listed in the table of contents does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.

If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Mahe Duessel

Harrisburg, Pennsylvania
August 30, 2022

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of Upper Allen Township’s (Township) annual comprehensive financial report presents a narrative overview and analysis of the Township’s financial performance for the year ended December 31, 2021. 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, 2021.

FINANCIAL HIGHLIGHTS

- The Township’s “total net position of governmental activities” were \$43,704,498 as of December 31, 2021, an increase of \$4,008,632.
- The Township’s “total net position of business-type activities” were \$33,356,040 as of December 31, 2021, an increase of \$3,042,816.
- The Township’s general purpose property tax millage for fiscal year 2021 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, 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 0.35 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 2021 was 2.55 mills.
- As of December 31, 2021, the Township had \$17,125,089 (including discounts and premiums) of outstanding bonded debt. This represents an increase in the amount of \$222,803 from the previous year.
- The ending General Fund fund balance for the year 2021 was \$3,169,270. This represents an increase in the amount of \$452,183 from the previous year.
- The Township received \$378,985 in state aid from the Commonwealth of Pennsylvania for the Non-uniform and Police Pension Plans.
- The Township transferred \$1,000,000 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 STATEMENT

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 sixteen individual governmental funds. Information is presented separately for the General Fund, Capital Reserve Fund, Permanent Improvement Fund, ARPA Fund, and Non-Major Fund 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 ARPA Fund, 2021 Bond Fund, 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 funds and other post-employment benefit trust fund: 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, 2021 AND 2020

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 16,036,090	\$ 12,771,310	\$ 7,777,867	\$ 6,920,764	\$ 23,813,957	\$ 19,692,074
Capital assets	42,390,759	39,532,781	35,164,910	34,491,870	77,555,669	74,024,651
Total assets	58,426,849	52,304,091	42,942,777	41,412,634	101,369,626	93,716,725
Deferred outflows of resources	698,802	747,530	-	87,887	698,802	835,417
Current liabilities	4,094,610	3,045,338	1,624,362	2,283,698	5,718,972	5,329,036
Noncurrent liabilities	8,681,338	8,224,453	7,632,980	8,643,662	16,314,318	16,868,115
Total liabilities	12,775,948	11,269,791	9,257,342	10,927,360	22,033,290	22,197,151
Deferred inflows of resources	2,645,205	2,085,964	329,395	259,937	2,974,600	2,345,901
Net position:						
Net investment in capital assets	35,165,128	31,952,965	27,199,437	24,898,116	62,364,565	56,851,081
Restricted	2,238,534	3,305,842	-	-	2,238,534	3,305,842
Unrestricted	6,300,836	4,437,059	6,156,603	5,415,108	12,457,439	9,852,167
Total net position	\$ 43,704,498	\$ 39,695,866	\$ 33,356,040	\$ 30,313,224	\$ 77,060,538	\$ 70,009,090

The Township's capital assets increased by \$3,531,018 (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 \$4,121,883 due to cash received but not expended in the ARPA and 2021 Bond funds. The Township's net position for governmental activities is \$43,704,498 and net position for business-type activities is \$33,356,040. Total net position as of December 31, 2021 is \$77,060,538, an increase in the amount of \$7,051,448 from December 31, 2020. The increase in net position is primarily attributed to 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, 2021, 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 sixteen years (2005-2021).

UPPER ALLEN TOWNSHIP
CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2021 AND 2020

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
<u>Revenues</u>						
Program revenues:						
Charges for services	\$ 613,075	\$ 552,040	\$ 5,989,656	\$ 6,158,964	\$ 6,602,731	\$ 6,711,004
Operating grants and contributions	718,156	788,068	45,574	41,836	763,730	829,904
Capital grants and contributions	3,669,964	48,671	1,417,277	-	5,087,241	48,671
General revenues:						
Real estate taxes	5,538,321	5,365,208	-	-	5,538,321	5,365,208
Other taxes	6,012,651	5,433,630	-	-	6,012,651	5,433,630
Investment revenue	3,169	30,815	40,496	47,581	43,665	78,396
Intergovernmental grants	463,745	382,387	-	-	463,745	382,387
Other income	460,458	564,596	-	-	460,458	564,596
Gain on sale of assets	23,164	30,480	1,598	-	24,762	30,480
Total revenues	17,502,703	13,195,895	7,494,601	6,248,381	24,997,304	19,444,276
<u>Expenses</u>						
General government	1,353,214	1,394,642	-	-	1,353,214	1,394,642
Public safety	6,784,386	5,057,338	-	-	6,784,386	5,057,338
Health and welfare	2,130	250	-	-	2,130	250
Public works	3,887,134	3,546,894	-	-	3,887,134	3,546,894
Culture - recreation	1,112,653	857,090	-	-	1,112,653	857,090
Interest on long-term debt	328,243	173,505	-	-	328,243	173,505
Sewer	-	-	3,899,735	3,608,145	3,899,735	3,608,145
Upper Allen Township Authority	-	-	578,361	538,775	578,361	538,775
Total expenses	13,467,760	11,029,719	4,478,096	4,146,920	17,945,856	15,176,639
Excess before transfers	4,034,943	2,166,176	3,016,505	2,101,461	7,051,448	4,267,637
Transfers	(26,311)	(1,764)	26,311	1,764	-	-
Change in net position	4,008,632	2,164,412	3,042,816	2,103,225	7,051,448	4,267,637
Net position, January 1	39,695,866	37,531,454	30,313,224	28,209,999	70,009,090	65,741,453
Net position, December 31	\$ 43,704,498	\$ 39,695,866	\$ 33,356,040	\$ 30,313,224	\$ 77,060,538	\$ 70,009,090

The Net Position in the Governmental Activities category increased by \$4,008,632. The increase was mostly due to continued strong revenue performance and the careful management of expenses. Total Revenues in Governmental Activities increased by \$4,306,808. The increase in revenues was mostly related to capital grants and contributions totaling \$3.2 million in dedicated streets. Overall Governmental Activities expenses increased by \$2,438,041. The increase is primarily due to purchasing a \$1.5 million ladder truck for the volunteer fire company.

Additionally, the Business-Type Activities Net Position increased in 2021 by \$3,042,816. This increase was mostly due to budgetary design and continued strong revenue performance. Business-Type Activities revenue increased by \$1,246,220, which can mostly be attributed to an increase in capital contributions in 2021. Business-Type Activities expenses increased by \$331,176. The increased in expense was mostly related to 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, 2021, the Township's governmental fund balance was \$11,136,449, an increase in the amount of \$1,629,828. \$248,354 of the ending balance of the General Fund is assigned to balance the Township's 2022 budget. Fund balance in the amount of \$7,966,767 is restricted or committed in specific funds.

The General Fund is the main operating fund of Upper Allen Township. At December 31, 2021, the General Fund's ending fund balance was \$3,169,270. This was an increase of \$452,183 from the December 31, 2020 beginning balance of \$2,717,087 primarily because of a \$600,000 increase in earned income tax revenue attributable to increases in earnings for Township residents.

The Capital Reserve Fund's ending fund balance was restricted or committed for capital projects or capital purchases in the amount of \$3,240,152.

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, 2021 was \$27,279,139, an increase in the amount of \$1,679,449 over the December 31, 2020 balance of \$25,599,690. This increase in net position for the Sewer Funds is comparable to the prior year increase of \$1,706,214 by budgetary design. The ending net position of the Authority at December 31, 2021 was \$6,076,901 an increase in the amount of \$1,363,367 over the December 31, 2020 balance of \$4,713,534. The increase in net position is mostly attributable to capital contributions of approximately \$995,000.

General Fund Budget Observations

There were no changes made to the original General Fund Budget. Actual revenues for the year that ended December 31, 2021, surpassed the budgeted revenues by a total of \$716,587. Of note in the Township's 2021 revenue numbers are the following accounts:

- The Act 511 taxes overperformed the Township's budgetary projection of \$4,760,000, with an overall collection of \$5,281,622 in 2021. Higher than expected collections in this category can mostly be attributed to increases in earned income tax and local service tax collections due to increases in earnings for Township residents and an increase in the number of people working within the Township following the start of the global pandemic from 2020.
- Miscellaneous Revenues exceeded budgetary expectation by \$185,534; this was due to an increase in reimbursable medical insurance premiums from lower and less costly medical claims made in 2020.

Total General Fund expenditures for the year ended December 31, 2021, were \$9,286,389, which was under budget by \$140,088. The Township's major departments ended the year as follows:

- The Police Department ended the year \$200,620 under a budget of \$4,819,670 due to vacant positions. This represents a positive deviation from the budgeted amount of 4.16%.
- The Public Works Division ended the year \$133,654 under a budget of \$1,369,080. The majority of the savings realized in this Department were related to lower expenses related to vehicle maintenance and repairs as well as salary and health insurance.
- Interest and fiscal charges ended the year \$135,397 over a budget of \$106,813 due to issuance costs from the General Obligation Bonds, Series of 2021, which were used to refinance the General Obligation Bonds, Series of 2015 and 2016 and fund certain capital projects.

CAPITAL ASSETS

The investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to \$117,581,380, net accumulated depreciation of \$40,025,711, leaving a net book value of \$77,555,669. 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 \$3,531,018. A majority of the increase was related to \$3.2 million in dedicated streets. Depreciation charges for the year totaled \$3,527,803 with the largest portions of it being applied to the sewer system and the Township owned infrastructure at \$1,218,159 and \$949,704, respectively. See footnote 4 to the financial statements for more information on the Township's capital assets.

LONG TERM DEBT

As of December 31, 2021, the Township had \$17,125,089 (including discounts and premiums) of outstanding bonded debt. Of this amount, \$9,186,965 represents debt incurred by the Township through governmental activities and the remaining \$7,938,124 is comprised of bonds secured for the Township's business-type activities. During the year ended December 31, 2021, the Township issued General Obligation Bonds, Series of 2021, in the aggregate principal amount of \$9,110,000 to currently refund the Township's General Obligation Bonds, Series of 2015 and 2016, and fund certain capital projects of the Township.

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, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 10,499,681	\$ 5,962,223	\$ 16,461,904
Investments	3,015,891	151,754	3,167,645
Receivables:			
Taxes	1,778,823	-	1,778,823
Sewer rental and stormwater fees	-	1,286,667	1,286,667
Other	78,541	15,330	93,871
Loan	70,239	-	70,239
Due from other governments	-	15,505	15,505
Prepaid expenses	29,731	11,853	41,584
Total current assets	15,472,906	7,443,332	22,916,238
Noncurrent assets:			
Capital assets, not being depreciated	4,318,643	730,640	5,049,283
Capital assets, net of depreciation	38,072,116	28,198,715	66,270,831
Sewer improvement costs, net of amortization	-	6,235,555	6,235,555
Net pension asset	563,184	334,535	897,719
Total noncurrent assets	42,953,943	35,499,445	78,453,388
Total Assets	58,426,849	42,942,777	101,369,626
Deferred Outflows of Resources			
Deferred outflows of resources - pensions	592,754	-	592,754
Deferred outflows of resources - OPEB	106,048	-	106,048
Total Deferred Outflows of Resources	698,802	-	698,802

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Current portion of general obligation bonds	645,000	1,205,000	1,850,000
Accounts payable	253,755	323,885	577,640
Amounts held in escrow	1,986,496	-	1,986,496
Accrued salaries and wages	90,302	13,098	103,400
Accrued interest payable	81,749	63,603	145,352
Current portion of compensated absences payable	98,353	18,776	117,129
Unearned revenue	938,955	-	938,955
Total current liabilities	4,094,610	1,624,362	5,718,972
Noncurrent liabilities:			
Unearned revenue	-	872,376	872,376
General obligation bonds payable	8,541,965	6,733,124	15,275,089
Compensated absences payable	23,889	27,480	51,369
Net other post-employment benefit liability	115,484	-	115,484
Total noncurrent liabilities	8,681,338	7,632,980	16,314,318
Total Liabilities	12,775,948	9,257,342	22,033,290
Deferred Inflows of Resources			
Deferred charge on refunding	90,960	-	90,960
Deferred inflows of resources - pensions	2,107,931	329,395	2,437,326
Deferred inflows of resources - OPEB	446,314	-	446,314
Total Deferred Inflows of Resources	2,645,205	329,395	2,974,600
Net Position			
Net investment in capital assets	35,165,128	27,199,437	62,364,565
Restricted for:			
Public safety:			
Police protection	612	-	612
Fire protection	391,203	-	391,203
Public works	1,309,305	-	1,309,305
Culture - recreation	537,414	-	537,414
Unrestricted	6,300,836	6,156,603	12,457,439
Total Net Position	<u>\$ 43,704,498</u>	<u>\$ 33,356,040</u>	<u>\$ 77,060,538</u>

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

UPPER ALLEN TOWNSHIP

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government:				
Administration	\$ 1,108,417	\$ 18,254	\$ -	\$ -
Tax collection	96,829	-	-	-
Municipal buildings	147,968	100	-	-
Public safety:				
Police protection	4,033,485	87,764	-	-
Fire protection	2,149,709	-	116,060	-
Ambulance/rescue	38,350	-	-	-
Building regulation and planning	544,457	453,961	-	-
Emergency management	18,385	-	-	-
Health and welfare	2,130	-	-	-
Public works - highways, roads, and streets	3,887,134	52,996	584,358	3,216,690
Culture - recreation	1,112,653	-	17,738	453,274
Interest on long-term debt	328,243	-	-	-
Total governmental activities	13,467,760	613,075	718,156	3,669,964
Business-type activities:				
Sewer Fund	3,899,735	5,046,253	45,574	421,992
Upper Allen Township Authority	578,361	943,403	-	995,285
Total business-type activities	4,478,096	5,989,656	45,574	1,417,277
Total Primary Government	\$ 17,945,856	\$ 6,602,731	\$ 763,730	\$ 5,087,241

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
\$ (1,090,163)	\$ -	\$ (1,090,163)
(96,829)	-	(96,829)
(147,868)	-	(147,868)
(3,945,721)	-	(3,945,721)
(2,033,649)	-	(2,033,649)
(38,350)	-	(38,350)
(90,496)	-	(90,496)
(18,385)	-	(18,385)
(2,130)	-	(2,130)
(33,090)	-	(33,090)
(641,641)	-	(641,641)
(328,243)	-	(328,243)
(8,466,565)	-	(8,466,565)
-	1,614,084	1,614,084
-	1,360,327	1,360,327
-	2,974,411	2,974,411
(8,466,565)	2,974,411	(5,492,154)
5,538,321	-	5,538,321
911,262	-	911,262
4,049,683	-	4,049,683
425,438	-	425,438
375,883	-	375,883
250,385	-	250,385
3,169	40,496	43,665
463,745	-	463,745
460,458	-	460,458
23,164	1,598	24,762
(26,311)	26,311	-
12,475,197	68,405	12,543,602
4,008,632	3,042,816	7,051,448
39,695,866	30,313,224	70,009,090
\$ 43,704,498	\$ 33,356,040	\$ 77,060,538

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

UPPER ALLEN TOWNSHIP

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2021

	General Fund	Capital Reserve Fund	Permanent Improvement Fund	ARPA Fund	Other Governmental Funds	Total
Assets						
Cash and cash equivalents	\$ 4,503,442	\$ 2,987,905	\$ 1,161,606	\$ 22,166	\$ 1,824,562	\$10,499,681
Investments	16,367	278,601	-	916,904	1,804,019	3,015,891
Taxes receivable (net of allowance for uncollectibles)	1,745,478	-	18,495	-	14,850	1,778,823
Other receivables	76,460	-	-	-	2,081	78,541
Prepaid expenditures	29,319	-	-	-	412	29,731
Total Assets	\$ 6,371,066	\$ 3,266,506	\$ 1,180,101	\$ 939,070	\$ 3,645,924	\$15,402,667
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities:						
Accounts payable	\$ 154,470	\$ 26,354	\$ 27,830	\$ -	\$ 45,101	\$ 253,755
Amounts held in escrow	1,986,496	-	-	-	-	1,986,496
Accrued salaries and wages	90,302	-	-	-	-	90,302
Unearned revenues - grants	-	-	-	938,955	-	938,955
Total Liabilities	2,231,268	26,354	27,830	938,955	45,101	3,269,508
Deferred Inflows of Resources:						
Unavailable revenue - taxes	970,528	-	13,515	-	10,910	994,953
Unavailable revenue - assessments	-	-	-	-	1,757	1,757
Total Deferred Inflows of Resources	970,528	-	13,515	-	12,667	996,710
Fund Balance:						
Non-spendable	29,319	-	-	-	412	29,731
Restricted for:						
Police protection	-	-	-	-	612	612
Fire protection	-	-	-	-	391,203	391,203
Public works	-	-	1,138,756	-	170,549	1,309,305
Culture - recreation	-	-	-	-	537,414	537,414
Capital projects	-	95,081	-	-	1,957,213	2,052,294
Other	-	-	-	115	-	115
Committed for:						
Police protection	-	200,000	-	-	3,894	203,894
Fire protection	-	-	-	-	204,761	204,761
Capital projects	-	2,885,071	-	-	-	2,885,071
Public works	-	60,000	-	-	288,931	348,931
Culture - recreation	-	-	-	-	33,167	33,167
Assigned for:						
Subsequent year's budget	248,354	-	-	-	-	248,354
Unassigned	2,891,597	-	-	-	-	2,891,597
Total Fund Balance	3,169,270	3,240,152	1,138,756	115	3,588,156	11,136,449
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 6,371,066	\$ 3,266,506	\$ 1,180,101	\$ 939,070	\$ 3,645,924	\$15,402,667

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, 2021

Total Fund Balance - Governmental Funds \$ 11,136,449

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 70,239

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 \$57,315,341 and the accumulated depreciation is \$14,924,582. 42,390,759

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. 996,710

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	\$ (81,749)	
Bonds payable	(8,740,000)	
Bond premiums	(446,965)	
Compensated absences payable	(122,242)	
Net pension (asset)/liability, net of related deferred outflows and inflows of resources	(951,993)	
Net other post-employment benefit liability, net of related deferred outflows and inflows of resources	(455,750)	(10,798,699)
Deferred charge on refunding		(90,960)

Total Net Position - Governmental Activities \$ 43,704,498

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, 2021

	General Fund	Capital Reserve Fund	Permanent Improvement Fund	APRA Fund	Other Governmental Funds	Total
Revenues:						
Real estate taxes	\$ 3,250,339	\$ -	\$ 1,268,037	\$ -	\$ 1,013,620	\$ 5,531,996
Act 511 taxes	5,281,622	-	-	-	-	5,281,622
Assessments	-	-	-	-	402,390	402,390
Licenses and permits	402,617	-	-	-	-	402,617
Fines and forfeits	69,603	-	-	-	-	69,603
Interest and rents	6,770	1,560	180	115	644	9,269
Intergovernmental revenue	548,366	-	-	127,834	761,187	1,437,387
Charges for services	502,263	-	15,000	-	24,276	541,539
Donations and contributions from private sources	-	-	-	-	18,123	18,123
Miscellaneous revenues	424,234	1,957	-	-	56,026	482,217
Total revenues	10,485,814	3,517	1,283,217	127,949	2,276,266	14,176,763
Expenditures:						
General government:						
Administration	1,007,722	25,263	-	-	130	1,033,115
Tax collection	96,829	-	-	-	-	96,829
Municipal buildings	147,968	-	-	-	-	147,968
Public safety:						
Police protection	4,619,050	138,812	-	-	-	4,757,862
Fire protection	192,562	-	-	-	1,846,435	2,038,997
Ambulance/rescue	38,350	-	-	-	-	38,350
Building regulation and planning	622,251	27,150	-	-	-	649,401
Emergency management	16,557	-	-	-	-	16,557
Health and welfare	2,130	-	-	-	-	2,130
Public works - highways, roads, and streets	1,235,426	448,446	1,061,267	-	663,235	3,408,374
Culture - recreation	605,334	264,574	-	-	815,976	1,685,884
Debt service:						
Principal	460,000	-	-	-	80,000	540,000
Interest and fiscal charges	242,210	-	-	-	72,683	314,893
Total expenditures	9,286,389	904,245	1,061,267	-	3,478,459	14,730,360

(Continued)

UPPER ALLEN TOWNSHIP

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

YEAR ENDED DECEMBER 31, 2021
(Continued)

	General Fund	Capital Reserve Fund	Permanent Improvement Fund	ARPA Fund	Other Governmental Funds	Total
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,199,425	(900,728)	221,950	127,949	(1,202,193)	(553,597)
Other Financing Sources (Uses):						
Sale of capital assets	-	46,770	-	-	-	46,770
Refunding bonds issued	4,650,000	-	-	-	-	4,650,000
Bonds issued	-	-	-	-	1,940,000	1,940,000
Premiums on bonds issued	394,735	-	-	-	63,231	457,966
Payments to refunding escrow agent	(4,885,000)	-	-	-	-	(4,885,000)
Transfers in	104,286	1,000,000	-	-	432,504	1,536,790
Transfers out	(1,011,263)	(124,004)	-	(127,834)	(300,000)	(1,563,101)
Total other financing sources (uses)	(747,242)	922,766	-	(127,834)	2,135,735	2,183,425
Net Change in Fund Balance	452,183	22,038	221,950	115	933,542	1,629,828
Fund Balance:						
Beginning of year	2,717,087	3,218,114	916,806	-	2,654,614	9,506,621
End of year	<u>\$ 3,169,270</u>	<u>\$ 3,240,152</u>	<u>\$ 1,138,756</u>	<u>\$ 115</u>	<u>\$ 3,588,156</u>	<u>\$ 11,136,449</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, 2021

Net Change in Fund Balances - Governmental Funds		\$	1,629,828
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.			
Capital outlays	\$	1,700,804	
Depreciation expense		(2,035,910)	(335,106)
When recognizing the sale of capital assets, the governmental funds report the total proceeds of the sale. Only the gain or loss on the sale is reported with in governmental activities			
			(23,606)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.			
			3,216,690
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.			
			111,086
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:			
Bonds issued		(6,590,000)	
Premiums on bond issued		(457,966)	
Deferred gain on refunding		(93,199)	
Bond principal repayment		5,425,000	(1,716,165)
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		(33,853)	
Amortization of deferred loss on refunding		(1,535)	
Amortization of deferred gain on refunding		2,239	
Change in bond premium		112,998	
Change in compensated absences payable		10,263	
Change in net pension (asset)/liability, net of related deferred outflows and inflows of resources		989,443	
Change in net other post-employment benefit liability, net of related deferred outflows and inflows of resources		71,350	1,150,905
Change in Net Position - Governmental Activities		\$	<u>4,008,632</u>

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, 2021

	Budget Original/ Final Amounts	Actual Amounts	Variance of Actual with Final Budget Positive (Negative)
Revenues:			
Real estate taxes	\$ 3,229,571	\$ 3,250,339	\$ 20,768
Act 511 taxes	4,760,000	5,281,622	521,622
Licenses and permits	388,000	402,617	14,617
Fines and forfeits	86,000	69,603	(16,397)
Interest and rents	18,500	6,770	(11,730)
Intergovernmental revenue	562,927	548,366	(14,561)
Charges for services	485,529	502,263	16,734
Miscellaneous revenues	238,700	424,234	185,534
Total revenues	9,769,227	10,485,814	716,587
Expenditures:			
General government:			
Administration	964,176	1,007,722	(43,546)
Tax collection	106,774	96,829	9,945
Municipal buildings	148,394	147,968	426
Public safety:			
Police protection	4,819,670	4,619,050	200,620
Fire protection	130,000	192,562	(62,562)
Ambulance/rescue	40,000	38,350	1,650
Building regulation and planning	646,817	622,251	24,566
Emergency management	19,057	16,557	2,500
Health and welfare	750	2,130	(1,380)
Public works - highways, roads, and streets	1,369,080	1,235,426	133,654
Culture - recreation	549,946	605,334	(55,388)
Debt service:			
Principal	525,000	460,000	65,000
Interest and fiscal charges	106,813	242,210	(135,397)
Total expenditures	9,426,477	9,286,389	140,088
Excess (Deficiency) of Revenues Over (Under) Expenditures	342,750	1,199,425	856,675
Other Financing Sources (Uses):			
Refunding bonds issued	-	4,650,000	4,650,000
Premiums on bonds issued	-	394,735	394,735
Payments to refunding escrow agent	-	(4,885,000)	(4,885,000)
Transfers in	8,400	104,286	95,886
Transfers out	(1,008,500)	(1,011,263)	(2,763)
Total other financing sources (uses)	(1,000,100)	(747,242)	252,858
Net Change in Fund Balance	(657,350)	452,183	1,109,533
Fund Balance:			
Beginning of year	2,813,819	2,717,087	(96,732)
End of year	\$ 2,156,469	\$ 3,169,270	\$ 1,012,801

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

UPPER ALLEN TOWNSHIP

STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS

DECEMBER 31, 2021

	Sewer Revenue Fund	Upper Allen Township Authority	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 5,306,211	\$ 656,012	\$ 5,962,223
Investments	151,754	-	151,754
Receivables:			
Sewer rentals	1,250,748	-	1,250,748
Stormwater fees	-	35,919	35,919
Other	15,330	-	15,330
Due from other governments	15,505	-	15,505
Prepaid expenses	11,192	661	11,853
Total current assets	<u>6,750,740</u>	<u>692,592</u>	<u>7,443,332</u>
Noncurrent assets:			
Capital assets, not being depreciated	234,070	496,570	730,640
Capital assets, net of depreciation	23,171,947	5,026,768	28,198,715
Sewer improvement costs, net of amortization	6,235,555	-	6,235,555
Net pension asset	334,535	-	334,535
Total noncurrent assets	<u>29,976,107</u>	<u>5,523,338</u>	<u>35,499,445</u>
Total Assets	<u>36,726,847</u>	<u>6,215,930</u>	<u>42,942,777</u>

	Sewer Revenue Fund	Upper Allen Township Authority	Total
Liabilities			
Current liabilities:			
Current portion of general obligation bonds payable	1,205,000	-	1,205,000
Accounts payable	191,424	132,461	323,885
Accrued expenses	11,890	1,208	13,098
Accrued interest payable	63,603	-	63,603
Current portion of compensated absences payable	16,866	1,910	18,776
Total current liabilities	1,488,783	135,579	1,624,362
Noncurrent liabilities:			
Unearned revenue	872,376	-	872,376
General obligation bonds payable	6,733,124	-	6,733,124
Compensated absences payable	24,030	3,450	27,480
Total noncurrent liabilities	7,629,530	3,450	7,632,980
Total Liabilities	9,118,313	139,029	9,257,342
Deferred Inflows of Resources			
Deferred inflows of resources - pension	329,395	-	329,395
Net Position			
Net investment in capital assets	21,676,099	5,523,338	27,199,437
Unrestricted	5,603,040	553,563	6,156,603
Total Net Position	\$ 27,279,139	\$ 6,076,901	\$ 33,356,040

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, 2021

	Sewer Revenue Fund	Upper Allen Township Authority	Total
Operating Revenues:			
Sewer rentals	\$ 4,531,323	\$ -	\$ 4,531,323
Stormwater fees	-	943,403	943,403
Penalty charges	37,907	-	37,907
Total operating revenues	4,569,230	943,403	5,512,633
Operating Expenses:			
Sewage collection expenses	567,819	-	567,819
Sewage disposal expenses	1,004,251	-	1,004,251
Stormwater expenses	-	304,627	304,627
Administrative expenses	833,834	-	833,834
Total operating expenses before amortization and depreciation	2,405,904	304,627	2,710,531
Operating income before amortization and depreciation	2,163,326	638,776	2,802,102
Amortization and depreciation	1,218,159	273,734	1,491,893
Operating Income	945,167	365,042	1,310,209
Non-Operating Revenues (Expenses):			
Interest income	40,416	80	40,496
Pension grant	45,574	-	45,574
Sewer tapping fees	298,683	-	298,683
Miscellaneous revenue	178,340	-	178,340
Interest expense	(275,672)	-	(275,672)
Sale of capital assets	1,598	-	1,598
Total non-operating revenues (expenses)	288,939	80	289,019
Income before capital contributions and transfers	1,234,106	365,122	1,599,228
Capital contributions	421,992	995,285	1,417,277
Transfers in	23,351	2,960	26,311
Change in Net Position	1,679,449	1,363,367	3,042,816
Net Position:			
Beginning of year	25,599,690	4,713,534	30,313,224
End of year	\$ 27,279,139	\$ 6,076,901	\$ 33,356,040

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

UPPER ALLEN TOWNSHIP

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2021

	Sewer Revenue Fund	Upper Allen Township Authority	Total
Cash Flows from Operating Activities:			
Cash received from customers	\$ 4,591,757	\$ 952,278	\$ 5,544,035
Cash payments to employees for services	(761,457)	-	(761,457)
Cash payments to suppliers for goods and services	(1,784,189)	(477,520)	(2,261,709)
Net cash provided by operating activities	2,046,111	474,758	2,520,869
Cash Flows From Non-Capital Financing Activities:			
Miscellaneous revenues	178,340	-	178,340
Transfers	23,351	2,960	26,311
Proceeds from pension grant	45,574	-	45,574
Net cash provided by non-capital financing activities	247,265	2,960	250,225
Cash Flows From Capital and Related Financing Activities:			
Payments for sewer system improvements	(1,098,810)	-	(1,098,810)
Payments for stormwater system improvements	-	(471,910)	(471,910)
Sewer tapping fees	511,108	-	511,108
Premium on bonds issued	259,858	-	259,858
Payments of bonds payable	(1,275,000)	-	(1,275,000)
Payment of interest	(196,907)	-	(196,907)
Net cash used in capital and related financing activities	(1,799,751)	(471,910)	(2,271,661)
Cash Flows From Investing Activities:			
Purchase of investments	(28)	-	(28)
Receipt of interest income	30,041	80	30,121
Net cash provided by investing activities	30,013	80	30,093
Net Increase in Cash and Cash Equivalents	523,638	5,888	529,526
Cash and Cash Equivalents:			
Beginning of year	4,782,573	650,124	5,432,697
End of year	\$ 5,306,211	\$ 656,012	\$ 5,962,223

(Continued)

UPPER ALLEN TOWNSHIP

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2021
(Continued)

	Sewer Revenue Fund	Upper Allen Township Authority	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 945,167	\$ 365,042	\$ 1,310,209
Adjustments to reconcile operating income to net cash provided by operating activities:			
Amortization and depreciation	1,218,159	273,734	1,491,893
Amortization of deferred outflows and inflows of resources	(67,082)	-	(67,082)
(Increase) decrease in:			
Receivables	22,527	8,875	31,402
Prepaid expenses	(8,250)	(661)	(8,911)
Net pension asset	(334,535)	-	(334,535)
Increase (decrease) in:			
Accounts payable	68,526	(172,232)	(103,706)
Accrued expenses	2,713	-	2,713
Compensated absences payable	4,225	-	4,225
Net pension liability	(8,811)	-	(8,811)
Deferred inflows of resources - pension	203,472	-	203,472
Net cash provided by operating activities	<u>\$ 2,046,111</u>	<u>\$ 474,758</u>	<u>\$ 2,520,869</u>
Noncash Capital and Related Financing Activities:			
Capital contributions	<u>\$ 421,992</u>	<u>\$ 995,285</u>	<u>\$ 1,417,277</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, 2021

	Pension and Other Post-Employment Benefit Trust Funds
Assets	
Investments:	
Money market funds	\$ 624,507
Mutual bond funds	13,604,229
Mutual equity funds	12,801,812
Limited partnership	269,530
Total investments	27,300,078
Other receivable	60,494
Total Assets	27,360,572
Net Position	
Restricted for pension benefits	24,703,340
Restricted for other post-employment benefits	2,657,232
Total Net Position	\$ 27,360,572

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, 2021

Additions:

Contributions:

Employer contributions	\$ 1,281,632
Employee contributions	118,859
Total contributions	<u>1,400,491</u>

Investment earnings:

Net appreciation in fair value of investments	2,871,231
Interest and dividends	413,178
Total investment earnings	<u>3,284,409</u>

Less: investment expense	<u>94,938</u>
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Net investment earnings	<u>3,189,471</u>
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Total additions	<u>4,589,962</u>
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Deductions:

Benefits payments	<u>1,389,885</u>
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Total deductions	<u>1,389,885</u>
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Change in Net Position	3,200,077
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Net Position:

Beginning of year	<u>24,160,495</u>
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End of year	<u><u>\$ 27,360,572</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, 2021

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, 2021

- 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 with the Board being substantially the same, 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, 2021

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, 2021

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 with 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, 2021

American Rescue Plan Act (ARPA) Fund

The ARPA Fund is a special revenue fund which accounts for funding of grant funds received under the American Rescue Plan Act of 2021.

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, 2017 Bond Fund, and the 2021 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, other post-employment benefit trust funds, investment trust funds, and private purpose trust funds. Trust funds are used to

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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-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.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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 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	Business-Type
	Activities	Activities
	Estimated	Estimated
	Lives	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, the 2021 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.

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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 have a deficit in excess of the approved budget for the year ended December 31, 2021:

Street Light Fund	\$ 1,198
Fire Company Operating Fund	12,269
Fire Company Escrow Fund	1,522,532
Capital Reserve	25,704

The deficits in excess of the approved budget were covered by the prior year fund balance.

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, 2021, was \$1.50 per \$1,000 of assessed valuation for general purposes, \$.30 per \$1,000 of assessed valuation for fire department operational purposes, \$.50 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

UPPER ALLEN TOWNSHIP

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YEAR ENDED DECEMBER 31, 2021

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 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.

UPPER ALLEN TOWNSHIP

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YEAR ENDED DECEMBER 31, 2021

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 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.

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In the fund financial statements, governmental funds report fund balance in categories based on the level of constraints place 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.

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.

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YEAR ENDED DECEMBER 31, 2021

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.

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, 2021. 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, and such differences may be material.

Pending GASB Pronouncements

GASB has issued statements that will become effective in future years including Statement 87 (Leases), 92 (Omnibus 2020), 96 (Information Technology Arrangements), and 97 (Deferred Compensation Plans), 99 (Omnibus 2022), 100 (Accounting Changes and Error Corrections), and 101 (Compensated Absences). 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

UPPER ALLEN TOWNSHIP

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corporate stocks and bonds, real estate, and other investments consistent with sound business practice.

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, 2021, the Township's book balance was \$16,461,904 and the bank balance was \$16,526,616. Of the bank balance, \$500,000 was covered by federal depository insurance, \$16,026,616 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.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Governmental activities	\$ 10,499,681
Business-type activities	<u>5,962,223</u>
Total cash and cash equivalents	<u><u>\$ 16,461,904</u></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.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

The fair value of the investments of the Township on December 31, 2021 was as follows:

Investments:	Total	Level 1	Level 2	Level 3
Money market funds	\$ 624,507	\$ 624,507	\$ -	\$ -
Mutual bond funds:				
Diversified fixed income	7,086,904	969,126	6,117,778	-
Mutual equity funds:				
Diversified domestic equity	12,763,723	-	12,763,723	-
Diversified international	6,555,414	-	6,555,414	-
Limited partnership	269,530	-	-	269,530
Total investments by fair value level	27,300,078	\$ 1,593,633	\$ 25,436,915	\$ 269,530
Investments measured at net asset value:				
External investment pools	3,167,645			
Total investments	\$ 30,467,723			
Governmental activities		\$ 3,015,891		
Business-type activities		151,754		
Fiduciary funds:				
Pension and other post-employment benefit trust funds		27,300,078		
Total investments		\$ 30,467,723		

At December 31, 2021, the Township has \$269,530 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

UPPER ALLEN TOWNSHIP

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YEAR ENDED DECEMBER 31, 2021

capitalization rate. These unobservable inputs are inter-related. A significant increase in the 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 \$18,451.

At December 31, 2021, the Township has \$2,726,819 invested in Pennsylvania Local Government Investment Trust (PLGIT) and \$440,826 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 Reserve Class shares, which require no minimum balance, no minimum initial investment, and have a one-day minimum investment period, in the amount of \$1,809,350 and \$917,469, 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

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are held by the financial institution's trust department, not in the Township's name. The 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 regarding credit rating. The Township's investments had the following level of exposure to credit risk as of December 31, 2021:

	Fair Value	Rating
External investment pools	\$ 3,167,645	AAA
Money market funds	624,507	AAA
Mutual bond funds	6,117,778	A
Mutual bond funds	969,126	N/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		
		2022	2023-2027	2028-2032
External investment pools	\$ 3,167,645	\$ 3,167,645	\$ -	\$ -
Money market funds	624,507	624,507	-	-
Mutual bond funds	7,086,904	-	-	7,086,904
Total	\$ 10,879,056	\$ 3,792,152	\$ -	\$ 7,086,904

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, 2021 was \$70,239.

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YEAR ENDED DECEMBER 31, 2021

4. Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases/ Transfers In	Decreases/ Transfers Out	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 4,101,461	\$ -	\$ -	\$ 4,101,461
Construction in progress	347,788	170,445	(301,051)	217,182
Total capital assets, not being depreciated	4,449,249	170,445	(301,051)	4,318,643
Capital assets, being depreciated:				
Site improvements	6,207,767	913,057	(2,243)	7,118,581
Buildings and building improvements	15,267,411	74,831	-	15,342,242
Vehicles	2,595,458	306,729	(237,162)	2,665,025
Machinery and equipment	2,147,017	305,238	(92,209)	2,360,046
Office furniture and equipment	159,224	24,970	-	184,194
Infrastructure	21,911,033	3,415,577	-	25,326,610
Total capital assets, being depreciated	48,287,910	5,040,402	(331,614)	52,996,698
Less accumulated depreciation for:				
Site improvements	(1,502,091)	(292,688)	-	(1,794,779)
Buildings and building improvements	(3,271,623)	(389,987)	-	(3,661,610)
Vehicles	(1,536,058)	(256,258)	223,592	(1,568,724)
Machinery and equipment	(1,285,436)	(135,067)	92,114	(1,328,389)
Office furniture and equipment	(123,545)	(12,206)	-	(135,751)
Infrastructure	(5,485,625)	(949,704)	-	(6,435,329)
Total accumulated depreciation	(13,204,378)	(2,035,910)	315,706	(14,924,582)
Total capital assets, being depreciated, net	35,083,532	3,004,492	(15,908)	38,072,116
Governmental activities, capital assets, net	\$ 39,532,781	\$ 3,174,937	\$ (316,959)	\$ 42,390,759

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

	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	922,572	448,963	(813,610)	557,925
Total capital assets, not being depreciated	1,095,287	448,963	(813,610)	730,640
Capital assets, being depreciated:				
Site improvements	11,465	-	-	11,465
Infrastructure	5,091,953	995,285	-	6,087,238
Disposal plant and pumping stations	19,507,826	-	(37,161)	19,470,665
Sewer gathering lines	22,029,325	1,491,197	-	23,520,522
Construction period interest	1,444,609	-	-	1,444,609
Vehicles	645,527	-	-	645,527
Machinery and equipment	253,252	54,750	(21,842)	286,160
Total capital assets, being depreciated	48,983,957	2,541,232	(59,003)	51,466,186
Less accumulated depreciation for:				
Infrastructure	(847,603)	(268,582)	-	(1,116,185)
Disposal plant and pumping stations	(11,201,723)	(433,554)	25,525	(11,609,752)
Sewer gathering lines	(7,958,035)	(532,971)	-	(8,491,006)
Construction period interest	(1,312,080)	(5,804)	-	(1,317,884)
Vehicles	(474,056)	(42,873)	-	(516,929)
Machinery and equipment	(231,162)	(6,379)	21,826	(215,715)
Total accumulated depreciation	(22,024,659)	(1,290,163)	47,351	(23,267,471)
Total capital assets, being depreciated, net	26,959,298	1,251,069	(11,652)	28,198,715
Business-type activities, capital assets, net	\$ 28,054,585	\$ 1,700,032	\$ (825,262)	\$ 28,929,355
Sewer improvement costs, being amortized	\$ 8,069,213	\$ -	\$ -	\$ 8,069,213
Amortization	(1,631,928)	(201,730)	-	(1,833,658)
Business-type activities, sewer improvement costs, net	\$ 6,437,285	\$ (201,730)	\$ -	\$ 6,235,555

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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

Governmental activities:	
General government administration	\$ 256,197
Public safety police protection	149,330
Public safety building regulation and planning	4,201
Public safety emergency management	1,828
Public safety fire protection	110,713
Public works - highways, roads, and streets	1,117,964
Culture - recreation	395,677
Total depreciation expense - governmental activities	<u>\$ 2,035,910</u>
Business-type activities:	
Sewer Fund	\$ 1,218,159
Upper Allen Township Authority	273,734
Total depreciation and amortization expense - business-type activities	<u>\$ 1,491,893</u>

5. Long-Term Debt

Governmental Activities

During the year ended December 31, 2021, governmental activities long-term debt changed as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
General obligation bonds	\$ 7,575,000	\$ 6,590,000	\$ (5,425,000)	\$ 8,740,000	\$ 645,000
Original issue premium	101,997	457,966	(112,998)	446,965	-
Compensated absences	132,505	322,510	(332,773)	122,242	98,353
Total long-term debt	<u>\$ 7,809,502</u>	<u>\$ 7,370,476</u>	<u>\$ (5,870,771)</u>	<u>\$ 9,309,207</u>	<u>\$ 743,353</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

General Obligation Bonds

General Obligation Bonds are typically liquidated by the General Fund.

On June 23, 2021, the Township issued General Obligation Bonds, Series of 2021, in the aggregate principal amount of \$9,110,000. The proceeds of this bond issue were to be used for: (1) the current refunding of the Township's General Obligation Bonds, Series of 2015 and General Obligation Note, Series of 2016; (2) funding certain capital projects of the Township; and (3) paying costs and expenses related to the bond issuance. The proceeds of the General Obligation Bonds, Series of 2021 are allocated \$6,590,000 and \$2,520,000 between governmental activities and business-type activities, respectively.

The current refunding reduced total debt service by \$153,479 through the year 2041 and resulted in an economic gain (difference between present value of the old and new debt service payments) in the amount of \$158,528.

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. The General Obligation Note, Series of 2016 note was currently refunded with the issuance of the General Obligation Bonds, Series of 2021.

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 General Obligation Bonds, Series of 2021 bonds were currently refunded with the issuance of the General Obligation Bonds, Series of 2021.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

The aggregate debt service requirement for the governmental activities portion of the General Obligation Bonds, Series of 2017, as of December 31, 2021 is as follows:

For the Year Ending December 31,	Principal Maturities	Interest	Total Debt Service
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	95,000	60,449	155,449
2027-2031	520,000	263,676	783,676
2032-2036	600,000	187,989	787,989
2037-2041	700,000	85,863	785,863
2042	155,000	2,596	157,596
Total	<u>\$ 2,430,000</u>	<u>\$ 864,590</u>	<u>\$ 3,294,590</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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 Rate	Amount
May 15, 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>\$ 2,430,000</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

The aggregate debt service requirement for the governmental activities portion of the General Obligation Bonds, Series of 2021, as of December 31, 2021 is as follows:

For the Year Ending December 31,	Principal Maturities	Interest	Total Debt Service
2022	\$ 560,000	\$ 194,300	\$ 754,300
2023	400,000	166,300	566,300
2024	420,000	146,300	566,300
2025	435,000	125,300	560,300
2026	455,000	103,550	558,550
2027-2031	2,515,000	305,200	2,820,200
2032-2036	955,000	97,500	1,052,500
2037-2041	570,000	34,700	604,700
Total	<u>\$ 6,310,000</u>	<u>\$ 1,173,150</u>	<u>\$ 7,483,150</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

The governmental activities portion of the General Obligation Bonds, Series of 2021, are due serially on August 15, with interest payable semi-annually and principal maturities as follows:

Date of Maturity	Interest Rate	Amount
August 15, 2022	2.000%	\$ 560,000
2023	5.000%	400,000
2024	5.000%	420,000
2025	5.000%	435,000
2026	5.000%	455,000
2027	2.000%	485,000
2028	2.000%	495,000
2029	2.000%	500,000
2030	2.000%	515,000
2031	2.000%	520,000
2032	2.000%	530,000
2033	2.000%	105,000
2034	2.000%	105,000
2035	2.000%	105,000
2036	2.000%	110,000
2037	2.000%	110,000
2038	2.000%	110,000
2039	2.000%	115,000
2040	2.000%	115,000
2041	2.000%	120,000
		<u>\$ 6,310,000</u>

Compensated Absences

Compensated absences are typically liquidated by the General Fund.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Business-Type Activities (Sewer Revenue Fund)

During the year ended December 31, 2021, business-type activities long-term debt changed as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
General obligation bonds	\$ 9,110,000	\$ 2,520,000	\$ (4,005,000)	\$ 7,625,000	\$ 1,205,000
Original issue premium	115,289	259,858	(62,023)	313,124	-
Compensated absences	36,671	96,689	(87,104)	46,256	18,776
Total long-term debt	<u>\$ 9,261,960</u>	<u>\$ 2,876,547</u>	<u>\$ (4,154,127)</u>	<u>\$ 7,984,380</u>	<u>\$ 1,223,776</u>

The aggregate debt service requirement for the governmental activities portion of the General Obligation Bonds, Series of 2017, as of December 31, 2021 is as follows:

For the Year Ending December 31,	Principal Maturities	Interest	Total Debt Service
2022	\$ 410,000	\$ 123,375	\$ 533,375
2023	420,000	111,275	531,275
2024	430,000	102,475	532,475
2025	440,000	92,565	532,565
2026	450,000	81,218	531,218
2027-2031	2,435,000	225,611	2,660,611
2032	525,000	6,694	531,694
Total	<u>\$ 5,110,000</u>	<u>\$ 743,213</u>	<u>\$ 5,853,213</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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, 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>\$ 5,110,000</u>

The aggregate debt service requirement for the governmental activities portion of the General Obligation Bonds, Series of 2021, as of December 31, 2021 is as follows:

For the Year Ending December 31,	Principal Maturities	Interest	Total Debt Service
2022	\$ 795,000	\$ 125,750	\$ 920,750
2023	835,000	86,000	921,000
2024	885,000	44,250	929,250
Total	<u>\$ 2,515,000</u>	<u>\$ 256,000</u>	<u>\$ 2,771,000</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

The business-type activities portion of the General Obligation Bonds, Series of 2021, are due serially on August 15, with interest payable semi-annually and principal maturities as follows:

Date of Maturity	Interest	
	Rate	Amount
August 15, 2022	2.000%	\$ 795,000
2023	5.000%	835,000
2024	5.000%	885,000
		<u>\$ 2,515,000</u>

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

Year	Principal	Interest	Total Debt
	Maturities		Service
2022	\$ 1,205,000	\$ 249,125	\$ 1,454,125
2023	1,255,000	197,275	1,452,275
2024	1,315,000	146,725	1,461,725
2025	440,000	92,565	532,565
2026	450,000	81,218	531,218
2027-2031	2,435,000	225,611	2,660,611
2032	525,000	6,694	531,694
Totals	<u>\$ 7,625,000</u>	<u>\$ 999,213</u>	<u>\$ 8,624,213</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, 2021.

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, 2021.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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.

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.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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, 2021, the Plan's membership data was as follows:

	Police Pension Plan	Employees Pension Plan
Active employees	24	15
Inactive employees or beneficiaries currently receiving benefits	10	30
Inactive employees entitled to but not yet receiving benefits	2	9
Total	36	54

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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, 2021

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, 2021, there were no members in the DROP.

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, 2021

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 \$631,933 to the Police Pension Plan for the year ended December 31, 2021.

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 \$465,827 to the Employees Pension Plan for the year ended December 31, 2021.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Changes in Net Pension Liability (Asset)

The changes in the net pension liability (asset) of the Township for the year ended December 31, 2021 were as follows:

Police Pension Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset)/Liability
Balances at December 31, 2020	\$ 13,548,306	\$ 12,911,831	\$ 636,475
Changes for the year:			
Service cost	397,260	-	397,260
Interest	1,055,356	-	1,055,356
Change in experience	141,865	-	141,865
Contributions - employer	-	631,933	(631,933)
Contributions - employee	-	118,859	(118,859)
Net investment income	-	1,711,630	(1,711,630)
Benefit payments, including refunds	(752,702)	(752,702)	-
Administrative expense	-	(10,600)	10,600
Net changes	841,779	1,699,120	(857,341)
Balances at December 31, 2021	<u>\$ 14,390,085</u>	<u>\$ 14,610,951</u>	<u>\$ (220,866)</u>
Plan fiduciary net position as a percentage of the total pension liability			<u>101.5%</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Employees Pension Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset)/Liability
Balances at December 31, 2020	\$ 8,971,823	\$ 8,743,467	\$ 228,356
Changes for the year:			
Service cost	80,741	-	80,741
Interest	678,119	-	678,119
Change in experience	(46,578)	-	(46,578)
Contributions - employer	-	465,827	(465,827)
Net investment income	-	1,165,164	(1,165,164)
Benefit payments, including refunds	(512,139)	(512,139)	-
Administrative expense	-	(13,500)	13,500
Net changes	200,143	1,105,352	(905,209)
Balances at December 31, 2021	\$ 9,171,966	\$ 9,848,819	\$ (676,853)
Plan fiduciary net position as a percentage of the total pension liability			107.4%

The net pension (asset)/liability of the Employees Pension Plan is allocated between the governmental activities and the business-type activity in the amounts of (\$342,318) and (\$334,535), respectively, at December 31, 2021.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Actuarial Assumptions

For the Plans, the net pension liability (asset) was determined as part of an actuarial valuation at January 1, 2021. Update procedures were used to rollforward to the Plan's fiscal plan year ending December 31, 2021. 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, including rates for disabled retirees and contingent survivors with rates projected generationally using Scale MO-2018 to reflect mortality improvement	PubS-2010 Mortality Table, including rates for disabled retirees and contingent survivors 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

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments, or industries.

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, 2021 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, 2021, the annual money-weighted rate of return on the Police Pension Plan investments, net of investment expense, was 13.88%. For the year ended December 31, 2021, the annual money-weighted rate of return on the Employees Pension Plan investments, net of investment expense, was 13.94%.

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, 2021.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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>\$ 1,743,034</u>	<u>\$ (220,866)</u>	<u>\$ (1,838,311)</u>
Employees Pension Plan	<u>\$ 154,399</u>	<u>\$ (676,853)</u>	<u>\$ (1,391,103)</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the Township recognized pension expense of (\$98,639), comprised of the Police Pension Plan (\$44,468) and the Employee Pension Plan (\$54,171); (\$68,395) in the governmental activities and (\$30,244) in the business-type activity. At December 31, 2021, 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	\$ 466,652	\$ -
Difference between expected and actual experience	126,102	-
Total Police Pension Plan	592,754	-
Total deferred outflows of resources	<u>\$ 592,754</u>	<u>\$ -</u>
<u>Deferred Inflows of Resources:</u>		
Police Pension Plan:		
Changes of assumptions	\$ 32,041	\$ -
Net difference between projected and actual earnings on pension plan investments	1,267,867	-
Differences between expected and actual experience	262,293	-
Total Police Pension Plan	1,562,201	-
Employees Pension Plan:		
Net difference between projected and actual earnings on pension plan investments	527,490	316,583
Differences between expected and actual experience	18,240	12,812
Total Employees Pension Plan	545,730	329,395
Total deferred inflows of resources	<u>\$ 2,107,931</u>	<u>\$ 329,395</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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:

	Police Pension Plan	Employees Pension Plan		
	Governmental Activities	Governmental Activities	Business-Type Activity	Total
Year ending December 31,				
2022	\$ (263,478)	\$ (112,983)	\$ (85,552)	\$ (198,535)
2023	(520,731)	(296,374)	(85,552)	(381,926)
2024	(284,448)	(117,547)	(79,146)	(196,693)
2025	(57,317)	(18,826)	(79,145)	(97,971)
2026	62,501	-	-	-
Thereafter	94,026	-	-	-
	<u>\$ (969,447)</u>	<u>\$ (545,730)</u>	<u>\$ (329,395)</u>	<u>\$ (875,125)</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, 2021 was \$60,494. As of December 31, 2021, the Township owes the plan \$60,494.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Pension Financial Statements

Financial statements for the individual pension plans are presented below:

Statement of Fiduciary Net Position December 31, 2021

	Police Pension Trust Fund	Employees Pension Trust Fund	Employees Retirement Trust Fund
Assets:			
Investments	\$ 14,610,951	\$ 9,819,495	\$ 212,400
Due from (to) other funds	-	29,324	(29,324)
Total assets	14,610,951	9,848,819	183,076
Net position restricted for pension benefits	<u>\$ 14,610,951</u>	<u>\$ 9,848,819</u>	<u>\$ 243,570</u>

Statement of Changes in Fiduciary Net Position Year Ended December 31, 2021

	Police Pension Trust Fund	Employees Pension Trust Fund	Employee Retirement Fund
Additions:			
Contributions:			
Employer contributions	\$ 631,933	\$ 465,827	\$ 60,494
Employee contributions	118,859	-	-
Total contributions	750,792	465,827	60,494
Investment earnings:			
Net appreciation in fair value of investments	1,527,034	1,039,868	17,872
Interest and dividends	219,680	149,610	2,860
Total investment earnings	1,746,714	1,189,478	20,732
Less: investment expense	45,684	37,816	1,879
Net investment earnings	1,701,030	1,151,662	18,853
Total additions	2,451,822	1,617,489	79,347
Deductions:			
Benefits payments	752,702	512,137	29,324
Total deductions	752,702	512,137	29,324
Change in net position	1,699,120	1,105,352	50,023
Net position restricted for pension benefits:			
Beginning of year	12,911,831	8,743,467	193,547
End of year	<u>\$ 14,610,951</u>	<u>\$ 9,848,819</u>	<u>\$ 243,570</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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, 2021, 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	<u>2</u>
Total	<u><u>25</u></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, 2021

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, 2021, the Township contributed \$123,378 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, 2021

Net OPEB Liability

The changes in the net OPEB liability of the OPEB Plan for the year ended December 31, 2021 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2020	\$ 2,584,197	\$ 2,311,650	\$ 272,547
Changes for the year:			
Service cost	101,103	-	101,103
Interest	210,676	-	210,676
Difference between expected and actual experience	(87,006)	-	(87,006)
Changes of assumptions	59,468	-	59,468
Contributions - employer	-	123,378	(123,378)
Net investment income	-	327,485	(327,485)
Benefit payments, including refunds	(95,722)	(95,722)	-
Administrative expense	-	(9,559)	9,559
Net changes	188,519	345,582	(157,063)
Balances at December 31, 2021	<u>\$ 2,772,716</u>	<u>\$ 2,657,232</u>	<u>\$ 115,484</u>
Plan fiduciary net position as a percentage of the total OPEB liability			<u>95.8%</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Actuarial Assumptions

The total OPEB liability was measured as of December 31, 2021 and was determined by rolling forward the liabilities from the January 1, 2021 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	7.75%
Salary increases	4.75%
Medical inflation	5.5% in 2021, 6.5% in 2022, 6.0% in 2023, and 5.5% in 2024 through 2025. Rates will gradually decrease from 5.4% in 2026 to 3.9% in 2075 and later
Mortality table	PubS-2010 mortality table, including rates for disabled retirees and contingent survivors 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 8.00% to 7.75% for the measurement date of December 31, 2021.

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

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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.

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 (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 allocation and best estimates of arithmetic real rates of return for each major asset class for the OPEB Plan as of December 31, 2021 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, 2021, the annual money-weighted rate of return on OPEB Plan investments, net of investment expense, was 14.35%.

Concentrations

At December 31, 2021, none of the OPEB Plan's investments were more than five percent of the OPEB Plan's total asset value.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Discount Rate

The discount rate used to measure the total OPEB liability as of December 31, 2021 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 OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB (Asset) Liability to Changes in the Discount Rate

The following presents the net OPEB (asset) 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, 2021:

1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
<u>\$ 375,865</u>	<u>\$ 115,484</u>	<u>\$ (118,643)</u>

Sensitivity of the Net OPEB (Asset) 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 or higher than the current rates (5.5%) as of December 31, 2021:

1% Decrease	Current Rates	1% Increase
<u>\$ (212,784)</u>	<u>\$ 115,484</u>	<u>\$ 502,530</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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

For the year ended December 31, 2021, the Township recognized OPEB expense of \$52,028 in the governmental activities. At December 31, 2021, 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	\$ 106,048
Total deferred outflows of resources	<u>\$ 106,048</u>
<u>Deferred Inflows of Resources:</u>	
Net difference between projected and actual earnings on OPEB plan investments	\$ 241,648
Changes of assumptions	50,903
Difference between expected and actual experience	<u>153,763</u>
Total deferred inflows of resources	<u>\$ 446,314</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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>
2022	\$ (63,627)
2023	(110,491)
2024	(66,993)
2025	(37,641)
2026	(9,276)
Thereafter	(52,238)
	<u>\$ (340,266)</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

The financial statement for the OPEB trust is presented below:

Statement of Fiduciary Net Position December 31, 2021

Assets:

Investments	\$ 2,657,232
Net position restricted for other post-employment benefits	<u>\$ 2,657,232</u>

Statement of Changes in Fiduciary Net Position Year Ended December 31, 2021

Additions:

Contributions:

Employer contributions	\$ 123,378
Total contributions	<u>123,378</u>

Investment earnings:

Net appreciation in fair value of investments	286,457
Interest and dividends	<u>41,028</u>
Total investment earnings	327,485

Less: investment expense	<u>9,559</u>
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Net investment earnings	<u>317,926</u>
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Total additions	<u>441,304</u>
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Deductions:

Benefit payments	<u>95,722</u>
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Total deductions	<u>95,722</u>
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Change in net position	345,582
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Net position restricted for other post-employment benefits:

Beginning of year	<u>2,311,650</u>
End of year	<u>\$ 2,657,232</u>

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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, 2021 was 17.00%. The Township's share of operating expenses for the year ended December 31, 2021 was \$682,425. 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, 2021, the Township's share of capital additions and improvements was \$8,069,213 and accumulated amortization at December 31, 2021 was \$1,833,658.

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, 2021 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 \$32,349 as of December 31, 2021.

UPPER ALLEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

10. Interfund Balances and Transfers

There were no interfund balances at December 31, 2021.

A reconciliation of interfund transfers (not including transfers between governmental activities and business-type activities) for the year ended December 31, 2021 is as follows:

	Transfers In	Transfers Out
General Fund	\$ 104,286	\$ 1,011,263
Capital Reserve Fund	1,000,000	124,004
ARPA Fund	-	127,834
Nonmajor Governmental Funds:		
Street Light Fund	8,500	-
Recreation Land Acquisition Fund	79,004	
Fire Company Operating Fund	-	300,000
Fire Company Escrow Fund	300,000	-
Park Improvement Fund	45,000	-
Sewer Fund	23,351	-
	<u>\$ 1,560,141</u>	<u>\$ 1,563,101</u>
Upper Allen Township Authority	2,960	-
	<u><u>\$ 1,563,101</u></u>	<u><u>\$ 1,563,101</u></u>

Interfund transfers are primarily for debt service payments, budgeted capital expenditures, and payment of salaries and wages.

11. Subsequent Events

In March 2022, the Authority awarded contracts for various stormwater projects in the amount of \$180,637.

Subsequent to December 31, 2021, the Township entered into contracts for various capital projects in the amount of \$4,363,424. The Township also entered into a contribution and 25-year signage licensing agreement in the amount of \$250,000; one-half to be paid during each of the years ended December 31, 2022 and 2023.

REQUIRED SUPPLEMENTARY INFORMATION

UPPER ALLEN TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLANS

SCHEDULE OF CHANGES IN THE POLICE PENSION PLAN'S NET PENSION (ASSET)/LIABILITY AND RELATED RATIOS

	2021*	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:								
Service cost	\$ 397,260	\$ 370,397	\$ 353,601	\$ 309,662	\$ 294,916	\$ 259,375	\$ 247,024	\$ 250,658
Interest	1,055,356	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	141,865	-	(96,796)	-	(71,596)	-	(553,132)	-
Benefit payments, including refunds	(752,702)	(663,507)	(335,971)	(636,350)	(216,400)	(213,872)	(212,915)	(211,643)
Net Changes in Total Pension Liability	841,779	695,124	1,363,012	533,734	1,088,769	779,330	(1,257)	720,157
Total Pension Liability - Beginning	13,548,306	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)	\$ 14,390,085	\$ 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	\$ 631,933	\$ 463,102	\$ 441,233	\$ 278,778	\$ 278,778	\$ 271,678	\$ 409,217	\$ 332,303
Contributions - employee	118,859	108,618	101,460	92,363	87,515	89,338	88,706	90,041
Net investment income (loss)	1,711,630	1,679,962	1,903,964	(498,046)	1,314,002	506,276	23,785	357,073
Benefit payments, including refunds	(752,702)	(663,507)	(335,971)	(636,350)	(216,400)	(213,872)	(212,915)	(211,643)
Administrative expense	(10,600)	(7,000)	-	(4,000)	(7,800)	(3,000)	(7,000)	(9,300)
Net Change in Plan Fiduciary Net Position	1,699,120	1,581,175	2,110,686	(767,255)	1,456,095	650,420	301,793	558,474
Plan Fiduciary Net Position - Beginning	12,911,831	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)	\$ 14,610,951	\$ 12,911,831	\$ 11,330,656	\$ 9,219,970	\$ 9,987,225	\$ 8,531,130	\$ 7,880,710	\$ 7,578,917
Net Pension (Asset)/Liability - Ending (a-b)	\$ (220,866)	\$ 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	101.53%	95.30%	88.15%	80.24%	91.15%	86.46%	86.71%	83.38%
Covered Payroll	\$ 2,422,175	\$ 2,220,546	\$ 2,029,205	\$ 1,893,540	\$ 1,691,664	\$ 1,685,653	\$ 1,664,211	\$ 1,761,799
Net Pension (Asset)/Liability as a Percentage of Covered Payroll	-9.12%	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 (ASSET)/LIABILITY AND RELATED RATIOS

	2021*	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:								
Service cost	\$ 80,741	\$ 109,391	\$ 104,431	\$ 205,305	\$ 195,529	\$ 215,081	\$ 204,839	\$ 216,923
Interest	678,119	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	(46,578)	-	(96,735)	-	(20,107)	-	(207,867)	-
Benefit payments, including refunds	(512,139)	(377,720)	(349,845)	(295,495)	(261,797)	(257,737)	(243,156)	(233,098)
Net Changes in Total Pension Liability	200,143	390,560	745,809	501,158	713,456	457,322	279,133	428,339
Total Pension Liability - Beginning	8,971,823	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)	\$ 9,171,966	\$ 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	\$ 465,827	\$ 377,073	\$ 386,155	\$ 401,401	\$ 302,752	\$ 306,166	\$ 339,553	\$ 304,603
Net investment income (loss)	1,165,164	1,087,275	1,337,452	(386,862)	897,064	333,194	16,061	238,670
Benefit payments, including refunds	(512,139)	(377,720)	(349,845)	(295,495)	(261,797)	(257,737)	(243,156)	(233,098)
Administrative expense	(13,500)	(7,400)	-	(3,800)	(8,400)	(3,800)	(6,400)	(8,000)
Net Change in Plan Fiduciary Net Position	1,105,352	1,079,228	1,373,762	(284,756)	929,619	377,823	106,058	302,175
Plan Fiduciary Net Position - Beginning	8,743,467	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)	\$ 9,848,819	\$ 8,743,467	\$ 7,664,239	\$ 6,290,477	\$ 6,575,233	\$ 5,645,614	\$ 5,267,791	\$ 5,161,733
Net Pension (Asset)/Liability - Ending (a-b)	\$ (676,853)	\$ 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	107.38%	97.45%	89.31%	80.28%	89.65%	85.27%	85.47%	87.72%
Covered Payroll	\$ 1,024,277	\$ 1,213,479	\$ 1,442,257	\$ 1,517,884	\$ 1,552,320	\$ 1,552,825	\$ 1,566,894	\$ 1,546,762
Net Pension (Asset)/Liability as a Percentage of Covered Payroll	-66.08%	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	2021*	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 631,933	\$ 463,102	\$ 441,233	\$ 278,155	\$ 278,778	\$ 271,678	\$ 409,217	\$ 332,303	\$ 344,077	\$ 267,283
Contributions in relation to the actuarially determined contributions	<u>631,933</u>	<u>463,102</u>	<u>441,233</u>	<u>278,778</u>	<u>278,778</u>	<u>271,678</u>	<u>409,217</u>	<u>332,303</u>	<u>344,077</u>	<u>267,283</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (623)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 2,422,175</u>	<u>\$ 2,220,546</u>	<u>\$ 1,893,540</u>	<u>\$ 1,893,540</u>	<u>\$ 1,691,664</u>	<u>\$ 1,685,653</u>	<u>\$ 1,664,211</u>			
Contributions as a percentage of covered payroll	<u>26.09%</u>	<u>20.86%</u>	<u>23.30%</u>	<u>14.72%</u>	<u>16.48%</u>	<u>16.12%</u>	<u>24.59%</u>			
Investment Returns										
Annual money-weighted rate of return, net of investment expense	<u>13.88%</u>	<u>14.86%</u>	<u>20.82%</u>	<u>-4.41%</u>	<u>16.44%</u>	<u>6.88%</u>	<u>0.76%</u>			

EMPLOYEES PENSION PLAN:

Schedule of Township Contributions	2021*	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 465,827	\$ 377,073	\$ 386,155	\$ 301,397	\$ 302,752	\$ 306,166	\$ 339,553	\$ 304,583	\$ 305,226	\$ 284,299
Contributions in relation to the actuarially determined contributions	<u>465,827</u>	<u>377,073</u>	<u>386,155</u>	<u>401,401</u>	<u>302,752</u>	<u>306,166</u>	<u>339,553</u>	<u>304,603</u>	<u>315,372</u>	<u>284,601</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (100,004)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20)</u>	<u>\$ (10,146)</u>	<u>\$ (302)</u>
Covered payroll	<u>\$ 1,024,277</u>	<u>\$ 1,213,479</u>	<u>\$ 1,442,257</u>	<u>\$ 1,517,884</u>	<u>\$ 1,552,320</u>	<u>\$ 1,552,825</u>	<u>\$ 1,566,894</u>			
Contributions as a percentage of covered payroll	<u>45.48%</u>	<u>31.07%</u>	<u>26.77%</u>	<u>26.44%</u>	<u>19.50%</u>	<u>19.72%</u>	<u>21.67%</u>			
Investment Returns										
Annual money-weighted rate of return, net of investment expense	<u>13.94%</u>	<u>14.86%</u>	<u>20.95%</u>	<u>-4.69%</u>	<u>16.51%</u>	<u>6.87%</u>	<u>0.78%</u>			

* 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, 2021

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, 2021 are as follows:

	Police Pension Plan	Employees Pension Plan
Actuarial valuation date	1/1/2019	1/1/2019
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar closed	Level dollar closed
Remaining amortization period	13 years	7 years
Asset valuation method	Market value	Market value
Actuarial assumptions:		
Investment rate of return	7.75%	7.75%
Projected salary increases	4.75%	4.75%
Underlying inflation rate	3.00%	3.00%
Mortality	PubS-2010 tables including rates for disabled retirees and contingent survivors with rates projected generationally using Scale MP-2018 to reflect mortality improvement	PubS-2010 tables including rates for disabled retirees and contingent survivors with rates projected generationally using Scale MP-2020 to reflect mortality improvement

UPPER ALLEN TOWNSHIP

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLANS

YEAR ENDED DECEMBER 31, 2021

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 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.

During the year ended December 31, 2019, the investment rate of return was updated from 8.00% to 7.75%, projected salary increase was updated from 5.00% to 4.75%, and the mortality tables were updated from IRS 2017 Static Combined Table for Small Plans to PubS-2010 Mortality table.

UPPER ALLEN TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN

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

	2021*	2020	2019	2018	2017
Total OPEB Liability:					
Service cost	\$ 101,103	\$ 100,347	\$ 85,354	\$ 84,490	\$ 83,199
Interest	210,676	193,041	187,589	175,953	161,023
Difference between expected and actual experience	(87,006)	-	(95,485)	-	-
Changes of assumptions	59,468	(42,617)	66,499	(21,438)	-
Benefit payments, including refunds	(95,722)	(124,546)	(99,263)	(88,688)	(23,666)
Net Changes in Total OPEB Liability	188,519	126,225	144,694	150,317	220,556
Total OPEB Liability - Beginning	2,584,197	2,457,972	2,313,278	2,162,961	1,942,405
Total OPEB Liability - Ending (a)	\$ 2,772,716	\$ 2,584,197	\$ 2,457,972	\$ 2,313,278	\$ 2,162,961
Plan Fiduciary Net Position:					
Contributions - employer	\$ 123,378	\$ 201,571	\$ 169,010	\$ 190,139	\$ 178,871
Net investment income (loss)	327,485	300,094	343,266	(113,426)	197,467
Benefit payments, including refunds	(95,722)	(124,546)	(99,263)	(88,688)	(23,666)
Administrative expense	(9,559)	(11,290)	(8,684)	(4,300)	(1,576)
Net Change in Plan Fiduciary Net Position	345,582	365,829	404,329	(16,275)	351,096
Plan Fiduciary Net Position - Beginning	2,311,650	1,945,821	1,541,492	1,557,767	1,206,671
Plan Fiduciary Net Position - Ending (b)	\$ 2,657,232	\$ 2,311,650	\$ 1,945,821	\$ 1,541,492	\$ 1,557,767
Net OPEB Liability - Ending (a-b)	\$ 115,484	\$ 272,547	\$ 512,151	\$ 771,786	\$ 605,194
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	95.83%	89.45%	79.16%	66.64%	72.02%

Contributions to the OPEB plan are not based on a measure of pay and, as such, no measure of payroll is presented.

* 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	2021*	2020	2019	2018	2017
Actuarially determined contribution	\$ 123,378	\$ 201,571	\$ 169,010	\$ 190,139	\$ 173,666
Contributions in relation to the actuarially determined contribution	<u>123,378</u>	<u>201,571</u>	<u>169,010</u>	<u>190,139</u>	<u>178,871</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,205)</u>
Investment Returns					
Annual money-weighted rate of return, net of investment expense	14.35%	15.52%	21.28%	-5.82%	16.57%

Contributions to the OPEB plan are not based on a measure of pay and, as such, no measure of payroll is presented.

* 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, 2021

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, 2021 are as follows:

Actuarial valuation date	1/1/2021
Actuarial cost method	Entry age normal, level dollar
Actual value of assets	Market value
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases	4.75%
Medical inflation rate	5.5% in 2021, 6.5% in 2022, 6.0% in 2023, and 5.5% in 2024 through 2025. Rates gradually decrease from 5.4% in 2026 to 3.9% in 2075 and later.
Retirement age	Latest of age 53, age at completion of 28 years of service, or age on the valuation date.
Mortality table	PubS-2010 mortality table with rates, including rates for disabled retirees and contingent survivors, projected generationally using Scale MP-2018 to reflect mortality improvement

2. Significant Factors Affecting Schedules

During the year ended December 31, 2021, the discount rate was changed from 8.00% to 7.75% and the medical inflation rates and periods were updated. In addition, the retirement age was changed from age 50 and completion of 25 years of service to latest of age 53, age at completion of 28 years of services, or age on the valuation date.

UPPER ALLEN TOWNSHIP

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB PLAN

YEAR ENDED DECEMBER 31, 2021

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, 2021

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, 2021

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.

2021 Bond Fund

The 2021 Bond Fund was established to account for financing that is restricted for the planning, design, acquisition, construction, and furnishing and equipping a turf soccer field and stadium, and certain recreational facilities and other buildings and facilities of the Township.

UPPER ALLEN TOWNSHIP
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	Special Revenue				
	Street Light Fund	Fire Hydrant Fund	Highway Aid Fund	Recreation Land Acquisition Fund	Crime Prevention Fund
Assets					
Cash and cash equivalents	\$ 48,636	\$ 180,708	\$ 427,638	\$ 339,295	\$ 3,894
Investments	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Other receivables	827	1,254	-	-	-
Prepaid expenditures	-	-	-	-	-
Total Assets	\$ 49,463	\$ 181,962	\$ 427,638	\$ 339,295	\$ 3,894
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$ 8,774	\$ 11,716	\$ 8,020	\$ 5,000	\$ -
Total Liabilities	8,774	11,716	8,020	5,000	-
Deferred Inflows of Resources:					
Unavailable revenue - taxes	-	-	-	-	-
Unavailable revenue - assessments	827	930	-	-	-
Total Deferred Inflows of Resources	827	930	-	-	-
Fund Balance:					
Non-spendable	-	-	-	-	-
Restricted for:					
Police protection	-	-	-	-	-
Fire protection	-	169,316	-	-	-
Public works	-	-	170,549	-	-
Culture - recreation	-	-	-	334,295	-
Capital projects	-	-	-	-	-
Committed for:					
Police protection	-	-	-	-	3,894
Fire protection	-	-	-	-	-
Public works	39,862	-	249,069	-	-
Culture - recreation	-	-	-	-	-
Total Fund Balance	39,862	169,316	419,618	334,295	3,894
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 49,463	\$ 181,962	\$ 427,638	\$ 339,295	\$ 3,894

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	2021 Bond Fund	
\$ 612	\$ 328,877	\$ 103,957	\$ 211,112	\$ 24,178	\$ -	\$ 155,655	\$ 1,824,562
-	-	-	-	-	565	1,803,454	1,804,019
-	11,086	-	3,764	-	-	-	14,850
-	-	-	-	-	-	-	2,081
-	412	-	-	-	-	-	412
<u>\$ 612</u>	<u>\$ 340,375</u>	<u>\$ 103,957</u>	<u>\$ 214,876</u>	<u>\$ 24,178</u>	<u>\$ 565</u>	<u>\$ 1,959,109</u>	<u>\$ 3,645,924</u>
\$ -	\$ 9,130	\$ -	\$ -	\$ -	\$ -	\$ 2,461	\$ 45,101
-	9,130	-	-	-	-	2,461	45,101
-	8,142	-	2,768	-	-	-	10,910
-	-	-	-	-	-	-	1,757
-	8,142	-	2,768	-	-	-	12,667
-	412	-	-	-	-	-	412
612	-	-	-	-	-	-	612
-	221,887	-	-	-	-	-	391,203
-	-	-	-	-	-	-	170,549
-	-	-	178,941	24,178	-	-	537,414
-	-	-	-	-	565	1,956,648	1,957,213
-	-	-	-	-	-	-	3,894
-	100,804	103,957	-	-	-	-	204,761
-	-	-	-	-	-	-	288,931
-	-	-	33,167	-	-	-	33,167
612	323,103	103,957	212,108	24,178	565	1,956,648	3,588,156
<u>\$ 612</u>	<u>\$ 340,375</u>	<u>\$ 103,957</u>	<u>\$ 214,876</u>	<u>\$ 24,178</u>	<u>\$ 565</u>	<u>\$ 1,959,109</u>	<u>\$ 3,645,924</u>

UPPER ALLEN TOWNSHIP

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

YEAR ENDED DECEMBER 31, 2021

	Special Revenue				
	Street Light Fund	Fire Hydrant Fund	Highway Aid Fund	Recreation Land Acquisition Fund	Crime Prevention Fund
Revenues:					
Real estate taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments	46,100	107,890	-	248,400	-
Interest and rents	5	25	84	59	-
Intergovernmental revenue	-	-	561,187	200,000	-
Charges for services	-	-	24,276	-	-
Donations and contributions from private sources	-	-	-	-	941
Miscellaneous revenues	-	-	-	-	-
Total revenues	46,105	107,915	585,547	448,459	941
Expenditures:					
General government:					
Administration	-	-	-	-	-
Public safety:					
Fire protection	-	110,758	-	-	-
Public works - highways, roads, and streets	54,344	-	608,891	-	-
Culture - recreation	-	-	-	578,786	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	54,344	110,758	608,891	578,786	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,239)	(2,843)	(23,344)	(130,327)	941
Other Financing Sources (Uses):					
Transfers in	8,500	-	-	79,004	-
Transfers out	-	-	-	-	-
Bonds issued	-	-	-	-	-
Premiums on bonds issued	-	-	-	-	-
Total other financing sources (uses)	8,500	-	-	79,004	-
Net Change in Fund Balance	261	(2,843)	(23,344)	(51,323)	941
Fund Balance:					
Beginning of year	39,601	172,159	442,962	385,618	2,953
End of year	\$ 39,862	\$ 169,316	\$ 419,618	\$ 334,295	\$ 3,894

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	2021 Bond Fund	
\$ -	\$ 760,006	\$ -	\$ 253,614	\$ -	\$ -	\$ -	\$ 1,013,620
-	-	-	-	-	-	-	402,390
-	47	169	25	3	-	227	644
-	-	-	-	-	-	-	761,187
-	-	-	-	-	-	-	24,276
-	-	-	10,008	7,174	-	-	18,123
-	56,026	-	-	-	-	-	56,026
-	816,079	169	263,647	7,177	-	227	2,276,266
-	-	-	130	-	-	-	130
-	198,642	1,537,035	-	-	-	-	1,846,435
-	-	-	-	-	-	-	663,235
-	-	-	190,380	-	-	46,810	815,976
-	80,000	-	-	-	-	-	80,000
-	72,683	-	-	-	-	-	72,683
-	351,325	1,537,035	190,510	-	-	46,810	3,478,459
-	464,754	(1,536,866)	73,137	7,177	-	(46,583)	(1,202,193)
-	-	300,000	45,000	-	-	-	432,504
-	(300,000)	-	-	-	-	-	(300,000)
-	-	-	-	-	-	1,940,000	1,940,000
-	-	-	-	-	-	63,231	63,231
-	(300,000)	300,000	45,000	-	-	2,003,231	2,135,735
-	164,754	(1,236,866)	118,137	7,177	-	1,956,648	933,542
612	158,349	1,340,823	93,971	17,001	565	-	2,654,614
\$ 612	\$ 323,103	\$ 103,957	\$ 212,108	\$ 24,178	\$ 565	\$ 1,956,648	\$ 3,588,156

UPPER ALLEN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - NONMAJOR GOVERNMENTAL FUND - STREET LIGHT FUND YEAR ENDED DECEMBER 31, 2021

	Budget		Actual	Variance of Actual with Final Budget Positive (Negative)
	Original Amounts	Final Amounts	Amounts	
Revenues:				
Assessments	\$ 46,750	\$ 46,750	\$ 46,100	\$ (650)
Interest and rents	100	100	5	(95)
Total revenues	46,850	46,850	46,105	(745)
Expenditures:				
Public works - highways, roads, and streets	51,100	51,100	54,344	(3,244)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,250)	(4,250)	(8,239)	(3,989)
Other Financing Sources:				
Transfers in	8,500	8,500	8,500	-
Net Change in Fund Balance	4,250	4,250	261	(3,989)
Fund Balance:				
Beginning of year	36,810	36,810	39,601	2,791
End of year	<u>\$ 41,060</u>	<u>\$ 41,060</u>	<u>\$ 39,862</u>	<u>\$ (1,198)</u>

UPPER ALLEN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - NONMAJOR GOVERNMENTAL FUND - FIRE HYDRANT FUND YEAR ENDED DECEMBER 31, 2021

	Budget		Actual	Variance of Actual with Final Budget Positive (Negative)
	Original Amounts	Final Amounts	Amounts	
Revenues:				
Assessments	\$ 102,000	\$ 102,000	\$ 107,890	\$ 5,890
Interest and rents	475	475	25	(450)
Total revenues	102,475	102,475	107,915	5,440
Expenditures:				
Public safety:				
Fire protection	113,075	113,075	110,758	2,317
Net Change in Fund Balance	(10,600)	(10,600)	(2,843)	7,757
Fund Balance:				
Beginning of year	163,346	163,346	172,159	8,813
End of year	<u>\$ 152,746</u>	<u>\$ 152,746</u>	<u>\$ 169,316</u>	<u>\$ 16,570</u>

UPPER ALLEN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - NONMAJOR GOVERNMENTAL FUND - HIGHWAY AID FUND YEAR ENDED DECEMBER 31, 2021

	Budget		Actual Amounts	Variance of Actual with Final Budget Positive (Negative)
	Original Amounts	Final Amounts		
Revenues:				
Interest and rents	\$ 1,000	\$ 1,000	\$ 84	\$ (916)
Intergovernmental revenue	544,831	544,831	561,187	16,356
Charges for services	1,200	1,200	24,276	23,076
Total revenues	547,031	547,031	585,547	38,516
Expenditures:				
Public works - highways, roads, and streets	635,775	635,775	608,891	26,884
Net Change in Fund Balance	(88,744)	(88,744)	(23,344)	65,400
Fund Balance:				
Beginning of year	446,829	446,829	442,962	(3,867)
End of year	\$ 358,085	\$ 358,085	\$ 419,618	\$ 61,533

UPPER ALLEN TOWNSHIP

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

YEAR ENDED DECEMBER 31, 2021

	Budget			Variance of Actual with Final Budget Positive (Negative)
	Original Amounts	Final Amounts	Actual Amounts	
Revenues:				
Assessments	\$ 101,985	\$ 101,985	\$ 248,400	\$ 146,415
Interest and rents	800	800	59	(741)
Intergovernmental revenue	200,000	200,000	200,000	-
Total revenues	302,785	302,785	448,459	145,674
Expenditures:				
Culture - recreation	615,000	715,000	578,786	136,214
Excess (Deficiency) of Revenues Over (Under) Expenditures	(312,215)	(412,215)	(130,327)	281,888
Other Financing Sources:				
Transfers in	-	-	79,004	79,004
Net Change in Fund Balance	(312,215)	(412,215)	(51,323)	360,892
Fund Balance:				
Beginning of year	713,864	713,864	385,618	(328,246)
End of year	<u>\$ 401,649</u>	<u>\$ 301,649</u>	<u>\$ 334,295</u>	<u>\$ 32,646</u>

UPPER ALLEN TOWNSHIP

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

YEAR ENDED DECEMBER 31, 2021

	Budget		Actual Amounts	Variance of Actual with Final Budget Positive (Negative)
	Original Amounts	Final Amounts		
Revenues:				
Real estate taxes	\$ 752,042	\$ 752,042	\$ 760,006	\$ 7,964
Fines and forfeits	750	750	-	(750)
Interest and rents	270	270	47	(223)
Miscellaneous revenues	25,000	25,000	56,026	31,026
Total revenues	778,062	778,062	816,079	38,017
Expenditures:				
Public safety:				
Fire protection	128,105	128,105	198,642	(70,537)
Debt service:				
Principal	80,000	80,000	80,000	-
Interest and fiscal charges	72,683	72,683	72,683	-
Total expenditures	280,788	280,788	351,325	(70,537)
Excess (Deficiency) of Revenues Over (Under) Expenditures	497,274	497,274	464,754	(32,520)
Other Financing Sources (Uses):				
Transfers out	(300,000)	(300,000)	(300,000)	-
Net Change in Fund Balance	197,274	197,274	164,754	(32,520)
Fund Balance:				
Beginning of year	138,098	138,098	158,349	20,251
End of year	\$ 335,372	\$ 335,372	\$ 323,103	\$ (12,269)

UPPER ALLEN TOWNSHIP

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

YEAR ENDED DECEMBER 31, 2021

	Budget		Actual Amounts	Variance of Actual with Final Budget Positive (Negative)
	Original Amounts	Final Amounts		
Revenues:				
Interest and rents	\$ 1,500	\$ 1,500	\$ 169	\$ (1,331)
Expenditures:				
Public safety:				
Fire protection	-	-	1,537,035	(1,537,035)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,500	1,500	(1,536,866)	(1,538,366)
Other Financing Sources:				
Transfers in	300,000	300,000	300,000	-
Net Change in Fund Balance	301,500	301,500	(1,236,866)	(1,538,366)
Fund Balance:				
Beginning of year	1,324,989	1,324,989	1,340,823	15,834
End of year	<u>\$ 1,626,489</u>	<u>\$ 1,626,489</u>	<u>\$ 103,957</u>	<u>\$(1,522,532)</u>

UPPER ALLEN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - NONMAJOR GOVERNMENTAL FUND - PARK IMPROVEMENT FUND YEAR ENDED DECEMBER 31, 2021

	Budget		Actual Amounts	Variance of Actual with Final Budget Positive (Negative)
	Original Amounts	Final Amounts		
Revenues:				
Real estate taxes	\$ 214,083	\$ 214,083	\$ 253,614	\$ 39,531
Interest and rents	125	125	25	(100)
Donations and contributions from private sources	-	-	10,008	10,008
Total revenues	214,208	214,208	263,647	49,439
Expenditures:				
General government:				
Administration	150	150	130	20
Culture - recreation	254,750	254,750	190,380	64,370
Total expenditures	254,900	254,900	190,510	64,390
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,692)	(40,692)	73,137	113,829
Other Financing Sources:				
Transfers in	-	-	45,000	45,000
Net Change in Fund Balance	(40,692)	(40,692)	118,137	158,829
Fund Balance:				
Beginning of year	49,580	49,580	93,971	44,391
End of year	\$ 8,888	\$ 8,888	\$ 212,108	\$ 203,220

UPPER ALLEN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - MAJOR GOVERNMENTAL FUND - PERMANENT IMPROVEMENT FUND

YEAR ENDED DECEMBER 31, 2021

	Budget		Actual Amounts	Variance of Actual with Final Budget Positive (Negative)
	Original Amounts	Final Amounts		
Revenues:				
Real estate taxes	\$ 1,288,500	\$ 1,288,500	\$ 1,268,037	\$ (20,463)
Charges for services	-	-	15,000	15,000
Interest and rents	1,100	1,100	180	(920)
Total revenues	1,289,600	1,289,600	1,283,217	(6,383)
Expenditures:				
Public works - highways, roads, and streets	1,494,900	1,494,900	1,061,267	433,633
Net Change in Fund Balance	(205,300)	(205,300)	221,950	427,250
Fund Balance:				
Beginning of year	798,561	798,561	916,806	118,245
End of year	<u>\$ 593,261</u>	<u>\$ 593,261</u>	<u>\$ 1,138,756</u>	<u>\$ 545,495</u>

UPPER ALLEN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - MAJOR GOVERNMENTAL FUND - CAPITAL RESERVE FUND YEAR ENDED DECEMBER 31, 2021

	Budget		Actual Amounts	Variance of Actual with Final Budget Positive (Negative)
	Original Amounts	Final Amounts		
Revenues:				
Intergovernmental revenues	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Interest and rents	15,000	15,000	1,560	(13,440)
Miscellaneous revenues	15,000	15,000	1,957	(13,043)
Total revenues	50,000	50,000	3,517	(46,483)
Expenditures:				
General government:				
Administration	45,000	45,000	25,263	19,737
Public safety:				
Police protection	158,320	158,320	138,812	19,508
Building regulation and planning	35,000	35,000	27,150	7,850
Public works - highways, roads, and streets	393,075	393,075	448,446	(55,371)
Culture - recreation	241,000	241,000	264,574	(23,574)
Total expenditures	872,395	872,395	904,245	(31,850)
Deficiency of Revenues Over Expenditures	(822,395)	(822,395)	(900,728)	(78,333)
Other Financing Sources:				
Sale of capital assets	35,000	35,000	46,770	11,770
Transfers in	1,000,000	1,000,000	1,000,000	-
Transfers out	-	-	(124,004)	(124,004)
Total other financing sources	1,035,000	1,035,000	922,766	(112,234)
Net Change in Fund Balance	212,605	212,605	22,038	(190,567)
Fund Balance:				
Beginning of year	3,053,251	3,053,251	3,218,114	164,863
End of year	<u>\$ 3,265,856</u>	<u>\$ 3,265,856</u>	<u>\$ 3,240,152</u>	<u>\$ (25,704)</u>

UPPER ALLEN TOWNSHIP

PROPRIETARY FUND - SEWER REVENUE FUND - DESCRIPTION OF FUND

YEAR ENDED DECEMBER 31, 2021

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, 2021

	Sewer Operations	Sewer Revenue Reserve	Total Sewer Revenue Fund
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,635,091	\$ 2,671,120	\$ 5,306,211
Investments	149,524	2,230	151,754
Receivables:			
Sewer rentals	1,250,748	-	1,250,748
Other	15,330	-	15,330
Due from other governments	15,505	-	15,505
Prepaid expenses	11,192	-	11,192
Total current assets	<u>4,077,390</u>	<u>2,673,350</u>	<u>6,750,740</u>
Noncurrent assets:			
Capital assets, not being depreciated	234,070	-	234,070
Capital assets, net of depreciation	23,171,947	-	23,171,947
Sewer improvement costs, net of amortization	6,235,555	-	6,235,555
Net pension asset	334,535	-	334,535
Total noncurrent assets	<u>29,976,107</u>	<u>-</u>	<u>29,976,107</u>
Total Assets	<u>34,053,497</u>	<u>2,673,350</u>	<u>36,726,847</u>

	Sewer Operations	Sewer Revenue Reserve	Total Sewer Revenue Fund
Liabilities			
Current liabilities:			
Current portion of general obligation bonds payable	1,205,000	-	1,205,000
Accounts payable	164,075	27,349	191,424
Accrued expenses	11,890	-	11,890
Accrued interest payable	63,603	-	63,603
Current portion of compensated absences payable	16,866	-	16,866
Total current liabilities	1,461,434	27,349	1,488,783
Noncurrent liabilities:			
Unearned revenue	872,376	-	872,376
General obligation bonds payable	6,733,124	-	6,733,124
Compensated absences payable	24,030	-	24,030
Total noncurrent liabilities	7,629,530	-	7,629,530
Total Liabilities	9,090,964	27,349	9,118,313
Deferred Inflows of Resources			
Deferred inflows of resources - pension	329,395	-	329,395
Net Position			
Net investment in capital assets	21,703,448	(27,349)	21,676,099
Unrestricted	2,929,690	2,673,350	5,603,040
Total Net Position	\$24,633,138	\$ 2,646,001	\$27,279,139

UPPER ALLEN TOWNSHIP

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

YEAR ENDED DECEMBER 31, 2021

	Sewer Operations	Sewer Revenue Reserve	Total Sewer Revenue Fund
Operating Revenues:			
Sewer rentals	\$ 4,531,323	\$ -	\$ 4,531,323
Penalty charges	37,907	-	37,907
Total operating revenues	4,569,230	-	4,569,230
Operating Expenses:			
Sewage collection expenses:			
Salaries and wages	170,275	-	170,275
Material and supplies	1,337	-	1,337
Utilities	30,462	-	30,462
General expenses	1,332	-	1,332
Engineering fees	3,500	-	3,500
Communications	7,626	-	7,626
Maintenance and repairs	111,070	-	111,070
Minor equipment purchases	226	241,991	242,217
Total sewage collection expenses	325,828	241,991	567,819
Sewage disposal expenses:			
Salaries and wages	63,921	-	63,921
Material and supplies	1,738	-	1,738
Laboratory supplies and analysis	33,268	-	33,268
Minor equipment	1,225	-	1,225
Utilities	53,619	-	53,619
Chemicals	38,076	-	38,076
Sludge disposal	73,975	-	73,975
General expense	4,101	-	4,101
Engineering fees	3,500	-	3,500
Rentals - Lower Allen Township			
Authority	666,921	-	666,921
Communications	4,266	-	4,266
Maintenance and repairs	39,161	-	39,161
Vehicle operating expenses	655	-	655
Uniform allowance	6,461	-	6,461
Computer expense	13,364	-	13,364
Total sewage disposal expenses	1,004,251	-	1,004,251

(Continued)

UPPER ALLEN TOWNSHIP

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

YEAR ENDED DECEMBER 31, 2021
(Continued)

	Sewer Operations	Sewer Revenue Reserve	Total Sewer Revenue Fund
Operating Expenses (Continued):			
Administrative expenses:			
Salaries and wages	324,530	-	324,530
Employee health and life insurance	307,201	-	307,201
Pension contributions	(26,574)	-	(26,574)
Payroll taxes	42,471	-	42,471
Workmen's compensation	5,700	-	5,700
General expenses	39,435	-	39,435
Engineering fees	30,750	-	30,750
Legal fees	8,500	-	8,500
Computer processing and agent fees	16,527	-	16,527
Material and supplies	9,458	-	9,458
Auditing fees	9,653	-	9,653
Miscellaneous	20,056	-	20,056
Insurance	46,032	-	46,032
CDL drug testing	95	-	95
Total administrative expenses	833,834	-	833,834
Total operating expenses before amortization and depreciation	2,163,913	241,991	2,405,904
Operating income (loss) before amortization and depreciation	2,405,317	(241,991)	2,163,326
Amortization and depreciation	1,218,159	-	1,218,159
Operating Income (Loss)	1,187,158	(241,991)	945,167

UPPER ALLEN TOWNSHIP

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

YEAR ENDED DECEMBER 31, 2021
(Continued)

	Sewer Operations	Sewer Revenue Reserve	Total Sewer Revenue Fund
Non-Operating Revenues (Expenses)			
Interest income	39,597	819	40,416
Pension grant	45,574	-	45,574
Sewer tapping fees	298,683	-	298,683
Miscellaneous revenue	36,819	141,521	178,340
Interest expense	(275,672)	-	(275,672)
Sale of capital assets	(11,652)	13,250	1,598
Total non-operating revenues (expenses)	133,349	155,590	288,939
Income (loss) before capital contributions and transfers	1,320,507	(86,401)	1,234,106
Capital contributions	421,992	-	421,992
Transfers in (out)	(439,252)	462,603	23,351
Change in Net Position	1,303,247	376,202	1,679,449
Net Position:			
Beginning of year	23,329,891	2,269,799	25,599,690
End of year	<u>\$ 24,633,138</u>	<u>\$ 2,646,001</u>	<u>\$ 27,279,139</u>
			(Concluded)

UPPER ALLEN TOWNSHIP

TRUST FUNDS - DESCRIPTION OF FUNDS

YEAR ENDED DECEMBER 31, 2021

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, 2021

	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	\$ 363,602	\$ 180,633	\$ 31,302	\$ 48,970	624,507
Mutual bond funds	10,299,405	2,565,383	50,473	688,968	13,604,229
Mutual equity funds	3,782,080	6,969,813	130,625	1,919,294	12,801,812
Limited partnership	165,864	103,666	-	-	269,530
Total investments	14,610,951	9,819,495	212,400	2,657,232	27,300,078
Due to/due from other funds	-	29,324	(29,324)	-	-
Other receivable	-	-	60,494	-	60,494
Total Assets	14,610,951	9,848,819	243,570	2,657,232	27,360,572
Net Position					
Restricted for pension benefits	14,610,951	9,848,819	243,570	-	24,703,340
Restricted for other post- employment benefits	-	-	-	2,657,232	2,657,232
Total Net Position	\$ 14,610,951	\$ 9,848,819	\$ 243,570	\$ 2,657,232	\$ 27,360,572

UPPER ALLEN TOWNSHIP, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2021

	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	\$ 631,933	\$ 465,827	\$ 60,494	\$ 123,378	\$ 1,281,632
Employee contributions	118,859	-	-	-	118,859
Total contributions	750,792	465,827	60,494	123,378	1,400,491
Investment earnings:					
Net appreciation in fair value of investments	1,527,034	1,039,868	17,872	286,457	2,871,231
Interest and dividends	219,680	149,610	2,860	41,028	413,178
Total investment earnings	1,746,714	1,189,478	20,732	327,485	3,284,409
Less: investment expense	45,684	37,816	1,879	9,559	94,938
Net investment earnings	1,701,030	1,151,662	18,853	317,926	3,189,471
Total additions	2,451,822	1,617,489	79,347	441,304	4,589,962
Deductions:					
Benefit payments	752,702	512,137	29,324	95,722	1,389,885
Total deductions	752,702	512,137	29,324	95,722	1,389,885
Change in Net Position	1,699,120	1,105,352	50,023	345,582	3,200,077
Net Position:					
Beginning of year	12,911,831	8,743,467	193,547	2,311,650	24,160,495
End of year	<u>\$ 14,610,951</u>	<u>\$ 9,848,819</u>	<u>\$ 243,570</u>	<u>\$ 2,657,232</u>	<u>\$ 27,360,572</u>

STATISTICAL SECTION

This section of Upper Allen Township's Annual Comprehensive 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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
Net investment in capital assets ¹	\$ 35,165,128	\$ 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
Restricted ²	\$ 2,238,534	\$ 3,305,842	\$ 2,558,451	\$ 2,317,343	\$ 1,331,682	\$ 1,346,536	\$ 1,014,208	\$ 488,910	\$ 548,862	\$ 627,683
Unrestricted	\$ 6,300,836	\$ 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
Total governmental activities net position	\$ 43,704,498	\$ 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
Business-type activities										
Net investment in capital assets ³	\$ 27,199,437	\$ 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
Unrestricted	\$ 6,156,603	\$ 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
Total business-type activities net position	\$ 33,356,040	\$ 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
Primary government										
Net investment in capital assets	\$ 62,364,565	\$ 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
Restricted	\$ 2,238,534	\$ 3,305,842	\$ 2,558,451	\$ 2,317,343	\$ 1,331,682	\$ 1,346,536	\$ 1,014,208	\$ 488,910	\$ 548,862	\$ 627,683
Unrestricted	\$ 12,457,439	\$ 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
Total primary government net position	\$ 77,060,538	\$ 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

- The increase in governmental activities net investment in capital assets between 2020 and 2021 is due to \$3.2 million of dedicated roads.

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 decrease in governmental activities restricted net position between 2020 and 2021 is due to the Township purchasing a ladder truck for the volunteer fire company.

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 2020 and 2021 is primarily due to \$1.4 million of dedicated sewer and stormwater lines.

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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
EXPENSES										
Governmental Activities:										
General government	\$ 1,353,214	\$ 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
Public safety ⁶	\$ 6,784,386	\$ 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
Health and welfare	\$ 2,130	\$ 250	\$ 541	\$ 760	\$ 250	\$ 760	\$ 638	\$ 846	\$ 701	\$ 2,337
Public works ³	\$ 3,887,134	\$ 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
Storm water management and flood control ⁴	\$ -	\$ -	\$ -	\$ 173,479	\$ 114,790	\$ 83,792	\$ 107,683	\$ 28,473	\$ 305	\$ 17,142
Culture - recreation	\$ 1,112,653	\$ 857,090	\$ 806,751	\$ 567,272	\$ 619,248	\$ 604,855	\$ 551,042	\$ 484,953	\$ 233,598	\$ 458,141
Interest on long-term debt	\$ 328,243	\$ 173,505	\$ 198,023	\$ 206,360	\$ 150,908	\$ 315,814	\$ 251,880	\$ 270,224	\$ 282,394	\$ 308,595
Total Governmental Activities	\$ 13,467,760	\$ 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
Business-type Activities:										
Sewer	\$ 3,899,735	\$ 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
Upper Allen Township Authority ⁵ (blended component unit)	\$ 578,361	\$ 538,775	\$ 308,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Business-type Activities	\$ 4,478,096	\$ 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
Total Expenses	\$ 17,945,856	\$ 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
PROGRAM REVENUES										
Governmental Activities:										
Charges for services:										
General government	\$ 18,354	\$ 11,273	\$ 25,416	\$ 18,847	\$ 22,757	\$ 19,347	\$ 19,845	\$ 18,808	\$ 30,936	\$ 32,733
Public safety ⁴	\$ 541,725	\$ 456,062	\$ 1,073,899	\$ 750,324	\$ 560,021	\$ 693,536	\$ 978,795	\$ 489,412	\$ 595,615	\$ 586,137
Public works	\$ 52,996	\$ 84,705	\$ 43,820	\$ 48,990	\$ 30,866	\$ 71,111	\$ 28,857	\$ 22,331	\$ 15,867	\$ 12,190
Operating grants and contributions	\$ 718,156	\$ 788,068	\$ 762,496	\$ 714,291	\$ 702,919	\$ 725,870	\$ 591,099	\$ 585,019	\$ 526,439	\$ 525,400
Capital grants and contributions ¹	\$ 3,669,964	\$ 48,671	\$ 2,742,900	\$ 3,014,585	\$ 3,343,713	\$ 317,581	\$ 3,811,822	\$ 5,479,738	\$ 216,600	\$ 180,658
Total Governmental Activities	\$ 5,001,195	\$ 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
Business-type Activities:										
Charges for services:										
Sewer	\$ 5,046,253	\$ 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
Upper Allen Township Authority	\$ 943,403	\$ 935,278	\$ 910,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating grants and contributions ²	\$ 45,574	\$ 41,836	\$ 52,485	\$ 40,000	\$ 40,000	\$ 41,559	\$ 37,248	\$ 30,000	\$ 31,074	\$ 32,368
Capital grants and contributions ²	\$ 1,417,277	\$ -	\$ 450,817	\$ 1,408,849	\$ 263,693	\$ 695,835	\$ -	\$ 891,596	\$ 172,750	\$ 624,559
Total Business-type Activities	\$ 7,452,507	\$ 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
Total Program Revenues	\$ 12,453,702	\$ 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
Net (Expense)/Revenue										
Governmental Activities	\$ (8,466,565)	\$ (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)
Business-type Activities	\$ 2,974,411	\$ 2,053,880	\$ 1,982,019	\$ 1,764,893	\$ 864,490	\$ 970,084	\$ 83,045	\$ 1,246,323	\$ 530,929	\$ 1,082,252
Total Net Expense	\$ (5,492,154)	\$ (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)

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

1. The increase in governmental activities capital grants and contributions in 2021, 2018, 2017, 2015 and 2014 is due to dedicated infrastructure and park land.

2. The increase in business-type activities capital grants and contributions in 2021, 2018, 2016, and 2014 is due to the Township acceptance of sewer lateral lines.

3. 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.

4. In 2019, three commercial building projects increased the permits fees received.

5. 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.

6. In 2021, the Township purchased a \$1.5 million ladder truck for the volunteer fire company.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues										
Governmental Activities:										
Real estate taxes ¹	\$ 5,538,321	\$ 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
Real estate transfer taxes	\$ 911,262	\$ 838,919	\$ 839,090	\$ 803,345	\$ 714,929	\$ 749,290	\$ 814,964	\$ 426,802	\$ 573,125	\$ 482,576
Earned income taxes ²	\$ 4,049,683	\$ 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
Local service taxes	\$ 425,438	\$ 447,762	\$ 421,876	\$ 459,477	\$ 427,641	\$ 419,960	\$ 294,066	\$ 478,441	\$ 477,638	\$ 328,034
Franchise taxes	\$ 375,883	\$ 365,692	\$ 375,544	\$ 377,114	\$ 389,962	\$ 381,450	\$ 365,866	\$ 349,629	\$ 336,735	\$ 310,902
Other taxes	\$ 250,385	\$ 242,797	\$ 308,360	\$ 216,008	\$ 100,722	\$ 214,111	\$ 236,445	\$ 397,142	\$ 175,896	\$ 172,077
Investment revenue	\$ 3,169	\$ 30,815	\$ 65,652	\$ 83,546	\$ 29,892	\$ 22,414	\$ 16,732	\$ 13,411	\$ 19,649	\$ 12,365
Intergovernmental grants, not restricted to a specific function	\$ 463,745	\$ 382,387	\$ 427,638	\$ 333,181	\$ 404,457	\$ 410,144	\$ 264,608	\$ 320,663	\$ 259,226	\$ 241,255
Other income, not restricted to a specific function	\$ 460,458	\$ 564,596	\$ 258,150	\$ 319,231	\$ 420,889	\$ 334,008	\$ 143,469	\$ 276,593	\$ 120,660	\$ 125,658
Gain on sale of assets	\$ 23,164	\$ 30,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers	\$ (26,311)	\$ (1,764)	\$ (3,141,073)	\$ -	\$ -	\$ 50,000	\$ 200,522	\$ 50,000	\$ 54,072	\$ 50,000
Total Governmental Activities	\$ 12,475,197	\$ 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
Business-type Activities:										
Investment revenue	\$ 40,496	\$ 47,581	\$ 57,506	\$ 32,157	\$ 86,121	\$ 17,704	\$ 21,048	\$ 27,005	\$ 31,765	\$ 37,230
Other income	\$ 1,598	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers	\$ 26,311	\$ 1,764	\$ 3,141,043	\$ -	\$ -	\$ (50,000)	\$ (200,522)	\$ (50,000)	\$ (54,072)	\$ (50,000)
Total Business-type Activities	\$ 68,405	\$ 49,345	\$ 3,198,549	\$ 32,157	\$ 86,121	\$ (32,296)	\$ (179,474)	\$ (22,995)	\$ (22,307)	\$ (12,770)
Total General Revenues	\$ 12,543,602	\$ 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
Change in Net Position										
Governmental Activities	\$ 4,008,632	\$ 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
Business-type Activities	\$ 3,042,816	\$ 2,103,225	\$ 5,180,568	\$ 1,797,050	\$ 950,611	\$ 937,788	\$ (96,429)	\$ 1,223,328	\$ 508,622	\$ 1,069,482
Total Change in Net Position	\$ 7,051,448	\$ 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. Real Estate Tax rates or assessed values were altered in 2018, 2016, 2015, 2014, 2013, and 2012.
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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund:										
Non-spendable	\$ 29,319	\$ 9,048	\$ 1,709	\$ 9,050	\$ 110,316	\$ 8,432	\$ 4,747	\$ 6,128	\$ 1,103	\$ 522
Assigned	\$ 248,354	\$ 657,350	\$ 287,719	\$ 235,314	\$ 1,061,929	\$ 810,985	\$ 226,484	\$ 443,416	\$ 1,122,455	\$ 1,429,755
Unassigned	\$ 2,891,597	\$ 2,050,689	\$ 2,862,212	\$ 2,922,045	\$ 1,729,285	\$ 1,866,966	\$ 2,578,893	\$ 1,843,748	\$ 1,085,926	\$ -
Total General Fund	<u>\$ 3,169,270</u>	<u>\$ 2,717,087</u>	<u>\$ 3,151,640</u>	<u>\$ 3,166,409</u>	<u>\$ 2,901,530</u>	<u>\$ 2,686,383</u>	<u>\$ 2,810,124</u>	<u>\$ 2,293,292</u>	<u>\$ 2,209,484</u>	<u>\$ 1,430,277</u>
All Other Governmental Funds:										
Non-spendable	\$ 412	\$ 26	\$ 26	\$ 48	\$ 15,248	\$ 20,717	\$ 7,415	\$ 29,814	\$ 13,219	\$ -
Restricted for:										
Public safety ²	\$ 391,815	\$ 1,120,219	\$ 895,959	\$ 1,138,908	\$ 864,106	\$ 1,089,484	\$ 695,178	\$ 211,147	\$ 180,055	\$ 167,604
Public works	\$ 1,309,305	\$ 1,722,200	\$ 1,139,183	\$ 780,695	\$ 306,811	\$ 246,361	\$ 199,494	\$ 265,055	\$ 345,978	\$ 335,900
Storm water management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59	\$ 7,462	\$ 20,442	\$ 32,302
Culture-recreation	\$ 537,414	\$ 463,423	\$ 523,309	\$ 397,740	\$ 144,810	\$ 10,691	\$ 119,477	\$ 5,246	\$ 2,387	\$ 91,877
Capital projects ¹	\$ 2,052,409	\$ 95,646	\$ 108,484	\$ 1,598,034	\$ 3,035,712	\$ -	\$ -	\$ -	\$ -	\$ -
Committed for:										
Public safety	\$ 408,655	\$ 754,654	\$ 633,711	\$ 597,042	\$ 370,117	\$ 339,389	\$ 307,108	\$ 222,307	\$ 134,135	\$ 8,992
Capital projects	\$ 2,885,071	\$ 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
Public works	\$ 348,931	\$ 324,394	\$ 263,314	\$ 219,516	\$ 145,567	\$ 693,317	\$ 95,002	\$ 238,455	\$ 54,426	\$ 52,850
Culture - recreation	\$ 33,167	\$ 33,167	\$ 33,167	\$ 400,130	\$ 200,130	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 524,020
Unassigned	\$ -	\$ (587,228)	\$ (652,918)	\$ (654,897)	\$ (662,088)	\$ (755,079)	\$ (747,987)	\$ (13,983)	\$ (68,156)	\$ -
Total All Other Governmental Funds	<u>\$ 7,967,179</u>	<u>\$ 6,789,534</u>	<u>\$ 6,253,804</u>	<u>\$ 6,716,134</u>	<u>\$ 6,540,463</u>	<u>\$ 3,189,687</u>	<u>\$ 2,305,124</u>	<u>\$ 2,376,201</u>	<u>\$ 2,133,645</u>	<u>\$ 2,371,220</u>

1. 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.
The new money portion of the General Obligation Bonds, Series of 2021, was restricted for certain capital projects of the Township.
2. In 2013, approved a fire service real estate tax for future fire protection purchases.
In 2021, the Township purchased a ladder truck for the volunteer fire company.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Taxes ²	\$ 11,216,008	\$ 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
Licenses and permits	\$ 402,617	\$ 381,812	\$ 401,797	\$ 408,367	\$ 404,561	\$ 440,594	\$ 374,508	\$ 354,385	\$ 342,612	\$ 314,922
Fines and forfeits	\$ 69,603	\$ 72,168	\$ 100,526	\$ 93,120	\$ 98,290	\$ 77,429	\$ 90,842	\$ 83,950	\$ 78,953	\$ 74,051
Interest and rents	\$ 9,269	\$ 38,868	\$ 78,737	\$ 95,661	\$ 40,234	\$ 34,369	\$ 26,277	\$ 25,551	\$ 34,252	\$ 19,205
Intergovernmental revenue	\$ 1,437,387	\$ 1,281,194	\$ 1,326,638	\$ 1,318,220	\$ 1,102,584	\$ 1,186,067	\$ 924,035	\$ 955,284	\$ 960,112	\$ 804,728
Charges for services ⁶	\$ 541,539	\$ 510,858	\$ 1,022,153	\$ 685,411	\$ 497,649	\$ 660,512	\$ 921,089	\$ 471,158	\$ 551,332	\$ 558,293
Donations and contributions from private sources	\$ 18,123	\$ 28,456	\$ 5,944	\$ 213,640	\$ 5,825	\$ -	\$ -	\$ -	\$ -	\$ -
Other revenue	\$ 482,217	\$ 469,950	\$ 249,945	\$ 318,721	\$ 363,478	\$ 285,244	\$ 134,235	\$ 213,676	\$ 115,364	\$ 125,344
Total Revenues	\$ 14,176,763	\$ 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
Expenditures										
Current:										
General government	\$ 1,277,912	\$ 1,225,676	\$ 1,184,654	\$ 1,204,890	\$ 1,078,128	\$ 1,027,290	\$ 1,062,407	\$ 937,386	\$ 934,255	\$ 826,169
Public safety ⁴	\$ 7,501,167	\$ 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
Health and welfare	\$ 2,130	\$ 250	\$ 541	\$ 760	\$ 250	\$ 760	\$ 638	\$ 846	\$ 701	\$ 2,337
Public works ²	\$ 3,408,374	\$ 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
Storm water management and flood control ⁵	\$ -	\$ -	\$ -	\$ 41,011	\$ 62,655	\$ 59	\$ 7,415	\$ 13,020	\$ 109,540	\$ 11,510
Culture - recreation ³	\$ 1,685,884	\$ 2,217,064	\$ 1,732,323	\$ 1,069,612	\$ 676,700	\$ 1,102,792	\$ 487,247	\$ 534,626	\$ 679,867	\$ 381,102
Debt service:										
Principal ¹	\$ 540,000	\$ 595,000	\$ 570,000	\$ 555,000	\$ 170,000	\$ 5,750,000	\$ 1,800,000	\$ 375,000	\$ 365,000	\$ 145,000
Interest and fiscal charges	\$ 314,893	\$ 198,661	\$ 225,545	\$ 236,435	\$ 167,395	\$ 408,678	\$ 287,490	\$ 277,932	\$ 290,056	\$ 347,559
Total Expenditures	\$ 14,730,360	\$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
Excess (Deficiency) of Revenues over (under) Expenditures	\$ (553,597)	\$72,461	\$ (481,096)	\$440,550	\$815,923	\$ (5,155,073)	\$ (1,206,935)	\$212,422	\$478,975	\$ (180,616)
Other Financing Sources (Uses)										
Proceeds from sale of capital assets	\$ 46,770	\$ 30,480	\$ 3,997	\$ -	\$ -	\$ 483	\$ 13,056	\$ 1,449	\$ 8,585	\$ 7,062
Refund of prior year's revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,885)
Insurance proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,493	\$ -	\$ -
Bonds issued	\$ 1,940,000	\$ -	\$ -	\$ -	\$ 2,750,000	\$ -	\$ -	\$ -	\$ -	\$ -
Refunding bonds issued ¹	\$ 4,650,000	\$ -	\$ -	\$ -	\$ -	\$ 5,655,000	\$ 1,390,000	\$ -	\$ -	\$ -
Premium on refunding bonds issued	\$ 457,966	\$ -	\$ -	\$ -	\$ -	\$ 183,229	\$ 49,112	\$ -	\$ -	\$ -
Payment to bond escrow agent	\$ (4,885,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in ⁷	\$ 1,536,790	\$ 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
Transfers out ⁷	\$ (1,563,101)	\$ (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)
Total Other Financing Sources (Uses)	\$ 2,183,425	\$ 28,716	\$ 3,997	\$ -	\$ 2,750,000	\$ 5,888,712	\$ 1,652,690	\$ 113,942	\$ 62,657	\$ 55,177
Net Change in Fund Balance	\$ 1,629,828	\$ 101,177	\$ (477,099)	\$ 440,550	\$ 3,565,923	\$ 733,639	\$ 445,755	\$ 326,364	\$ 541,632	\$ (125,439)
Debt service as a percentage of non-capital expenditures										
	7%	8%	8%	8%	3%	41%	20%	9%	10%	7%

1. In 2015, refunded a 2010 bond issue. In 2016, refunded a 2011 bond issue. In 2021, refunded the 2015 and 2016 bond issues.
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.
In 2021, the Township purchased a \$1.5 million ladder truck for the volunteer fire company.
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>
2021	\$ 5,531,996	\$ 5,281,622	\$ 402,390	\$ 11,216,008
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

Change				
2012 to 2021	121.98%	72.39%	144.51%	96.07%

1. In 2012, property tax millage went 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 2.45 mills
 In 2021, property tax millage went from 2.45 mills to 2.55 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 Rate ¹	Estimated Actual Taxable Value ²	Taxable Assessed Value as a Percentage of Actual Taxable Value
2021	\$ 1,373,143,464	\$ 152,571,496	\$ 108,979,640	\$ 544,898,200	\$ 2,179,592,800	\$ 335,711,300	2.5500	\$ 2,179,592,800	100%
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%

Source: Cumberland County Assessment Office

1. Tax rate per \$1,000 of assessed valuation.
2. Estimate provided by Cumberland County Assessment Office

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
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	1.5 mills	1.6 mills	1.5 mills	1.4 mills
Real estate taxes levied - general	\$ 3,269,389	\$ 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
Real estate tax revenue - current year - general	\$ 3,210,678	\$ 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
Fire Company Operating Fund										
Real estate tax rate - fire	.35 mills	.3 Mills	.3 mills	.3 mills	.3 mills	.3 mills	.3 mills	.2 mills	.1 mills	n/a
Real estate taxes levied - fire	\$ 762,876	\$ 637,548	\$630,658	\$ 614,180	\$ 590,142	\$ 581,777	\$ 565,286	\$ 369,879	\$ 180,848	n/a
Real estate tax revenue - current year - fire	\$ 746,384	\$ 623,099	\$605,423	\$ 591,417	\$ 568,374	\$ 562,848	\$ 547,231	\$ 359,626	\$ 176,315	n/a
Permanent Improvement Fund										
Real estate tax rate - permanent improvement	.6 mills	.6 mills****	.5 mills	.5 mills	.5 mills	.5 mills	.4 mills**	n/a	n/a	n/a
Real estate tax levied - permanent improvement	\$ 1,271,378	\$ 1,239,677	\$1,017,672	\$ 1,023,592	\$ 983,570	\$ 969,629	\$ 753,627	n/a	n/a	n/a
Real estate tax revenue - current year permanent improvement	\$ 1,243,134	\$ 1,211,934	\$1,009,032	\$ 985,693	\$ 947,286	\$ 938,078	\$ 732,045	n/a	n/a	n/a
Park Improvement Fund										
Real estate tax rate park improvement	.1 mills	.1 mills	.1 mills	.1 mills***	n/a	n/a	n/a	n/a	n/a	n/a
Real estate taxes levied - park improvement	\$ 254,337	\$ 247,935	\$203,539	\$ 204,767	n/a	n/a	n/a	n/a	n/a	n/a
Real estate tax revenue -current year park improvement	\$ 248,633	\$ 242,393	\$201,811	\$ 198,133	n/a	n/a	n/a	n/a	n/a	n/a
Street Light Fund										
Assessed Street Light	\$ 46,968	\$ 46,915	\$47,036	\$ 47,038	\$ 46,569	\$ 46,646	\$ 46,726	\$ 46,132	\$ 46,132	\$ 45,365
Street light revenue - current year	\$ 45,781	\$ 45,992	\$45,610	\$ 45,751	\$ 44,537	\$ 45,476	\$ 44,935	\$ 44,539	\$ 44,403	\$ 44,054
Hydrant Fund										
Assessed Hydrant	\$ 105,918	\$ 102,628	\$100,756	\$ 98,206	\$ 93,963	\$ 93,168	\$ 91,715	\$ 91,202	\$ 89,990	\$ 89,591
Hydrant revenue - current year	\$ 106,613	\$ 99,888	\$98,932	\$ 93,258	\$ 89,733	\$ 91,687	\$ 89,560	\$ 87,964	\$ 87,391	\$ 87,104
Sewer Revenue Fund										
Sewer rental revenue	\$ 4,531,323	\$ 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

** 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	Mechanicsburg School District	Cumberland County
2021	1.5000	0.3500	0.6000	0.1000	2.5500	14.6654	2.3610
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

Sources: Cumberland County Tax Assessment Office
Township Tax Ordinances

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

Taxpayer	Type of Business	2021			2012		
		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	3.05%	\$ 32,259,600	2	1.81%
RiderMusser Dev LLC ²	Commercial	\$ 36,977,400	2	1.70%			
New York Life Insurance Co	Warehousing	\$ 35,160,000	3	1.61%	\$ 35,160,000	1	1.97%
Allen Distribution ¹	Warehousing	\$ 32,058,500	4	1.47%	\$ 13,883,500	5	0.78%
High Properties	Commercial Rental	\$ 24,537,400	5	1.13%	\$ 25,076,400	3	1.41%
SC Parkway Plaza LLC	Industrial	\$ 16,500,000	6	0.76%	\$ 16,500,000	4	0.93%
Breit Industrial HS PA Property	Commercial/Warehousing	\$ 13,259,200	7	0.61%	\$ 13,259,200	6	0.74%
Duke Realty LP	Warehousing	\$ 13,200,000	8	0.61%	\$ 13,200,000	7	0.74%
DCT Independence LLC	Warehousing	\$ 13,000,000	9	0.60%	\$ 11,500,000	10	0.64%
Pennsylvania Dental Services	Commercial	\$ 11,992,800	10	0.55%	\$ 11,992,800	9	0.67%
401 Winding Hill LP	Commercial				\$ 12,579,400	8	0.71%
Total		<u>\$ 263,185,300</u>		<u>12.07%</u>	<u>\$ 185,410,900</u>		<u>10.39%</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 2012

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		Collection in Subsequent Years	Total Collections to Date				
			Amount	Percentage of Levy		Amount	Percentage of Levy			
<u>General Tax</u>										
2021	\$	3,269,389	\$	3,210,678	98.20%	\$	-	\$	3,210,678	98.20%
2020	\$	3,187,740	\$	3,205,385	100.55%	\$	39,661	\$	3,245,046	101.80%
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%
<u>Fire Tax</u>										
2021	\$	762,876	\$	746,384	97.84%	\$	-	\$	746,384	97.84%
2020	\$	637,548	\$	623,099	97.73%	\$	13,622	\$	636,721	99.87%
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>										
2021	\$	1,271,378	\$	1,243,134	97.78%	\$	-	\$	1,243,134	97.78%
2020	\$	1,239,677	\$	1,211,934	97.76%	\$	24,903	\$	1,236,837	99.77%
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>										
2021	\$	254,337	\$	248,633	97.76%	\$	-	\$	248,633	97.76%
2020	\$	247,935	\$	242,393	97.76%	\$	4,981	\$	247,374	99.77%
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>										
2021	\$	46,968	\$	45,781	97.47%	\$	-	\$	45,781	97.47%
2020	\$	46,915	\$	45,992	98.03%	\$	319	\$	46,311	98.71%
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%
<u>Hydrant</u>										
2021	\$	105,918	\$	106,613	100.66%	\$	-	\$	106,613	100.66%
2020	\$	102,628	\$	99,888	97.33%	\$	1,277	\$	101,165	98.57%
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%

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 Obligation Bonds ¹	General Obligation Notes	General Obligation Bonds ¹				
2021	\$ 9,186,965	\$ -	\$ 7,938,124	\$ 17,125,089	1.62%	\$ 738.69	
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	

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
2021	\$ 17,125,089	\$ -	\$ 17,125,089	0.79%	\$ 738.69
2020	\$ 16,902,286	\$ -	\$ 16,902,286	0.78%	\$ 840.12
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

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, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable¹	Estimated Share of Direct and Overlapping Debt
Mechanicsburg School District	\$ 116,874,000	73.25%	\$ 85,615,721
Cumberland County	\$ 26,721,040	8.41%	\$ 2,247,689
Subtotal, overlapping debt			\$ 87,863,410
Upper Allen Township direct debt	\$ 9,186,965	100%	\$ 9,186,965
Total Direct and overlapping debt			<u>\$ 97,050,375</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 2021

Borrowing Base ¹	\$ 18,854,965
Debt Limit (250% of Borrowing Base)	\$ 47,137,413
Debt applicable to limit	
General Obligation Bonds	\$ 16,365,000
Less: Amount set aside for repayment of general debt obligation debt	\$ -
Legal Debt Margin	<u>\$ 30,772,413</u>

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 47,137,413	\$ 45,883,810	\$ 44,146,080	\$ 39,414,508	\$ 39,414,508	\$ 37,437,203	\$ 35,365,090	\$ 32,481,285	\$ 30,566,209	\$ 28,539,748
Total net debt applicable to limit	\$ 16,365,000	\$ 16,685,000	\$ 18,515,000	\$ 22,020,000	\$ 22,020,000	\$ 20,880,448	\$ 21,534,677	\$ 23,529,201	\$ 24,459,768	\$ 25,532,239
Legal debt margin	\$ 30,772,413	\$ 29,198,810	\$ 25,631,080	\$ 17,394,508	\$ 17,394,508	\$ 16,556,755	\$ 13,830,413	\$ 8,952,084	\$ 6,106,441	\$ 3,007,509
Total net debt applicable to the limit as a percentage of debt limit	34.72%	36.36%	41.94%	55.87%	55.87%	55.77%	60.89%	72.44%	80.02%	89.46%

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
2021	23,183 ¹	\$ 1,054,501,938	\$ 45,486	3.60%
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%

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	2021			2012		
	Employees	Percent	Rank	Employees	Percent	Rank
Messiah University	2,426	35%	1	*		
Thredup Inc.	1,054	15%	2	*		
Delta Dental of PA	797	12%	3	*		
Messiah Village	537	8%	4	*		
Giant Food Stores LLC	386	6%	5	*		
Allen Distribution	378	6%	6	*		
Mechanicsburg School District	354	5%	7	*		
Schneider Electric USA	342	5%	8	*		
Members 1st Federal Credit Union	285	4%	9	*		
Crescent Park Corporation	279	4%	10	*		
Total	6,838	100%				

Source: Cumberland County Tax Bureau

* These employers were in the Township in 2012, 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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government:										
Administration	5.0	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	2.0	2.5	2.5
Human Resources	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0
Building	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.0
Public Safety:										
Police Officers	24.0	24.0	23.0	23.0	23.0	22.0	22.0	22.0	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	5.0	5.5	6.0	6.0	6.0	5.0	5.0	5.0
Public Works:	11.0	11.0	11.0	10.0	9.5	9.0	10.5	9.5	11.0	11.0
Fleet Maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks:	2.5	3.0	4.5	1.5	1.5	4.0	3.5	3.5	4.0	2.5
Sewer:										
Administration	4.0	4.0	4.0	4.0	4.0	3.5	3.5	3.5	3.5	3.5
Plant Operators	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
TOTAL	62.5	62.0	62.5	59.0	59.0	59.5	60.5	58.5	59.0	56.0

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.
Fire Mashall was added to Administration in 2021

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

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public Safety:										
Police:										
Motor/parking/ordinance violation revenue	\$67,414	\$71,668	\$ 97,350	\$ 92,520	\$ 94,632	\$ 76,410	\$86,532	\$ 80,490	\$ 72,854	\$ 70,883
Accident reports revenue	\$3,435	\$1,570	\$ 2,220	\$ 2,445	\$ 2,503	\$ 2,079	\$1,951	\$ 2,490	\$ 2,020	\$ 1,890
Traffic citations	1493	959	1952	1,823	2,006	2,002	1,886	1,575	1,438	1,292
Non-traffic/parking citations	612	366	330	256	309	271	403	310	393	304
Community Development:										
Building permits issued	365	347	293	273	271	274	253	234	358	229
Building permits revenue	\$ 433,607	\$ 350,875	\$ 910,675	\$ 587,410	\$ 404,259	\$ 540,098	\$832,591	\$ 345,975	\$ 463,024	\$ 430,909
Zoning permits revenue	\$ 17,665	\$ 14,750	\$ 12,180	\$ 11,541	\$ 11,200	\$ 11,000	\$10,335	\$ 9,970	\$ 13,534	\$ 8,090
Value of construction ¹	\$ 43,074,447	\$ 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
Public Works:										
Miles of roads resurfaced	4.81	2.65	2.75	5.81	7.51	6.16	9.33	0.61	0.53	0.69
Tons of leaves picked-up	425	400	100	600	661	833	922	932	1,166	1,050
Tons of brush picked-up	650	500	110	51	64	453	182	338	577	578
Tons of snow melting salt used	1,560	1,000	800	1,000	560	560	1,450	1,099	1,671	1,150
Tons of street sweeping ²	75	100	100	350	32	-	-	-	-	-
Parks:										
Park rental revenue	\$ 7,730	\$ 2,655	\$ 2,305	\$ 2,310	\$ 2,180	\$ 2,345	\$2,870	\$ 1,750	\$ 1,375	\$ 1,400
Field rental revenue	\$ 7,175	\$ 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.

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

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public Safety:										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of vehicles	17	17	17	17	17	16	15	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	79.21	79	78.25	75	72	70	68	67
Traffic signals	14	14	14	14	14	14	14	14	14	12
Number of vehicles	19	13	12	13	13	12	11	11	11	10
Rolling stock equipment	21	20	11	15	14	14	15	15	15	14
Parks:										
Number of public parks	16	15	15	15	14	14	14	14	14	14
Number of playgrounds	14	14	15	16	15	15	14	14	13	13
Number of ballfields	21	21	21	19	19	19	18	18	18	18
Number of basketball courts	7	7	7	7	7	7	5	5	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
Number of pickleball courts	6									
Walking trails - miles	4.5	4.5	4.5	4.5	2.5	2.5	2.5	2.5	2.5	2.321
Public park acreage	214.74	214.74	145.9	145.9	132	132	132	132	120	120
Number of vehicles	5	5	6	5	5	5	4	4	3	3
Sewer:										
Number of pumping stations	8	9	9	9	9	9	9	9	9	9
Mileage of sewer gathering lines	126	124	122.2	121.7	103	102	102	101.6	101.6	100.8
* Amount of sewage processed (gallons)	635,576,393	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
Number of vehicles	7	7	7	7	6	6	5	5	5	5

Source: Various Township Departments
Capital assets listing

* Record setting rainfall in 2018

* The Summer and Fall of 2020 dry & hot