

TOWNSHIP OF ABINGTON

Montgomery County, Pennsylvania

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021



1176 Old York Road, Abington, PA 19001

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended December 31, 2021

TOWNSHIP OF ABINGTON, MONTGOMERY COUNTY, PENNSYLVANIA

Prepared by the Abington Township Finance Department
Under the Direction of

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Township of Abington
 Montgomery County, Pennsylvania
 Annual comprehensive Financial Report
 For the Year Ended December 31, 2021

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INTRODUCTORY SECTION



Thomas Hecker, *Board President*
Matthew Vahey, *Board Vice President*
Richard J. Manfredi, *Township Manager*

TOWNSHIP OF ABINGTON

To the Honorable Members of the Board of Commissioners, and
Citizens of the Township of Abington, Pennsylvania:

We are pleased to submit this Annual Comprehensive Financial Report of the Township of Abington (“the Township”) for the fiscal year ended December 31, 2021. Responsibility for both the accuracy of the data contained in this report and completeness and fairness of the presentation, including disclosures in the notes to financial statements, rests with the Township’s management. It is important to note that this document could not be completed without the Township’s management and finance teams.

To the best of our knowledge and belief, the enclosed information is presented fairly in all material aspects and is reported in a manner designed to present fairly the financial position of the Township in accordance with generally accepted accounting principles (“GAAP”). All disclosures necessary to enable the reader to gain the maximum understanding of the Township’s financial activities have been included.

Bee Bergvall & Co., Certified Public Accountants, have issued an unmodified (“clean”) opinion on the Township’s financial statements for the year ended December 31, 2021. Their report is at the beginning of the Financial Section of this report.

Management’s Discussion and Analysis (“MD&A”) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

As a recipient of federal and state financial assistance, the Township is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is solidly in place and is continuously being monitored and reviewed for best practices and improved where necessary.

As part of the Township’s single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the Township has complied with applicable laws and regulations. Historically, the results of the Township’s single audits have indicated no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

This report also includes all funds of the Township (the reporting entity), including one component unit – the Abington Township Public Library. The Library, which operates within the Commonwealth’s Library Code, is also a department of the Township since a portion of its assets are owned by the Township, all employees are Township employees, and a tax millage is assigned.

In accordance with applicable GASB standards, the component unit financial information is combined in a separate column for reporting purposes in the government-wide financial statements.

Profile of Government

The Township of Abington is one of Pennsylvania’s most historic communities; it was incorporated in 1784 and classified as first-class status in 1906. It is located in the southeastern part of both the Commonwealth of Pennsylvania and Montgomery County. The Township encompasses approximately 15 square miles or 9,520 acres of land. More than 22,000 parcels of land make up the Township.

According to the U.S. Census Bureau’s 2020 Decennial Census, the Township has a population of 58,502. Abington is the second most populated municipality in Montgomery County and comprises nearly seven percent of the County’s total 2020 population. The 2020 Decennial Census found an increase in the Townships population that exceeded the 2019 and 2020 5 Yr Estimates of the Bureau’s American Community Survey. The Township’s vacancy rate has decreased from an estimated 7.2% per the 2019 ACS 5 -Yr. estimate to 5.2% per the 2020 Decennial census. This aligns with the County’s vacancy rate of 5.2%. In comparison, neighboring community’s vacancy rates range from 2.4 to 9.5%.

The Township is an International City/County Management Association (ICMA) recognized community operating under a Council-Manager form of Government. The Fifteen member elected Governing Body of Commissioners, one from each ward, serve four-year terms with elections occurring in odd-numbered years. District boundaries (ward configurations) are reevaluated following a decennial census.

The Board of Commissioners is the legislative body, that in governing the Township, provides policy direction for all local services, as designated by the Legislature of the Commonwealth of Pennsylvania. The Board of Commissioners annually levies taxes and user fees to support the activities of the various departments including Police, Fire, Community Development, Engineering, Library, Public Works, Emergency Management, Parks and Recreation, Wastewater Treatment, Refuse, Finance, Tax, and Administration. It appoints committees from its body of elected Commissioners to review and recommend to the full Board and public policy in conducting the affairs of the Township through the Office of the Township Manager.

In 2018, the Township Manager introduced goal setting and prioritization as decision making tools for policy and operating budget decisions. In 2020, goal setting and prioritization, albeit during COVID-19 pandemic, was expanded to strategic planning focus areas being included in the Township’s fiscal year budgets.

In 2022, the Board of Commissioners will engage in a formal strategic planning process to establish clear focus areas and drive future targeted funding priorities through 2024. The overarching goal of strategic planning is to imbed fiscal responsibility into daily operating budget decision making.

Through such a process operational and functional priorities are established based on identified goals, objectives, and guiding principles. The Office of the Township Manager continuously works to execute the strategic plan and ensure its integration into all operations, decision making and budgetary planning.

The Township Manager is selected by the Board of Commissioners and is the Chief Executive and Administrative Officer of the Township. The Manager is responsible to the Board of Commissioners for the supervision of all municipal departments and the administration of all municipal affairs placed in his charge; and directs and administers all executive and non-legislative activities of the Township, except as otherwise provided by statute or ordinance.

Local Economy

The 2021 Township business year saw a decrease in revenues as compared to 2020, including business tax receipts. When reviewing the business and mercantile tax receipts, there were less business service receipts (as small businesses closed, contractors were not working, etc.) and business retail receipts dropped.

In 2021, the Township was impacted by post Covid economic factors, supply chain issues, and other factors affecting all business. The 2021 year saw a decrease in revenues as compared to 2020, including business tax receipts. When reviewing the business and mercantile tax receipts, there were less business service receipts (as small businesses closed, contractors were not working, etc.) and business retail receipts dropped.

As referenced, the economic and social challenges faced in 2020 due to the coronavirus (COVID-19) pandemic continued to be present in 2021, if not greater. The Township has worked to try to offset some of those challenges through community programs, strategic planning, and fiscal responsibility. In 2021, the Township was informed it was a recipient of American Rescue Plan Act funds in the amount of 19,107,973.00. ARPA funds will be used in FY 2022 to bring back laid off positions, support EMS services, enhance parks and recreation, provide improvements to wastewater facilities and more. Furthermore, Cares Act Funding through the Community Development Block Grant program was used in 2021 to kick off three grant programs that help support our community, a rental and mortgage assistance program, a food pantry assistance program and a small business assistance program.

The Township has continued its efforts to engage with residents online through hybrid public meetings, the transition to a new online permitting system, continued work on the online financial system, and citizen services request tool. We have expanded communications through the creation of an e-newsletter, Twitter account, Instagram account, recording of over fifty informational and meeting videos, development of a new resident guide, and various printed publications. Our commitment to communications and public engagement was made clear with the hiring of Digital Media Coordinator, a position which was put on hold in 2020 through February 2021. Furthermore, the Township has continued its work toward strategic planning in every aspect of Township business. Vision 2035, the update to the Comprehensive Plan, the stormwater management plan, LEED recertification, and the Climate Action Plan continued to advance after setbacks due to the pandemic with anticipation of being complete in 2022.

Additionally, our commitment to transparency continues to be realized with the transition to a new financial software, OpenGov. OpenGov will bring greater transparency to the financials of the Township through a user-friendly portal for the public. In 2021, the Township's entire budget was presented in an interactive format that allowed residents greater exploration and detail of the budget than ever before. The budget was also converted to the DCED Chart of Accounts to align with Pennsylvania best practices. This work will continue through 2022 with the full transition of the Township financial accounting to the new platform and the development of new tools for the public's benefit.

Business in Abington continued, although in some circumstances looked different, with online shopping and telehealth visits becoming more common practice. The Willow Grove Park Mall, Huntingdon Valley Shopping Center, Fairway, the Abington Shopping Center, and Keswick Village are the main shopping centers in the Abington community. Willow Grove Park Mall (WGPM) - PREIT is a premier mall on 84 acres and consists of 130 stores whose presence and tenant mix are critical to the Township economy. The mall is comprised of anchor tenants including Bloomingdales, Macy's, Nordstrom's Rack, and Primark and others committed to the mall experience including Apple and the Cheesecake Factory. Although retail space has faced challenges in recent years, the mall has increased its occupancy rate of leased space from 97.1% in 2020 to 97.8% in 2021 and continues to diversify its services. In 2021, it announced the modification of a previous anchor store, JCPenney's to an amusement-based center, Tilted 10. Tilted 10 will offer over 104,000 sq. ft of entertainment for local families including bowling, arcade, laser tag, bumper carts and golf.

The Huntingdon Valley Shopping Center (HVSC) is a grocery-anchored neighborhood shopping center containing approximately 150,000 square feet of gross leasable area. The property is anchored by Giant Supermarket, Rite Aid, and Iron Hill Brewery and continues to grow with an application expected to be put forth for an additional dining service in 2022. Along the Fairway, Whole Foods Market remains a strong anchor, and Panera Bread, Snap Pizza, Athleta, Penn Community Bank, Beneficial Bank, Pet Valu, and Planet Fitness continue to operate at the current Baederwood Shopping Center. In 2021, Crumbl Cookies, joined the shopping center making it an even more desirable destination.

The Abington Shopping Center (ASC) remains one of the most well-located shopping centers in Abington. The ASC has excellent access and visibility from Old York Road and London Road, averaging a daily traffic count of over 30,000. The property contains 75,000 square feet of space and is anchored by a variety of national tenants and sits directly across from a Target Store and a TJ Maxx. A strong housing market helps maintain a population of over 315,000 residents within a 5-mile radius of the property with an average household income of \$100,166 per year. Abington Shopping Center stores include District Tacos which opened in 2021 and Cajun Seafood, Watch, Chipotle, Michaels, Sally Beauty, Rite Aid, Santander Bank, and Quest Diagnostics. The Abington Shopping Center continues to strive to be a focal point as the first main trade area outside of and closest to Philadelphia.

The Township continues to see investment from main institutions with Holy Redeemer and Abington Jefferson Health making investments to their infrastructure and the community around them in 2021. PennState Abington sought a text amendment in 2021 and is expected to submit a land development application in 2022 for the addition of a new academic building, the first in decades at the campus. In addition to commercial investment, the housing market continues to be sought after with the median home price rising and apartments at the Baederwood Shopping Center and Galman Property along Greenwood Avenue approved for development.

The Township also anticipates receiving additional text and/or map amendments for properties, which may ultimately result in land development in 2022, in addition to the Willow Grove Mall Park text/map amendment that is currently being reviewed.

The Township continued work on important improvement projects including the nearly three-million-dollar Old York Road/ Susquehanna Road improvement project which will revitalize the area through the demolition of abandoned buildings, realignment of the intersection, establishment of a signaled left turn lane from Susquehanna, and pedestrian, bicyclist and public transit improvements. Other large projects that have continued through design are the Abington Jenkintown Connections (AJC) project, the Ardsley Wildlife Sanctuary (AWS) Phase 2 project and Army Corps of Engineering Environmental Improvement Project. AJC is a \$4.2 million dollar five-phased project along Washington Lane, Jenkintown Road, Greenwood Avenue, and Meetinghouse Road. This project will include the installation of stormwater infrastructure, pedestrian crossings and flasher, a multiuse path, address significant flooding issues along the roadway and traffic safety concerns, and provide a critical connection from this portion of the Township to downtown Jenkintown, Alverthorpe Park, and Abington Friends School. The AWS Phase 2 project, funded through PA Department of Natural Resources, is a restoration and trail project that will address ongoing stormwater and invasive species issues in the Sanctuary, while providing greater access to the Sanctuary's natural areas to the local community. Finally, the Army Corps of Engineers environmental improvement project in Roychester and Grove Parks has continued through design in 2021 with construction expected to begin in 2022. This project will address stormwater issues and implement a piece of the Township's MS4 program.

2021 also brought the completion of the Township Master Tree Action Plan which will provide a guide to restoring and enhancing the Township's tree canopy in the coming years. In addition to the installation of over 3 miles of bike lanes connecting two local train stations and six parks through the TAP trails project.

In summary, the Township continues to seek ways to enhance the quality of lives for residents, retain and attract businesses, strengthen the local economy, and provide exceptional services to all who live, work, or visit the Township. The focus on strategic planning, fiscal and tax policy, future land-use strategies, stormwater and transportation infrastructure and recreation will help the township adapt to the ever-changing economy and provide a strong foundation for Township activities in the coming years. The Financial condition of the Township is not immune from the impacts of the global, national and regional economic factors. Federal and Commonwealth fiscal and tax policy and acts of the legislature have more direct impacts than in any time in the past. The Township's future land-use strategies, a focus on strategic initiatives in across all functions and activities, and the focused and consistent management of the Township's fiscal affairs is ever-present.

The Montgomery County Planning Commission reports the median sale price for a single-family detached dwelling in the Township increased from \$327,400 in 2020 to \$375,000 in 2021, or approximately 14.54%. In 2020, there were 620 units sold, as compared to 667 units for 2021 (single-family detached). The predominant housing type in the Township is single-family detached; in fact, this type constitutes 70 percent of the housing available.

Another important measure of the local economy is reflected in the strength of the Township's bond rating. The Township issued a General Obligation Note in 2017 for \$6.5 million. The issue was for \$3.0 million for various stormwater sewer and drainage-related capital projects, \$1.2 million for Old York/Susquehanna (EDC match), \$.662 Million for Army Corps of Engineers, and \$1.5 million to purchase 7 Refuse Vehicles.

Moody's Investors Service has assigned a rating of Aa1 for the 2017 issue and affirmed the same rating for the outstanding debt issues. Moody's cited the Township's strong financial operations, healthy reserve levels and cash position, moderately sized residential tax base with above average wealth levels, and moderate debt burden as their basis for the rating.

Police Department

The number one priority for Chief Patrick Molloy is to protect and serve the citizens of Abington Township and all those who work and travel throughout our community. The Department remains committed to the best practices in policing, as evidenced by the organization's status as a CALEA and PLEAC Accredited Agency, one out of only 13 that achieved this dual status in all of PA. For decades now, the Department has worked in partnership with many community stakeholders to foster healthy relationships based on mutual respect, transparency, and above all, trust. Members of the Department are committed to the Philosophy of community-oriented policing by putting the community first and the Six Pillars of 21st Century Policing - <https://cops.usdoj.gov/RIC/Publications/cops-p341-pub.pdf>. To accomplish this mission effectively and efficiently they have adopted the motto "To Protect and Serve with P.R.I.D.E. (Professionalism, Respect, Dedication and Esprit de Corps).

Chief Molloy continues to strengthen the Department's longstanding commitment to the Willow Grove NAACP, as we monitor our operations to ensure that we are employing fair and impartial policing strategies. In the wake of the George Floyd murder and widespread protests, the Department and the Willow Grove N.A.A.C.P. created the Chief's Advisory Council on Fair and Impartial Policing. This council was formed to honor the late Dr. Donald Clarke and Ms. Valerie O. Ward, two past presidents of the Willow Grove N.A.A.C.P. who were both role models to our officers and servant leaders for decades in our Township. This diverse group, which continues to include the current president and vice president of the Willow Grove N.A.A.C.P., pastors, and advocates meet quarterly with Command Staff to review policies and procedures, body camera footage, citizen's complaints, use of force reports, and other statistical data related to arrests and vehicle stops. These meetings continue to provide all of us with new perspectives, as we have had difficult conversations related to race and policing. We have learned is there is much more that unites us than divides us.

The hallmark of the Department's commitment to the philosophy of community-oriented policing is our youth programs. In the fall of 2021 youth programming such as *D.A.R.E.*, *Youth Aid Panel* and the *Police Athletic League*, resumed in-person rather than virtual meetings. The Youth Aid Panel reviewed 32 Juvenile cases with teens, parents, and representatives of the Department to continue to provide alternate adjudication and successfully divert youth from the formal criminal justice system. These programs would not be possible without the great partnership between the Police Department, the *Abington School District* and *Citizens and Police Together (CAPT)*, one that has served as a model for communities throughout the Nation. Unlike many jurisdictions throughout our region, the Department has remained committed to the *School Resource Officer Program*. Since 1998, Abington Officers have been assigned to the Abington Senior and Junior High Schools providing *Resources* to the students and staff.

While Patrol Operations and our Detective Divisions are operating 24/7 their commitment to excellence is unwavering. In 2021 officers responded to 41,778 calls for service and our detective division successfully prosecuted dozens of offenders after numerous and complex investigations.

The Board of Commissioners continues to indicate that Traffic Safety is among the highest of priorities and are committed to identifying hazardous roadways and implementing traffic calming measures where appropriate. The Department will continue to explore technologies and other tactics to educate the community, reduce the number accidents, and identify and cite aggressive drivers. The Chief and the Traffic Safety Unit remain committed to working with the Board of Commissioners to employ innovative strategies and other traffic calming measures with the primary focus of making our roadways safer for all motorists and pedestrians.

Abington Police remain committed to creative solutions and new programming to better serve the community, including those who live with mental illness and disability.

Veteran Response Team

Veteran Response Teams are a U.S. Department of Justice recognized “an enlightened approach” to offering veteran-specific training and resources to minimize recidivism, effectively meet the needs of the veterans, and maintain safety for all effected parties.

Statistics show the prevalence of PTSD grew by 400% between 2004 and 2012, as well as heightened risk for homelessness, unemployment, and suicide attempts. The Abington Township Police Department is proud to announce its integral part of the formation and implementation of Montgomery County’s Veteran Response Team (VRT). The VRT consists of law enforcement officers who have completed specialized training specific to serving veterans in crisis. The VRT has access to the highest priority connections to the Coatesville VA, mental health crisis responders, local veteran service organizations, and the Montgomery County Veteran’s Treatment Court. Abington Police was involved in the VRT advisory committee and was an eager participant in the first VRT training session which was held in March. Each officer who chooses to become a certified VRT member has attended the Basic CIS (Crisis Intervention Specialist) course, Advanced CIS course, and is a veteran themselves. Abington is one of the first departments in the state to have certified VRT members as a part of their department.

Update on The Bridge Program- Results, Expansion and The Addition of an In-House Crisis Worker

Abington launched the Bridge Program hoping it would add more life sustaining support to the community. When reviewing the number of Bridge referrals and behavioral health related calls for the year, the numbers speak for themselves that the Bridge Program has certainly reached those goals. Recently, we have expanded those goals to continue improving the services offered to our residents. One of these expansions has been creating a sub-station for Mobile Crisis representatives allowing a representative to work out of our department one day a week. Outside of this consistent presence in our office, Abington Police recognize the challenge Access Services/Mobile Crisis faces by providing services to our entire county. This work space provides a physical space in our part of the County for Mobile Crisis workers to collaborate, work remotely, or conduct training for officers.

In analyzing past years behavioral health related calls, a search has been conducted for calls specifically classified as person in crisis. In 2020, that number was 366 – and increased to 626 in 2021. Those numbers do not include specific scenarios such as a repeat caller who is calling to report delusions that are a result of their behavioral health concerns. Sometimes those reports are labeled as “public service” or “information” and require more intentional searches to get a more accurate number.

When such an increase was noticed in behavioral health related calls, we sought out that more accurate number. In 2021, it was determined Abington Police responded to 1,118 calls related to behavioral health. Our nation is experiencing more behavioral health calls than ever, and Abington Township is not exempt from that crisis. By investing our time, energy, resources, and partnerships into programs like the Bridge, we are hoping to have more proactive and more profound impacts on these terrifying, and sometimes tragic, situations. In understanding the need, we can then look at the increase in Bridge referrals last year. In 2020, we referred 104 cases to the Bridge. In 2021, we were able to discuss 531 cases in the Bridge. As this program grows and evolves, we have learned that one of the most beneficial parts is co-responding, so those suffering from behavioral health diagnoses can be introduced to Mobile Crisis by officers who have a good rapport with the individuals, and for Mobile Crisis to facilitate a positive interaction with officers for individuals who are skeptical of police.

While 2021 was a great year of growth for the Bridge Program, we will continue to expand into 2022 and are looking forward to what steps are next for our department and our community.

Fire Services

The Township of Abington Fire Services consists of the Fire Marshal, Director of Fire & Emergency Management Services, and five volunteer fire companies (Abington, McKinley, Weldon, Edge Hill, and Roslyn) which make up the Abington Township Fire Department. Township Administration is responsible for the duties and functions of the Fire Marshal and the Director of Fire & Emergency Management Services. The Fire Services Management team works at the direction of the Township Manager. This organizational structure ensures financial internal control while monitoring all complex transactions and funding. The Fire Companies work in concert with one another and report on a quarterly basis to the Fire Board.

In this era of shrinking membership in volunteer fire departments, the retention goal is to keep our membership stable, and we have done so. We are proud to maintain an active membership of 220 that allows us to remain a 100% volunteer Fire Department. Despite ever-growing demands on their time, our volunteers logged over 22,000 hours of volunteer community service in 2021 including hours spent in emergency response, training, and community education and fire prevention programs. These volunteer hours came during the Covid-19 pandemic where our volunteers continued to respond to emergency calls and continued training by virtual means.

The ATFD is guided by its Mission Statement: *The Abington Township Fire Department is a dedicated team of volunteer firefighters comprised of five individual fire companies unified as one department with a mission to provide excellent fire, rescue, fire prevention, and public education services to ensure the health, safety, and welfare of the community.*

The ATFD is one of only two (2) all volunteer fire departments in the United States to achieve accreditation by the Commission on Fire Accreditation International (CFAI), which is the accrediting agency for fire departments. In total, there are only 301 accredited fire departments in the United States and Canada, so this is a very prestigious distinction. In order to become accredited by the CFAI, the ATFD met over 300 performance indicators, core competencies, and criteria in areas such as fire suppression, fire training, strategic planning, fire prevention education programs, finances, physical and human resources, and firefighter safety.

The CFAI completed a comprehensive review and appraisal of the Abington Township Fire Department based upon the ninth edition of the *Fire & Emergency Service Self-Assessment Manual (FESSAM)*.

The Commission's goals are to promote organizational self-improvement and to award accreditation status in recognition of good performance. The peer assessment team's objectives were to validate the department's self-assessment study, identify and make recommendations for improvement, issue a report of findings, and conclude if the department is eligible for an award of accreditation.

The peer assessment team followed CFAI processes, and the Abington Township Fire Department demonstrated that its self-study accreditation manual, Standards of Cover Document, and strategic plan met all core competencies and criteria. The peer assessment team recommended accredited agency status for the Abington Township Fire Department from the Commission on Fire Accreditation International. On March 12, 2019, following a formal hearing, the CFAI granted re-accreditation status for the ATFD.

As an accredited emergency services provider, the Abington Township Fire Department works toward the goal of continuous improvement addressing the recommendations that are identified by a Peer Assessment Team from the Commission on Fire Accreditation International during their site visits that take place every five (5) years as well as the annual compliance reports that are submitted to CFAI. The next site visit by the CFAI assessors will take place in the Fall of 2023.

The ATFD's success in meeting expectations is strongly tied to integrated processes for its standards of cover, strategic plan, and capital improvement plan. The Standard of Cover processes have evolved, and appropriate adjustments have been made through the implementation of necessary improvements, to match available resources to the fire and non-fire risks and related expectations in the community. There are appropriate benchmark goals and actual baseline performance statements in place that identify and measure all components of the total response time continuum.

In February 2021, the long serving Fire Services Administrator retired. As a result, a new Director Level position was created to take on the duties of the Fire Services Administrator as well as Emergency Management Duties under the title of Director of Fire & Emergency Management Services. This new position was filled by the Township Emergency Management Coordinator who is also a chief officer in one of the five (5) Abington Township Fire Companies.

Education and outreach have always been the first steps in Abington Township Fire Department's volunteer recruitment efforts. However, in today's world, with so much competing for prospective members' attention, a captivating medium is nearly as important as the message. A major initiative that was planned for 2020 was a *Firefighter Experience* Recruitment event. The program was slated to offer prospective members unique and hands-on experiences designed to show them what it is like to be a volunteer firefighter in the ATFD. Current members will demonstrate each skill set and be with those trying them out for the first time. This program was postponed in 2020 and 2021 due to the ongoing Covid-19 pandemic. It is anticipated that this program will be implemented in the Fall of 2022.

Recruiting for the volunteer fire department is always a priority and always a challenge, which became even more challenging over the past 2 years due to the global Covid-19 pandemic. Many of the programs where we are able to interact with potential volunteers were cancelled over the past 2 years. That did not stop us from welcoming 40 new members to our ranks since the beginning of the pandemic on March of 2020. These new members are a result of the ongoing recruitment efforts using newer methods such as social media and online avenues, as well as traditional methods of targeted direct mail campaigns.

Recruitment and Retention will continue to be a priority of the ATFD, as an all-volunteer fire department saves millions of dollars per year for the residents of Abington Township.

Wastewater Department

The Wastewater Utilities Department's mission is to protect the public health and the environment by providing uninterrupted conveyance and proper treatment of sanitary wastewater at a reasonable and equitable cost to the residents and commercial businesses of Abington Township. Wastewater generated in Abington is treated by the Abington Wastewater Treatment Facility (58% of Abington properties & annual average daily flow of 3.28 million gallons per day [MGD]) and the Philadelphia Water Department's Northeast Wastewater Treatment Facility (42% of Abington properties & total annual average daily flow of 2.90 MGD). Abington also conveys wastewater from Rockledge Borough and Lower Moreland Township for treatment at the Philadelphia Water Department's Northeast Treatment Facility. Sanitary (domestic only) wastewater is received for treatment at Abington's Wastewater Treatment Facility from Upper Dublin Township, 9.31% (owned and operated by Bucks County Water and Sewer Authority); Upper Moreland Township, 3.00%; Springfield Township, 0.23%; Cheltenham Township, 1.19% and a small portion of Jenkintown Borough.

The Wastewater Treatment Plant was in compliance with all PaDEP effluent limitations during 2021. The operation staff are required and actively pursue Continuing Education courses as a requirement to renew their licenses, as well as improving and expanding their vocational knowledge. Also, the Department's collection system staff will be conducting visual inspections of sewer manholes located in wooded, off road areas during 2022 utilizing GIS mapping software.

A collection system pipe investigation and repair contract is anticipated to be bid during 2022, that will primarily seal previously cleaned laterals and leaking sewer main joints and continue the investigations and repairs in the Keswick and Stewart Avenue drainage basins.

Sanitary flows from the Tookany Basin Drainage Area, along the southern boundary of Abington Township and Cheltenham Township, are conveyed by Cheltenham Township's Interceptor A to the Philadelphia Water Department's Northeast Treatment Facility. Cheltenham Township completed the preparation of an I&I Reduction Plan with PaDEP and the Philadelphia Water Department (PWD) in January 2017. Although the plan is an agreement between Cheltenham Township and PaDEP, Abington Township and Jenkintown Borough are also indirectly required not to exceed their respective metering site's permitted 30-minute peak flow rates. In December 2019 AQUA Pennsylvania purchased the sanitary sewer collection system from Cheltenham Township and is responsible for all operation, maintenance and capital improvements. During 2021, peak flow rates were not exceeded at any of Abington's seven meter sites.

Abington Township Public Libraries (Abington Free Library and Roslyn Branch Library)

In 2021, there were a total of 23,457 patrons registered to use the Library. This represents 40% of Abington Township's population of 58,502 (2020 census.) The Abington Free Library reopened after a 14 month COVID-19 closure in May 2021. During our first week of reopening, from May 24-29, 1,336 guests visited the Library who borrowed 3,296 items. The Roslyn Branch Library reopened in August. Visits to the libraries were up 26% from 2020 with 74,415 total visits. Circulation of materials - books, DVDs, digital content like eBooks, audiobooks, and streaming video, as well as kits, hotspots, and museum passes were up an astounding 86% in 2021. Circulation across type was up, but the largest increase was physical items, 136,030 of which were checked out, up 240% from 2020. People were thrilled to be back in the buildings, borrowing books.

Digital content, or eResources, continues to be an area of growth. From 2019 to 2020, circulation of eResources increased by 9,792. From 2020 to 2021, it increased 22,507. Library staff offered 546 programs, either in-person or virtually. These programs were attended by 4,475 people. The library was open to the public for 32 weeks in 2021 and continued to offer Curbside Pickup throughout the year. Finally, our Adult Literacy program engaged 39 English language learning students at 70 classes and paired 28 students with one-on-one tutors in 2021. A workshop for new tutors trained 14 new tutors. This was a great year for the Library, for the staff and patrons, reopening the buildings and returning to pre-pandemic services and resources.

Parks and Recreation

The Department of Parks and Recreation, established in the early 1960s, originally consisting of a total of 186.968 acres of parks and playgrounds, has grown to include 29 parks, two pool facilities, three community centers, and various open spaces making up over 375 acres. The three major components of the Parks and Recreation Department are physical properties, recreational programming, and nature education. The Department has a dedicated Maintenance Division which maintains all of the Township's playgrounds, parks, and facilities, including the resident only Alverthorpe Park which boasts a par-3 golf course, two playgrounds, a seasonally operated mini-golf course, a wading pool, a 1.7mile paved trail, and a lake. The Recreation Division develops and schedules year-round activity programming for residents of all ages in the Township and the Briar Bush Nature Center provides nature and environmental education programming. The Parks Department supports many athletic organizations within the Township and works with the Shade Tree Commission (STC) and the Environmental Advisory Council (EAC) on improvement projects throughout the Township. In total, Parks and Recreation has a total of 18 full-time staff and approximately 150 part-time and seasonal employees all striving "To provide essential park and recreational facilities and organized programs to enhance the quality of life for the residents of Abington Township."

In 2019, the Department of Parks and Recreation added the Crestmont Clubhouse to its list of facilities. Located in Crestmont Park, this new venue provides additional space for youth and adult programming, Township training and meetings, community-based meetings, and a source of revenue as a rental.

Engineering

In 2021, the Engineering Department resumed to operate as one department within the Township under the direction of The Director of Engineering with Pennoni Associates serving as the Township Engineer.

Engineering provides implementation and execution of capital and non-capital projects, as well as oversight for emergency repair issues on the entire infrastructure throughout the Township. As under Engineering is the coordination of certain grants and the MS4 program. Additionally, the Construction Services Team continued to operate under the supervision of the Construction Services Manager and in conjunction with the Director of Engineering. This program continues to perform infrastructure projects at a greatly reduced cost than the bidding process.

In 2021, the Department constructed six (5) Capital Projects: Mill Rd. Circle storm sewer, School Lane storm sewer, Winding Creek stream bank stabilization, Harte Rd. storm sewer and Penmore Place storm sewer.

In conjunction with the Capital work, Construction Services also constructed or repaired thirteen (13) sites on an emergency basis as well as assisting with the Ida Storm emergency work. Engineering and Construction Services is currently scheduled to provide In Kind Services on many of the Grants currently held by The Township.

Code Enforcement

For the majority of 2021, the Code Division was included under the Engineering Department. On October 4 it was moved under the Department of Community Development. The Code Division continues to administer building, electrical, mechanical, accessibility, energy, property maintenance, zoning, and sub-division in addition to developing applicable ordinances of the Township.

Public Works

The Public Works Department has a unique partnership with both AQUA and PECO as they are replacing our water mains and gas mains to improve our aging infrastructure. Instead of AQUA or PECO paving only the disturbed sections of roads the Highway Division mills and then paves the entire road at little cost to the taxpayers. In 2021, the Public Works Highway Division milled 68,388 square yards of roadway at a cost of \$128,570.00 and then paved the roads applying over 6,220 tons of asphalt at a cost of \$348,031.00 all paid for by the utility companies.

The Leaf Collection Program brought in 32.428 cubic yards of leaves all collected curbside by the Highway Division which is then processed throughout the year into leaf compost that is available back to our residents at no charge. The Refuse Department collects on average 9,600 cubic yards of yard waste through our curbside collection program throughout the year which is also processed and diverted from the waste stream saving the Township a combined total of 14,688 tons and \$1,066,642.56 in dumping fees.

The Refuse Division of the Public Works Department continues to focus on the PAYT (Pay as you Throw) Hybrid Trash Collection program which provides a stable revenue to cover the cost of trash and recycling service in the Township while at the same time providing environmental sustainability by effectively promoting waste reduction by continuing to increase the waste reduction diversion rate by increasing the diversion rate through recycling. In August of 2020, our department took over operating the Abington Township Trash Transfer Station. By doing so, we have secured reduced tipping fees that has cut program costs by roughly \$562,171.00.

Community Development Department

Abington Township has been a Community Development Block Grant direct federal entitlement community since 1976, receiving funds from the United States Department of Housing and Urban Development (HUD), using the exception criteria. CDBG funds are intended to provide low and moderate income households with viable communities, including decent housing, suitable living environments, and expanded economic opportunities. Eligible activities include community facilities improvements and creation, housing rehabilitation and preservation, affordable housing development activities, and public, economic development, planning, and administration services.

The 2022 Annual Action Plan is currently under consideration by the Board of Commissioners and expected to be adopted and submitted to HUD before August 2022.

To best utilize CDBG funding in a timely manner and best meet the Township's needs, substantial amendments to previous years' plans have been proposed. These amendments, which will better utilize the funds for their greatest impact and most immediate need, are under review by the Board of Commissioners and are expected to be adopted and submitted to HUD in May and June 2022.

For FY 2021 (which began October 1, 2021), the Township's allocation from HUD was increased slightly over previous years to \$797,961. The 2021 Annual Action Plan includes activities for public facilities improvements, affordable housing activities through low-income rental housing rehabilitation, job training, and technical assistance to support the creation of a Neighborhood Revitalization Strategy Area (NRSA); it was adopted by the Board of Commissioners and submitted to HUD in August 2021.

The 2020 program year was October 1, 2020-September 30, 2021. The Township's allocation from HUD for FY2020 was \$789,126. The adopted FY 2020 Annual Action Plan included approved activities such as the rehabilitation of a building for use as a community-based senior center, affordable housing activities such as rehabilitation of low-income owner-occupied housing, fair housing education, and Tenant-Based Rental Assistance.

As a result of the COVID-19 pandemic and the associated CARES Act relief package passed by Congress, the Township of Abington was awarded \$770,975 in CDBG-CV funds to help prepare for, prevent, and respond to the spread of COVID-19. This adopted and approved plan created projects to support housing assistance to our residents, assistance to food banks/pantries in the Township, and small business assistance.

The Township continues to be a subrecipient of a \$400,000 Pennsylvania Department of Community and Economic Development (DCED HOME program grant. These funds will be used to support the Township's Owner-Occupied Home Rehabilitation Program, and five (5) owner-occupied properties are expected to be rehabilitated. The Township was granted an extension on this grant, and funds are available for use by the Township through May 13, 2023.

Financial Operations

Accounting Systems and Controls

The Township's Finance Department is responsible for establishing and maintaining an internal control system. Internal controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management.

The Finance Department reviews and updates established procedures on a regular basis to monitor the effectiveness of controls and resolve any potential problems identified.

All internal control evaluations occur within the above framework. We believe that the Township's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budget

The budget process is cyclical and active throughout an entire fiscal year. The new fiscal year budget development process begins in May with the Board of Commissioners establishing goals. In July, each department prepares preliminary budget requests, and justifications for those requests for the forthcoming year and submits them to the Township Finance Director and Township Manager. No later than early November, the Township Manager presents to the Board a proposed operating and capital budget comprising revenues and expenditures in all funds subject to annual appropriations and a five-year looking forward revenue and expense projection, along with a budget message spelling out priorities and related information.

Under the First Class Township Code, the Board must adopt a proposed budget at least 30 days before final adoption. Once accepted, the proposed budget document is advertised and available for inspection by the public. The final operating budget must be adopted by the Board of Commissioners by the end of the current fiscal year (December 31). The Township Commissioners may, at any time, make supplemental appropriations by resolution.

Budgetary control is maintained at the fund level, with operating departments charged with the maintenance of budgeted expenditures as a whole. Detailed budget reports are distributed to each department monthly. The Finance Committee reviews the budget Comprehensive Annual Financial Report status quarterly along with the Board of Commissioners. Budgetary transfers may be made during the last nine months of the fiscal year. Department heads may request a transfer of funds within their department from one line item to another. Requests are put in writing to the Finance Department and approved by the Board.

A more detailed explanation and description of Township operations can be found in the Management Discussion and Analysis section immediately following the report of the independent auditors.

Relevant Financial Policies

The Township's management has instituted a number of financial policies in order to provide consistency in operations and to enhance safeguards for internal control and budgetary compliance. Some of the more significant policies pertain to the purchasing system including standards for procurement of professional services, procedures for expenditures in excess of original contract amounts (change orders), purchasing procedures, related-party transactions, and fraud reporting – subscribing to a third-party service allowing employees to report suspected fraud anonymously. Annually, the Township adopts an investment policy establishing authority and proper investment instruments for the investment of idle funds.

In 1992, the Board established a minimum fund balance policy to establish a sound fiscal position and provide a fiscal safety net for Township operations. The policy authorizes the retention of a minimum fund balance of 7.5 percent of projected annual revenues.

In 2014, the Board approved a new fund balance policy to set a minimum of one month operating expense and a maximum of three months operating expenses. Per the policy, the excess over the three months operating expense will be distributed to the following: OPEB Liability, 35 - 40 percent of excess; Capital Fund, 55 - 60 percent of the excess; and 0 - 10 percent could be used for the next year's budget gap.

Fund balance has provided the Township with a significant source of revenues each year. In the past, the Board has drawn upon this balance for capital projects, used it in case of an emergency or an unforeseen event to balance its budget as required by law, and has avoided borrowing a Tax Anticipation Note ("TAN") for operations. In using the GFOA Best Practice for Fund Balance Policy as begun in 2014, the goal is to maintain fiscal responsibility as it relates to capital planning and future funding obligations.

Awards and Acknowledgements

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Township of Abington for its comprehensive annual financial report for the fiscal year ended December 31, 2020. This was the 18th consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report 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 that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

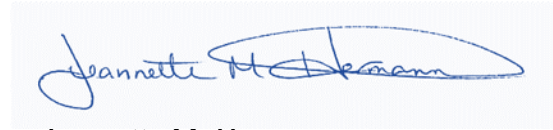
The preparation of this report would not be possible without the contributions and dedication of the Finance and Administration offices along with the support of all other municipal departments.

Appreciation is also extended to the elected officials of the Township of Abington for their cooperation and interest in the financial operations of the Township. With continued support of the Board of Commissioners, we will be able to continue the highest standards of professionalism in the management of the Township of Abington's finances.

Respectfully submitted,



Richard J. Manfredi
Township Manager



Jeannette M. Hermann
Finance Director

Township of Abington, Pennsylvania
June 22, 2022



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

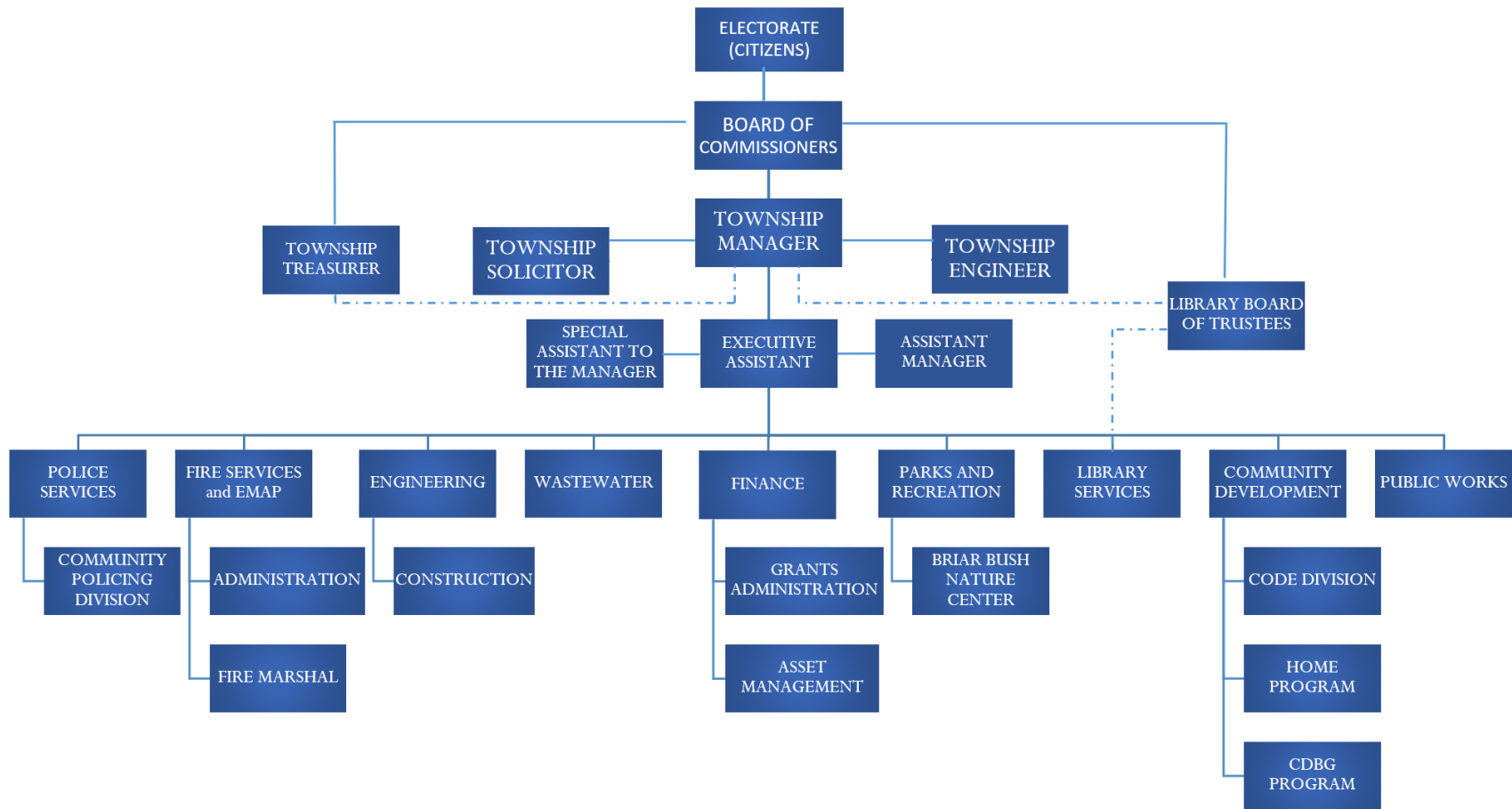
**Township of Abington
Pennsylvania**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO



**Township of Abington
Montgomery County, Pennsylvania
List of Elected and Appointed Officials
December 31, 2021**

Elected Officials

Commissioner – Ward 1	Thomas Hecker
Commissioner – Ward 2	Kenneth Brodsky
Commissioner – Ward 3	Drew Rothman
Commissioner – Ward 4	Jimmy DiPlacido
Commissioner – Ward 5	Julia Vaughn
Commissioner – Ward 6	Michael Thompson
Commissioner – Ward 7	Stuart Winegrad
Commissioner – Ward 8	Peggy Myers
Commissioner – Ward 9	Dennis C. Zappone
Commissioner – Ward 10	Jessica Carswell
Commissioner – Ward 11	John L. Spiegelman
Commissioner – Ward 12	Matthew Vahey
Commissioner – Ward 13	Bill Bole
Commissioner – Ward 14	Lori A. Schreiber
Commissioner – Ward 15	Thomas Bowman
Treasurer	Jay W. Blumenthal

Appointed Officials

Township Manager	Richard J Manfredi
Township Engineer	Khaled Hassan - Pennoni Associates
Chief of Police	Patrick Molloy
Solicitor	Michael Clarke, Esq.

Volunteer Boards

Planning Commission
Zoning Hearing Board
Economic Development Committee
Civil Service Commission
Environmental Advisory Council
Industrial Development Authority
Shade Tree Commission
Library Board of Trustees
Human Relations Commission
Vacant Property Review Board



FINANCIAL SECTION



936 Easton Rd., PO Box 754, Warrington, PA 18976 | 70 W. Oakland Ave., Ste. 203, Doylestown, PA 18901
130 Almshouse Rd., Suite 201A, Richboro, PA 18954
215-343-2727 | www.bbco-cpa.com

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Township of Abington
Abington, Pennsylvania

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Abington, Pennsylvania, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township of Abington, Pennsylvania's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Abington, Pennsylvania, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Abington Township Public Library, which represents 100 percent of the assets, net position, and revenues of the Abington Township Public Library as of December 31, 2021, and the respective changes in financial position, thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Abington Township Public Library, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township of Abington, Pennsylvania, 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 of Abington, Pennsylvania'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.

Auditors' 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 and *Government 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 generally accepted auditing standards and *Government Auditing Standards*, 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 of Abington, Pennsylvania'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 of Abington, Pennsylvania'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 management's discussion and the historical trend information 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 and other auditors 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.

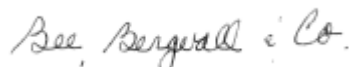
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Abington, Pennsylvania's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual nonmajor fund financial statements are 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 included in the annual report. The other information comprises the introductory, budgetary schedules, and statistical sections but 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.



Bee, Bergvall and Company, P.C.
Certified Public Accountants

Warrington, PA
June 22, 2022

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

Our discussion and analysis of the Township of Abington's financial performance provides an overview of the Township's financial activities for the fiscal year ended December 31, 2021. Please read this Management's Discussion and Analysis in conjunction with the accompanying financial statements, which begin on page 24, and notes which follow in order to obtain a thorough understanding of the Township's financial condition at December 31, 2021.

FINANCIAL HIGHLIGHTS

Government-wide Financial Statements (Full Accrual)

The government-wide financial statements report information about the Township as a whole using the economic resources measurement focus and accrual basis of accounting.

Total assets and deferred outflows of the Township exceeded its liabilities and deferred inflows on a government-wide basis by \$188,055,733 (net position) at December 31, 2021.

The Township's total net position increased from 2020 by \$14,782,405, or 9 percent mainly due to pension and OPEB.

Unrestricted net position decreased from a negative \$19.9 million to a negative \$2.4 million, as compared to the prior year.

Net investment in capital assets was \$182,010,899 at year end, a decrease of \$3.2 million.

Taxes and other revenues of the Township's governmental activities amounted to \$48.0 million, and expenses equaled \$36.2 million for 2021. This compares to 2020 activity of \$45.2 million in revenues and expenses of \$38.6 million.

Business-type activities for 2021 ended the year with revenues of \$16.0 million and expenses of \$13.4 million. This compares to 2020 revenues of \$14.6 million and expenses of \$12.9 million.

Fund Financial Statements (Modified Accrual)

The fund financial statements provide more detailed information about the Township's most significant funds using the current financial resources measurement focus and modified accrual basis of accounting.

At year end, the Township's total governmental funds reported fund balances of \$27,082,075, an increase of \$1.1 million in comparison with the prior year.

The total fund balance of the General Fund at December 31, 2021 was \$18,334,853. The unassigned portion of the fund balance was \$16,877,592, which is approximately 38 percent of General Fund revenues for 2021. The unassigned General Fund balance increased by \$2.1 million from 2020 to 2021.

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

General Financial Highlights

The Township's total tax levy of 4.851 mills for 2021 remained the same as 2020.

The Board of Commissioners set the residential refuse fee for 2021 at \$275 for 95 gallon trash containers; \$248 for 65 gallon trash containers; and \$220 for 35 gallon trash containers annually per dwelling unit. These fees are the same as 2020 rates.

Sewer rental rates for 2021 remained the same as 2020 at an average of \$4.01/1,000 gallons.

Taxable assessment valuation decreased from 2020 levels by \$13,359,406 or .39 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report consists of three parts: Management's Discussion and Analysis, the basic financial statements (including notes to the financial statements), and combining and individual fund statements and budgetary schedules.

The basic financial statements present two different views of the Township through the use of government-wide statements and fund financial statements:

- The first two statements, the statement of net position and the statement of activities (on pages 24 and 25), are government-wide financial statements that provide information about the activities of the Township as a whole and present a longer-term view and short-term information of the Township's overall financial status, as well as the financial status of its component unit.
- Fund financial statements start on page 27 and report on the Township's operations in more detail than the government-wide statements by providing information about the Township's most significant funds.
- The governmental funds statements describe how general government services such as public safety and culture and recreation were financed.
- Fiduciary fund statements provide information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government such as retirement plans. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support municipal activities.

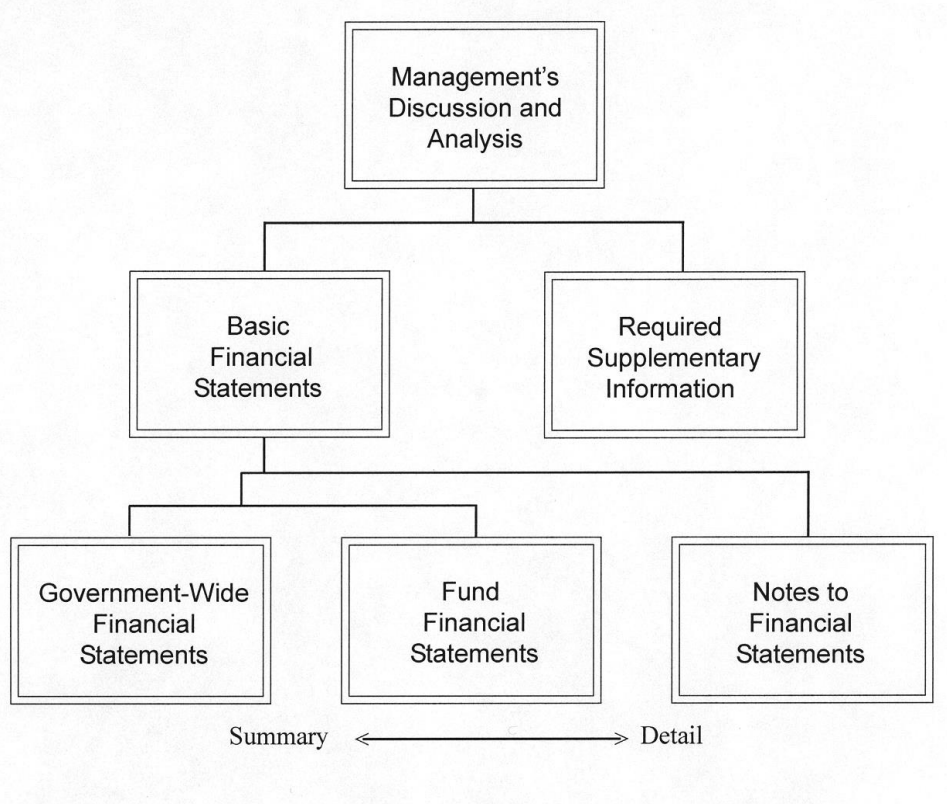
TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

The financial statements include notes that provide an explanation for certain information in the financial statements and also provide more details for this information. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, a section with combining statements provides details about the other governmental funds that are presented in single columns in the basic financial statements and certain budgetary statements for individual funds.

Figure A-1



TOWNSHIP OF ABINGTON

MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

Figure A-2 summarizes the major features of the Township’s financial statements. The remainder of this overview section of the Management’s Discussion and Analysis explains the structure and contents of each of the statements.

Figure A-2

Major Features of the Municipality’s Government-wide and Fund Financial Statements			
	Government-wide Statements	Fund Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire municipal government (except fiduciary funds) and the Municipality’s component unit	The activities of the Municipality that are not proprietary or fiduciary, such as police, fire, and recreation	Instances in which the Municipality is the trustee or agent for someone else’s resources, such as the retirement plan for municipal employees
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balance • Budget to actual 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and deferrals, and liabilities and deferrals, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; the Municipality’s funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

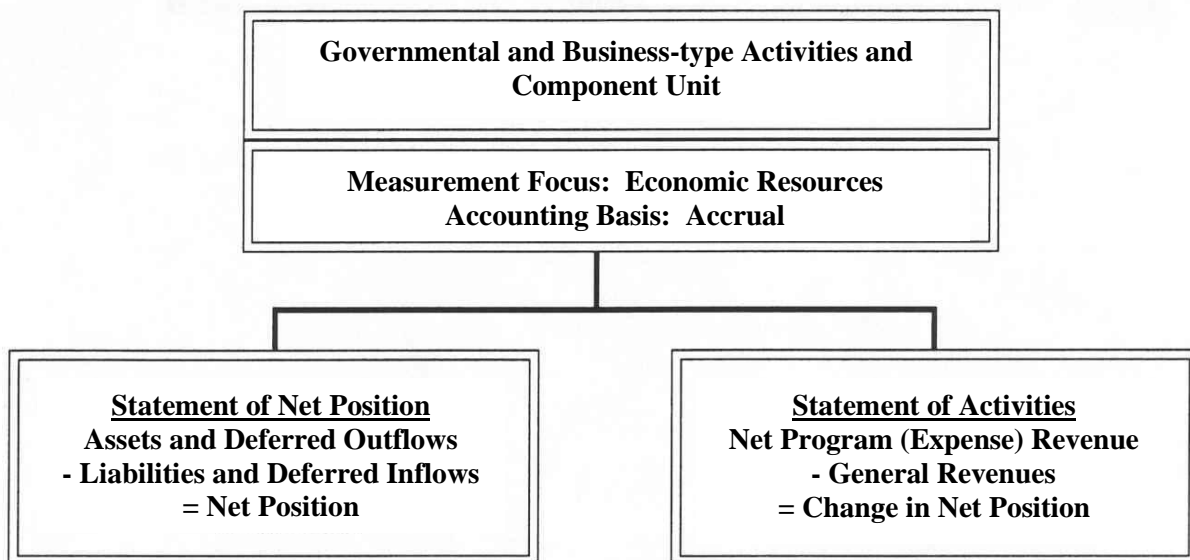
DECEMBER 31, 2021

Government-wide Statements

The government-wide statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Township's assets, deferred outflows, liabilities, and deferred inflows. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The two government-wide statements report the Township's net position and how it has changed. The statement of net position includes all of the Township's assets, deferred outflows, liabilities, and deferred inflows, except fiduciary funds. Net position is one way to measure the Township's financial health or position. Over time, increases or decreases in the Township's net position are one indicator of whether its financial health is improving or deteriorating. The statement of activities focuses on how the Township's net position changed during the year. You will need to consider other non-financial factors, however, such as the changes in the Township's property tax base and the condition of the roads, to assess the overall health of the Township. The primary features of government-wide financial statements are reflected in Figure A-3.

Figure A-3



The Township's government-wide financial statements are divided into three categories:

Governmental Activities – Most of the Township's basic services are reported here including administrative, codes and engineering, police and emergency services, public works, library, parks, and community development. Property, business and earned income taxes, user and franchise fees, and state and federal grants finance most of these activities.

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

Business-type Activities – The Township charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Township's wastewater and refuse collection and disposal services are reported here.

Component Unit – The Township includes one separate legal entity in its report – the Abington Township Public Library. Although legally separate, this component unit is important because the Township is financially accountable for it. The Library has submitted their audit as required.

Fund Financial Statements

The fund financial statements provide more detailed information about the Township's most significant funds, not the Township as a whole. The fund financial statements begin on page 27. Funds are accounting groups that the Township uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required to be established by state law. However, the Township Board of Commissioners may establish other funds to help control and manage money for particular purposes (such as the irrevocable health care trust fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the U.S. Department of Housing and Urban Development).

Governmental Funds – Most of the Township's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. As a result, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements on pages 28 and 30.

Proprietary funds – When the Township charges customers for the services it provides, whether to outside customers or the other units of the Township, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and statement of activities. In fact, the Township's three enterprise funds, the Sewer Fund, the Sewer Capital Fund, and Refuse Fund (components of proprietary funds), are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows, for sewer and refuse operations. Internal service funds (the other component of proprietary funds) report activities that provide supplies and services for the Township's other programs and activities, such as the Workers' Compensation Fund.

TOWNSHIP OF ABINGTON

MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

Fiduciary funds – The Township is the trustee, or fiduciary, for its employees’ pension plans and other post-employment benefits (“OPEB”), including health care. These plans cover essentially all full-time employees. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Township’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position on pages 36 and 37. These activities are excluded from the Township’s government-wide financial statements because the Township cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

The Township’s net position at December 31, 2021 and 2020 are presented below:

Table 1
Statement of Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and Other Assets	\$ 39,367	\$ 32,405	\$ 18,492	\$ 14,985	\$ 57,859	\$ 47,390
Capital Assets	<u>142,201</u>	<u>142,874</u>	<u>44,449</u>	<u>46,506</u>	<u>186,650</u>	<u>189,380</u>
Total Assets	<u>181,568</u>	<u>175,279</u>	<u>62,941</u>	<u>61,491</u>	<u>244,509</u>	<u>236,770</u>
Deferred Outflows	3,031	2,657	185	165	3,216	2,822
Current and Other Liabilities	11,512	7,752	1,776	2,091	13,288	9,843
Long-Term Liabilities	<u>8,852</u>	<u>15,915</u>	<u>617</u>	<u>1,540</u>	<u>9,469</u>	<u>17,455</u>
Total Liabilities	<u>20,364</u>	<u>23,667</u>	<u>2,393</u>	<u>3,631</u>	<u>22,757</u>	<u>27,298</u>
Deferred Inflows	33,029	34,846	3,883	4,173	36,912	39,019
Net Position						
Net Investment in Capital Assets	139,362	140,417	42,649	44,788	182,011	185,205
Restricted	2,933	2,237	5,509	5,804	8,442	8,041
Unrestricted	<u>(11,089)</u>	<u>(23,231)</u>	<u>8,691</u>	<u>3,260</u>	<u>(2,398)</u>	<u>(19,971)</u>
Total Net Position	<u>\$ 131,206</u>	<u>\$ 119,423</u>	<u>\$ 56,849</u>	<u>\$ 53,852</u>	<u>\$ 188,055</u>	<u>\$ 173,275</u>

The variance in long-term liabilities and deferred outflows and inflows of resources are primarily caused by the experience of the pension and opeb investment returns.

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

Net Position:

As previously mentioned, net position may serve over time as a useful indicator of a government's financial position.

Net position of governmental and business-type activities increased from the previous year by \$14.8 million (9 percent) to \$188.1 million.

Governmental Activities – Of the \$131.2 million in total net position, \$139.3 million represents the investment in capital assets; \$2.9 million represents restricted net position. The unrestricted net position is negative due to depreciation of infrastructure and changes in net pension and OPEB liabilities.

Business-type Activities – Of the \$56.8 million in total net position, \$42.6 million represents the net investment in capital assets. Restricted net position of \$5.5 million is primarily comprised of undetermined sewer capital. Unrestricted net position of \$8.7 million are split between sewer fund (\$7.9 million) and refuse operations (\$.8 million).

Capital Assets:

The largest portion of the governmental activities' net position is reflected in the investment of capital assets (such as infrastructure, buildings, construction-in-progress, vehicles, and equipment), less any related outstanding debt payments to acquire these assets. The Township maintains and uses these capital assets to meet the service demands of its residents and, therefore, these assets are not available for future spending. The investment in capital assets is reported net of related debt, and resources necessary to repay this debt will be required to be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities. Please see Note 6 – Capital Assets for a more detailed schedule of capital assets.

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

Change in Net Position:

In order to more fully understand the composition of the changes in net position for the current year, the following chart presents additional details regarding the results of all activities for the fiscal years ended December 31, 2021 and 2020:

Table 2
Changes in Net Position
(in thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues:						
Program revenues:						
Charges for services	\$ 3,268	\$ 2,419	\$ 14,233	\$ 14,135	\$ 17,501	\$ 16,554
Operating grants and contributions	4,664	3,948	347	-	5,011	3,948
Capital grants and contributions	339	84	-	-	339	84
General revenues:						
Property taxes	17,197	17,315	-	-	17,197	17,315
Other taxes	19,383	18,330	-	-	19,383	18,330
Investment income and rent	305	511	132	227	437	738
Other	2,836	2,642	1,670	270	4,506	2,912
Total Revenues	<u>47,992</u>	<u>45,249</u>	<u>16,382</u>	<u>14,632</u>	<u>64,374</u>	<u>59,881</u>
Expenses:						
Administrative	4,219	5,036	-	-	4,219	5,036
Police and emergency services	17,089	20,727	-	-	17,089	20,727
Codes and engineering	385	502	-	-	385	502
Health and human services	65	-	-	-	65	-
Public works	9,175	7,699	-	-	9,175	7,699
Refuse	-	-	5,367	5,016	5,367	5,016
Sewer	-	-	8,017	7,941	8,017	7,941
Library	1,632	1,751	-	-	1,632	1,751
Parks	3,267	2,662	-	-	3,267	2,662
Community development	314	154	-	-	314	154
Interest expense	62	71	-	-	62	71
Total Expenses	<u>36,208</u>	<u>38,602</u>	<u>13,384</u>	<u>12,957</u>	<u>49,592</u>	<u>51,559</u>
Change in Net Position	11,784	6,647	2,998	1,675	14,782	8,322
Net Position - Beginning of Year	<u>119,422</u>	<u>112,775</u>	<u>53,851</u>	<u>52,176</u>	<u>173,273</u>	<u>164,951</u>
Net Position - End of Year	<u>\$ 131,206</u>	<u>\$ 119,422</u>	<u>\$ 56,849</u>	<u>\$ 53,851</u>	<u>\$ 188,055</u>	<u>\$ 173,273</u>

TOWNSHIP OF ABINGTON

MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

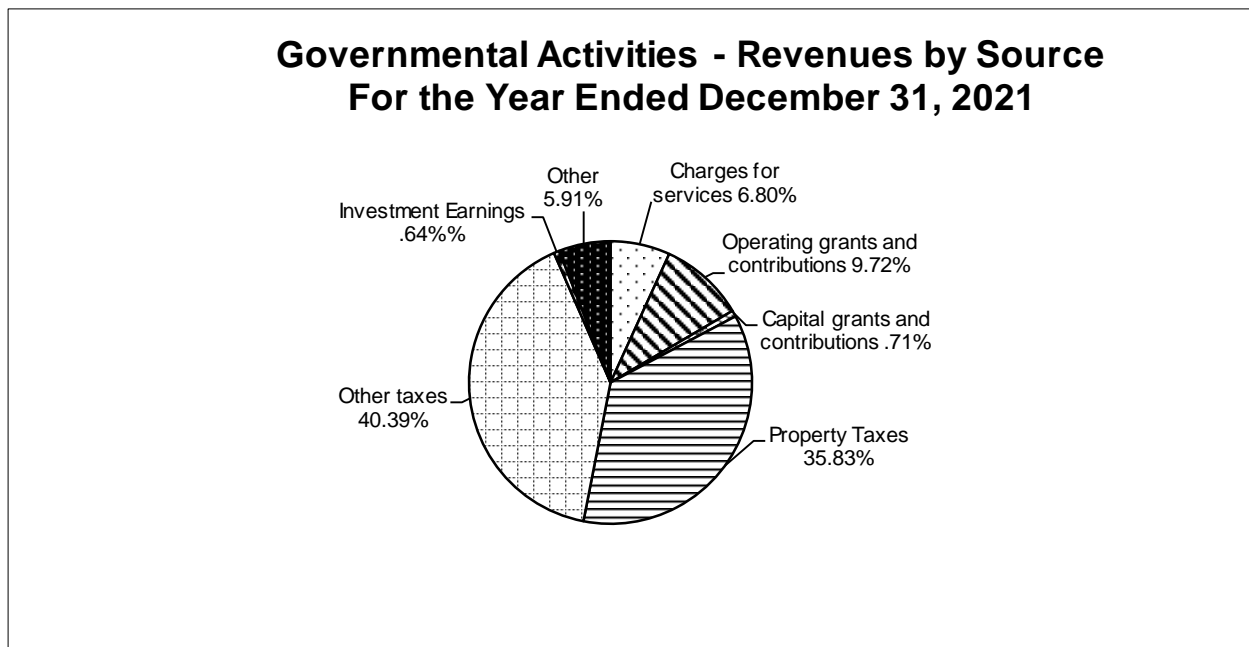
Total government-wide ending net position of \$188.1 million represents an increase of approximately \$14.8 million from the previous year. Total government-wide revenues of \$64.4 million were \$4.5 million more than the prior year. Total expenses in 2021 were \$49.6 million, which is \$2.0 million more than the previous year. Tax revenue increases began to return to pre-pandemic levels as business began opening and employees returned to work. However, expenditure savings occurred in several areas primarily due to the COVID-19 pandemic related project delays caused by supply chain issues.

Governmental Activities:

Revenue Sources

Total governmental activities revenues of \$48.0 million were primarily derived from earned income, transfer, and business taxes (40 percent) and property taxes (36 percent). Total revenues were greater than the previous year by \$2.7 million primarily due to return of programs and reopening of businesses.

The following chart graphically depicts the government-wide sources of revenues for governmental activities for the fiscal year ended December 31, 2021:



TOWNSHIP OF ABINGTON

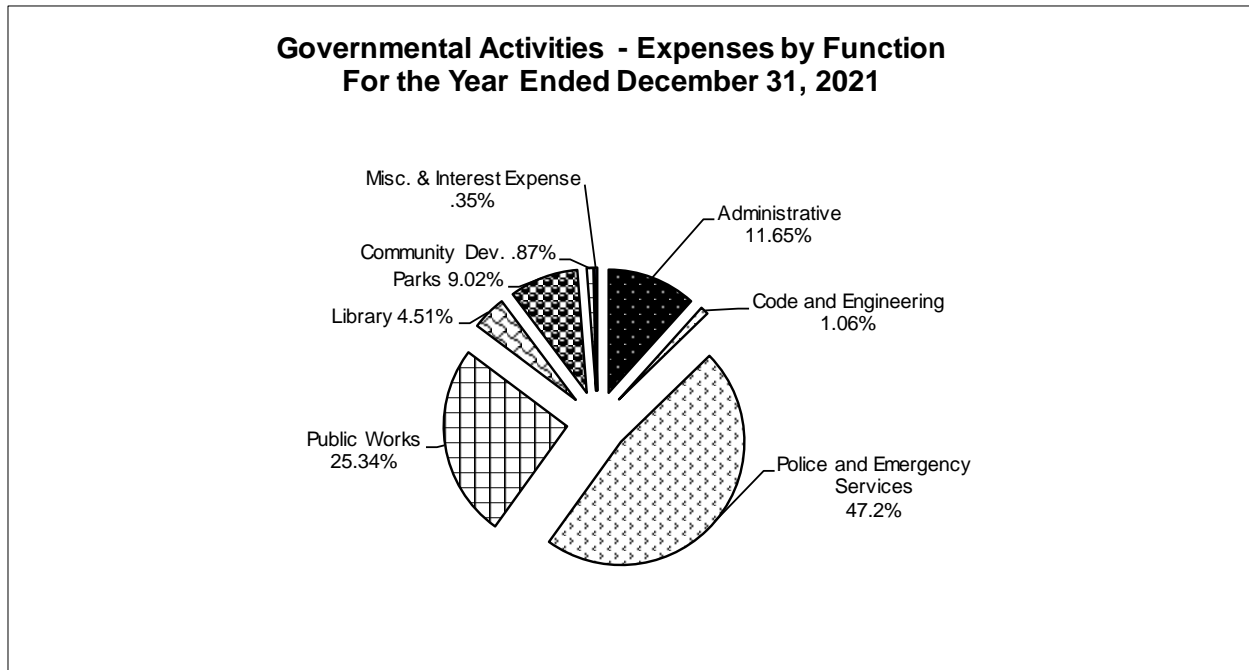
MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

Program Expenses:

The cost of all governmental activities for 2021 is \$36.2 million, a decrease of \$2.4 million from the prior year. As the chart below indicates, police and emergency services is the largest program (47 percent), totaling \$17.1 million. The second largest program expense is public works (25 percent), totaling \$9.2 million. The third largest program area was administrative at \$4.2 million (12 percent).

The following chart graphically depicts the government-wide program expenses for governmental activities for the fiscal year ended December 31, 2020:



TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

Business-type Activities:

Revenue Sources

Total business-type activities revenues of \$16.4 million were largely derived from charges for service for sewer rents and refuse collection, accounting for 87 percent of receipts. Total revenues increased from 2020 primarily due to an increase in grants and contributions.

Program Expenses:

The total business-type activities expenses of \$13.4 million were \$.4 million more than the 2020 fiscal period. The variance between the current and prior year is mainly due to pension and opeb.

The following schedule presents the cost of each functional category as well as each program's net cost (total cost less fees generated by the activities and program specific intergovernmental aid):

Table 3
Governmental Activities/Business-Type Activities
(in thousands)

	<u>Total Cost of Services</u>		<u>Net Cost/(Increase) of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Governmental Activities				
Administrative	\$ 4,219	\$ 5,036	\$ 4,148	\$ 4,966
Police and emergency services	17,089	20,727	14,757	18,835
Code and engineering	385	502	(1,477)	(1,086)
Health and human services	65	-	65	-
Public works	9,175	7,699	6,575	5,506
Library	1,632	1,751	1,522	1,639
Parks	3,267	2,662	2,308	2,151
Community development	314	154	(23)	70
Interest expense	62	71	62	71
Total Governmental Activities	<u>\$ 36,208</u>	<u>\$ 38,602</u>	<u>\$ 27,937</u>	<u>\$ 32,152</u>
Business-Type Activities				
Sewer	\$ 8,017	\$ 7,941	\$ (945)	\$ (979)
Refuse	5,367	5,016	(251)	(199)
Total Business-Type Activities	<u>\$ 13,384</u>	<u>\$ 12,957</u>	<u>\$ (1,196)</u>	<u>\$ (1,178)</u>

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

NET PROGRAM EXPENSES/REVENUES:

Net program expenses/revenues indicate the amount of support required from taxes and other general revenues for the year. Total police and emergency services required the largest amount of general revenue support, totaling \$14.8 million in 2021. Within police and emergency services are fire programs supported by a direct levy of real estate tax millage.

The administrative area did require general revenue support as expenditures exceeded revenues by \$4.1 million. Public works required \$6.6 million in general revenues for support, while library required \$1.5 million. Parks needed \$2.3 million while code and engineering did not require any general revenue support as revenues exceeded expenses by \$1.5 million, primarily because of cost reductions.

For business-type activities, the net cost of services totaled -\$0.9 million for the sewer fund and -\$0.3 million for the refuse fund due to revenues exceeding expenditures.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

As the Township completed the year, its governmental funds (as presented in the balance sheet on page 27) reported a combined fund balance of \$27.1 million, which is \$1.1 million more than last year's total of \$25.9 million. Of the \$27.1 million, \$10.2 million is either restricted, committed, or assigned, indicating that it is not available for future spending. The items that fall into this classification are real estate tax appeals, sick and death benefits, and capital projects. Approximately \$3.7 million minimum (one-month expenses) and \$11.1 million maximum (three-months expenses) of the General Fund's unassigned fund balance is designated as a reserve per the Board's policy. Of the total governmental fund's balance, \$16.9 million represents the unassigned fund balance, or resources available for appropriation.

General Fund

The Township revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. During the course of 2021, the Township amended its General Fund budget to accommodate prior years' capital project balances in order to carry forward funding. Differences between the General Fund's original budget of \$44,471,763 and final budget \$44,603,566 is \$0.1 million and can be summarized as a commitment to capital projects.

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

Expenditures:

In total, General Fund expenditure, compared to budget, ended the year under budget by \$2.1 million. Of the difference, each department contributed toward expenditure savings. Below highlights the majority of budget savings:

- Wages and Benefits – It is the Township's practice to budget for 100 percent of staffing positions. The majority of savings are attributable to salary full-time and part-time positions and benefits. Approximately \$1.1 million, or 4 percent of wage/benefit budget, was unspent at year end.
- Gasoline was under budget approximately \$.104 million.
- Contracted and Professional Services had \$.148 million unspent at year end.
- Equipment, Materials and Supplies were under budget \$.155 million at year end.

Revenues:

Revenues exceeded budget by \$5.1 million for 2021 thus reducing the budgeted anticipated use of fund balance.

Investment interest and rents declined \$.78 million for 2021 as caused by a decline in interest rates related to economic conditions.

Earned income taxes received were greater than budget by \$3.1 million as businesses reopened and employees returned to work.

Mercantile, business privilege, local services and deed transfer taxes exceeded estimates by \$2.1 million for the same reasons noted above.

Fees, licenses, and permits exceeded budget estimates by \$.577 million mainly due to an increase in building, plumbing and engineering permits.

Expenditure savings for 2021 were a direct result of continued Covid-19 pandemic impacts. 2021 revenues reflect the initial return to pre-pandemic levels.

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

Fund Balance:

After accounting for the fund balance's various components, the Township's General Fund unassigned fund balance increased from year to year by \$2.1 million and is at 38 percent of actual General Fund revenues. An analysis demonstrates that greater revenue collections, reduced programming and continued project delays were the primary reason for the increase.

Other Major Fund

Permanent Improvement Fund

Expenditures:

The Permanent Improvement Fund accounts for the majority of the capital projects of the Township. In 2021, \$2.0 million was spent on various projects. Police and emergency services, which includes fire services, spent \$.94 million. Street and stormwater projects had expenditures of \$.601 million. Other expenditures included park improvements, economic development, building improvements and equipment purchases. An increased use of grant funding also allowed for a reduction of expenditures from the Permanent Improvement fund.

Revenues:

Investment income of \$.075 million was received in 2021. Other financing sources include, \$.663 million transfer in for Fire capital and \$.001 million in the sale of capital assets.

Capital Assets

Capital assets consist primarily of land, buildings and improvements, equipment, and infrastructure. At the end of 2021, on a government-wide basis, the Township had \$183,521,961 invested in a broad range of capital assets, including police equipment, buildings, park facilities, roads, bridges, and sewer lines. (See Table 4). This amount represents a net decrease (including additions and deletions) of \$5.9 million. The governmental activities net capital assets decreased by \$3.0 million, and business-type activities decreased \$2.9 million over the prior year. Depreciation expense exceeded current year addition for governmental and business-type activities.

The following reconciliation summarizes the change in capital assets, which is presented in detail on pages 55 through 56 of the notes to the financial statements.

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

Table 4
Change in Capital Assets
Governmental Funds
(in thousands)

	Beginning Balance <u>12/31/2020</u>	Net Additions/ Deletions	Ending Balance <u>12/31/2021</u>
Non-Depreciable Assets			
Land	\$ 13,104	\$ -	\$ 13,104
Construction in progress	2,203	(176)	2,027
Other Capital Assets			
Buildings and improvements	12,338	79	12,417
Machinery and equipment	5,193	(272)	4,921
Vehicles	8,836	824	9,660
Infrastructure	210,239	1,065	211,304
Accumulated depreciation on capital assets	<u>(109,039)</u>	<u>(4,502)</u>	<u>(113,541)</u>
Totals	<u>\$ 142,874</u>	<u>\$ (2,982)</u>	<u>\$ 139,892</u>

Change in Capital Assets
Business Type Funds

Non-Depreciable Assets			
Land	\$ 282	\$ -	\$ 282
Construction in progress	1,644	(405)	1,239
Other Capital Assets			
Buildings and improvements	38,290	182	38,472
Sewer lines	69,529	(41)	69,488
Equipment/Vehicles	11,527	(1,477)	10,050
Accumulated depreciation on capital assets	<u>(74,765)</u>	<u>(1,136)</u>	<u>(75,901)</u>
Totals	<u>46,507</u>	<u>(2,877)</u>	<u>43,630</u>
Total Government-wide	<u>\$ 189,381</u>	<u>\$ (5,859)</u>	<u>\$ 183,522</u>

TOWNSHIP OF ABINGTON

MANAGEMENT’S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

Debt

The borrowing limit of the Township under the Debt Act is computed as a percentage of the Township’s “Borrowing Base.” The “Borrowing Base” is calculated as the annual arithmetic average of total “Revenue” (as defined by the Debt Act) for the three full fiscal years ended next preceding the date of incurring debt. The Township’s borrowing capacity is well under percentages allowed, having used approximately .98 percent of total debt capacity permitted as non-electoral debt. At year-end, the Township had \$1.5 million in bonds and notes outstanding versus \$4.2 million last year.

The following is a summary of the Township’s outstanding long-term debt as of December 31, 2021, which is presented in detail in Note 8 of the footnotes to the financial statements.

Table 5
Outstanding Debt at Year-End
2021

Year of Issue	Original Issue	Avg. Interest Rate	Final Maturities	Outstanding 1/1/2021	New Debt	Refundings/Retirements	Outstanding 12/31/2021
2013	8,325,000	2-4.00	2022	\$ 985,000	\$ -	\$ 485,000	\$ 500,000
2017	6,500,000	2.45	2023	3,190,062	-	2,179,000	1,011,062
				<u>\$ 4,175,062</u>	<u>\$ -</u>	<u>\$ 2,664,000</u>	<u>\$ 1,511,062</u>
				Outstanding 1/1/2021	Additions	Refundings/Retirements	Outstanding 12/31/2021
General Long-Term Debt				\$ 2,457,641	\$ -	\$ 1,927,000	\$ 530,641
Refuse Enterprise Fund				732,421	-	252,000	480,421
Sewer Enterprise Fund				985,000	-	485,000	500,000
				<u>\$ 4,175,062</u>	<u>\$ -</u>	<u>\$ 2,664,000</u>	<u>\$ 1,511,062</u>

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

Trust and Agency Operations

Pension Trust Funds

All Township full-time employees must participate in either the Non-Uniformed Employees Pension Plan or Uniformed Employees' Defined Benefit Pension Plan. The Township's actuary calculates benefit payments which are then paid by the trustee. During 2021, there was an increase of \$9.7 million in the Uniformed Employees' Defined Benefit Pension Plan's net position, \$85.6 million, and the Non-Uniformed Employees' Defined Benefit Pension Plan's net position, \$74.8 million, increased by \$6.5 million due to investment performance. The Non-Uniformed Employees' Defined Contribution Plan's net position, \$1.3 million increased \$.351 million.

The plans' latest actuarial valuation of assets reveals the Uniformed Defined Benefit market value of assets at 12/31/21 reveals the Uniformed Employees Defined Benefit Pension Plan is funded at 96 percent and Non-Uniformed Employees' Pension Plan is funded at 100.4 percent.

Other Post-Employment Benefits (OPEB) Trust Fund

In addition to pensions, many state and local governmental employers provide other post-employment benefits (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes post-employment health care, as well as other forms of post-employment benefits (for example, life insurance) when provided separately from a pension plan. The Township established an irrevocable trust fund in 2008.

In accordance with governmental accounting standards, the Township Board obtained an actuarial valuation in 2021 of its post-employment benefits other than pensions to determine the Township's liability. In 2021, the Township paid out \$1.2 million for current year retirees' health care benefits and deposited into the health care offset fiduciary fund \$1.7 million in total contributions. As of December 31, 2021, there was a recorded unfunded net OPEB obligation of \$4.0 million in the government-wide statements. Net position of the health care offset fiduciary fund at year-end was \$29.7 million. The Township intends to annually budget resources to be contributed to the health care offset fiduciary fund to partially address the liability. Please see Note 10 for more detail.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The elected officials of the Township of Abington considered many factors when setting the calendar year 2022 budget, tax rates, and fees that will be charged for government-wide and business-type activities. One of those factors is the economy. Overall employment data is not compiled for municipalities, but such data is compiled for the Philadelphia Labor Market Area which includes Montgomery County. Unemployment in Montgomery County is typically below that of the state. For 2021, the county unemployment rate was 3.3 percent, 1.1 percent below the state level of 4.4 percent. More significantly, the unemployment rate for Montgomery County declined greatly from the 2020 rate of 6.1%.

TOWNSHIP OF ABINGTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2021

The 2022 final adopted budget for General Fund capital projects is \$3,339,481. The budget included a General Fund transfer of \$663,521 for Fire capital purposes.

As a recipient of Coronavirus State and Local Fiscal Recovery Funds under the American Rescue Plan Act, the Township budget for 2022 reflects \$8,370,424 of approved expenses to assist in maintaining public services and for investment in projects and purchases for recovery and future growth. The Township is expected to receive \$19,107,973 in total and will plan for use as the year progresses.

Sewer rental rates remained the same as 2021. The capital budget for sewer projects was \$935,000 thousand from retained earnings.

The refuse fund sets prices for refuse collection based on the size of can used. Costs remained the same per can size for 2021 to 2020. The 2022 fee is \$220 for the 35 gallon container, \$248 for the 65 gallon container, and \$275 for the 95 gallon container. The Refuse Fund budget allocated \$335,000 for equipment purchases from refuse retained earnings.

For newly hired salaried full-time employees effective January 1, 2014, management has discontinued the practice of offering other post-employment benefits. The Township has also negotiated with the Per Diem Union to discontinue the practice of offering other post-employment benefits for newly hired union members after January 1, 2015. The Township has negotiated with the Abington Township Police Association that for Officers hired after January 1, 2016, retiree health insurance for the retiree and spouse provided by the Township shall cease upon each covered individual's eligibility for Medicare.

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

Subsequent to year end 2019, a global pandemic due to the spread of the COVID-19 coronavirus caused the United States government to declare a national emergency. In addition, The State of Pennsylvania issued a stay-at-home order and measured phases for reopening, which caused the temporary closure of businesses and a steep rise in unemployment. At the time this was authored, the State of Pennsylvania and Montgomery County, PA, in which the Township is located, has maintained the lifting of the COVID-19 mitigation measures. However, medical cases continue to fluctuate with Covid-19 variants, supply chain issues continue to delay construction and project efforts and employment hiring remains unsteady. Inflation and greater costs and a potential economic recession are also key components to monitor. Financial evaluations will continue but the potential impact is unknown at this time.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

If you have any questions about this report or need additional financial information, contact the Finance Director at Township of Abington, 1176 Old York Road, Abington, PA 19001, or visit the Township's web site at www.abingtonpa.gov.

TOWNSHIP OF ABINGTON

STATEMENT OF NET POSITION

December 31, 2021

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Library
<u>ASSETS</u>				
Cash and cash equivalents	\$ 35,373,742	\$ 17,505,237	\$ 52,878,979	\$ 1,431,183
Investments	325,432	551,199	876,631	2,367,532
Accounts and other receivables	3,667,750	364,077	4,031,827	8,291
Prepaid expenses	-	-	-	-
Notes receivable	-	71,199	71,199	-
Net pension asset	2,308,006	819,798	3,127,804	-
Land	13,103,972	281,662	13,385,634	-
Construction in progress	2,026,784	1,238,426	3,265,210	-
Depreciable capital assets, net	124,761,925	42,109,192	166,871,117	491,026
Total Assets	<u>181,567,611</u>	<u>62,940,790</u>	<u>244,508,401</u>	<u>4,298,032</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Non-uniform pension	766,460	71,995	838,455	-
Police pension	1,002,880	-	1,002,880	-
OPEB plan	1,261,678	112,551	1,374,229	-
Total Deferred Outflows of Resources	<u>3,031,018</u>	<u>184,546</u>	<u>3,215,564</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 184,598,629</u>	<u>\$ 63,125,336</u>	<u>\$ 247,723,965</u>	<u>\$ 4,298,032</u>
<u>LIABILITIES</u>				
Accounts payable and other current liabilities	\$ 1,546,730	\$ 988,185	\$ 2,534,915	\$ 31,132
Accrued interest payable	17,333	5,146	22,479	-
Unearned revenue	9,606,941	-	9,606,941	1,011,454
Non-current liabilities:				
Due within one year	340,632	782,938	1,123,570	-
Due after one year	8,851,549	616,994	9,468,543	-
Total Liabilities	<u>20,363,185</u>	<u>2,393,263</u>	<u>22,756,448</u>	<u>1,042,586</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Non-uniform pension	6,719,659	2,287,139	9,006,798	-
Police pension	8,421,589	-	8,421,589	-
OPEB plan	17,887,707	1,595,690	19,483,397	-
Total Deferred Inflows of Resources	<u>33,028,955</u>	<u>3,882,829</u>	<u>36,911,784</u>	<u>-</u>
<u>NET POSITION</u>				
Net Investment in capital assets	139,362,040	42,648,859	182,010,899	491,026
Restricted for:				
Capital projects	-	4,254,547	4,254,547	1,224,319
Community development projects	38,904	-	38,904	-
Public safety	6,582	-	6,582	-
Public works	2,007,473	-	2,007,473	-
Self insurance by statute	786,866	1,254,470	2,041,336	-
Culture and recreation	93,290	-	93,290	-
Unrestricted	(11,088,666)	8,691,368	(2,397,298)	1,540,101
Total Net Position	<u>131,206,489</u>	<u>56,849,244</u>	<u>188,055,733</u>	<u>3,255,446</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 184,598,629</u>	<u>\$ 63,125,336</u>	<u>\$ 247,723,965</u>	<u>\$ 4,298,032</u>

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

TOWNSHIP OF ABINGTON

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
GOVERNMENTAL ACTIVITIES				
Administrative	\$ 4,219,287	\$ -	\$ 70,942	\$ -
Police and emergency services	17,089,405	909,735	1,423,007	-
Codes and engineering	384,640	1,705,016	156,136	-
Health and human services	64,575	-	-	-
Public works	9,174,503	-	2,599,795	-
Library	1,631,511	-	109,699	-
Parks	3,266,843	653,140	304,538	1,147
Community development	314,247	-	-	337,369
Interest expense	62,483	-	-	-
Total Governmental Activities	<u>36,207,494</u>	<u>3,267,891</u>	<u>4,664,117</u>	<u>338,516</u>
BUSINESS-TYPE ACTIVITIES				
Sewer	8,016,711	8,962,034	-	-
Refuse	<u>5,367,409</u>	<u>5,271,213</u>	<u>347,447</u>	<u>-</u>
Total Business-Type Activities	<u>13,384,120</u>	<u>14,233,247</u>	<u>347,447</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 49,591,614</u>	<u>\$ 17,501,138</u>	<u>\$ 5,011,564</u>	<u>\$ 338,516</u>

GENERAL REVENUES

Taxes:

- Property taxes
- Transfer taxes
- Earned income taxes
- Business and mercantile taxes
- Local services taxes

Franchise fees

Grants and contributions not restricted to specific programs

Investment earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position, Beginning of Year

Net Position, End of Year

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component
Governmental	Business-Type	Totals	Unit
Activities	Activities		Library
\$ (4,148,345)	\$ -	\$ (4,148,345)	\$ -
(14,756,663)	-	(14,756,663)	-
1,476,512	-	1,476,512	-
(64,575)	-	(64,575)	-
(6,574,708)	-	(6,574,708)	-
(1,521,812)	-	(1,521,812)	(2,555,581)
(2,308,018)	-	(2,308,018)	-
23,122	-	23,122	-
(62,483)	-	(62,483)	-
<u>(27,936,970)</u>	<u>-</u>	<u>(27,936,970)</u>	<u>(2,555,581)</u>
-	945,323	945,323	-
-	251,251	251,251	-
-	1,196,574	1,196,574	-
<u>(27,936,970)</u>	<u>1,196,574</u>	<u>(26,740,396)</u>	<u>(2,555,581)</u>
17,196,863	-	17,196,863	-
2,215,635	-	2,215,635	-
9,682,982	-	9,682,982	-
6,185,591	-	6,185,591	-
1,299,107	-	1,299,107	-
1,134,426	-	1,134,426	-
34,853	-	34,853	2,419,090
304,790	131,761	436,551	251,885
1,666,934	1,669,859	3,336,793	43,968
<u>39,721,181</u>	<u>1,801,620</u>	<u>41,522,801</u>	<u>2,714,943</u>
11,784,211	2,998,194	14,782,405	159,362
<u>119,422,278</u>	<u>53,851,050</u>	<u>173,273,328</u>	<u>3,096,084</u>
<u>\$ 131,206,489</u>	<u>\$ 56,849,244</u>	<u>\$ 188,055,733</u>	<u>\$ 3,255,446</u>

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

TOWNSHIP OF ABINGTON

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2021

	General	Grant	Permanent Improvement	CDBG	Non-major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 16,357,884	\$ 9,606,533	\$ 6,664,758	\$ 76,978	\$ 2,152,886	\$ 34,859,039
Receivables	3,396,346	135,060	-	-	79,542	3,610,948
Total Assets	\$ 19,754,230	\$ 9,741,593	\$ 6,664,758	\$ 76,978	\$ 2,232,428	\$ 38,469,987
LIABILITIES						
Accounts payable and accrued expense	\$ 1,136,233	\$ 51,024	\$ 63,785	\$ 45,699	\$ 249,989	\$ 1,546,730
Unearned revenue	48,903	-	-	-	4,051	52,954
Total Liabilities	1,185,136	51,024	63,785	45,699	254,040	1,599,684
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - intergovernmental	-	9,553,987	-	-	-	9,553,987
Unavailable revenue - delinquent taxes	234,241	-	-	-	-	234,241
Total Deferred Inflows of Resources	234,241	9,553,987	-	-	-	9,788,228
FUND BALANCES						
Restricted for						
Culture and recreation	-	-	-	-	93,290	93,290
Public works	-	136,582	-	-	1,870,891	2,007,473
Public Safety	-	-	-	-	6,582	6,582
Community Development	-	-	-	31,279	7,625	38,904
Committed for						
Administrative	1,457,261	-	170,000	-	-	1,627,261
Public safety	-	-	2,505,095	-	-	2,505,095
Public works	-	-	1,309,419	-	-	1,309,419
Library	-	-	35,500	-	-	35,500
Parks	-	-	451,045	-	-	451,045
Assigned for						
Capital projects	-	-	2,129,914	-	-	2,129,914
Unassigned	16,877,592	-	-	-	-	16,877,592
Total Fund Balances	18,334,853	136,582	6,600,973	31,279	1,978,388	27,082,075
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 19,754,230	\$ 9,741,593	\$ 6,664,758	\$ 76,978	\$ 2,232,428	\$ 38,469,987

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

TOWNSHIP OF ABINGTON

RECONCILIATION OF THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION

December 31, 2021

TOTAL GOVERNMENTAL FUND BALANCES \$ 27,082,075

Capital assets used in governmental activities are not financial resources
and, therefore, are reported in the funds.

Cost of capital assets	\$ 253,433,204	
Accumulated depreciation	<u>(113,540,523)</u>	139,892,681

Internal service funds are used by management to charge the costs of self insurance for workers compensation to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position. The increase is equal to the internal service net position applicable to governmental activities. 786,866

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures.

Net pension asset	2,308,006
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Some of the Township's revenues will be collected after year end but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds. 234,241

Deferred inflows and outflows related to the Township's net position liability are based on the differences between actuarially determined actual and expected investment returns and differences between actuarial expected and actual experience. These amounts will be amortized over the estimated remaining average service life of the employees.

Deferred outflows of resources - non-uniform pension	766,460	
Deferred outflows of resources - police pension	1,002,880	
Deferred outflows of resources - OPEB	1,261,678	
Deferred inflows of resources - non-uniform pension	(6,719,659)	
Deferred inflows of resources - police pension	(8,421,589)	
Deferred inflows of resources - OPEB	<u>(17,887,707)</u>	(29,997,937)

Long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds and notes payable	(530,641)	
Interest payable	(17,333)	
Compensated absences	(1,061,714)	
Net OPEB liability	(3,674,218)	
Net pension liability	<u>(3,815,537)</u>	<u>(9,099,443)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 131,206,489

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

TOWNSHIP OF ABINGTON

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

For the Year Ended December 31, 2021

	<u>General</u>	<u>Grant</u>	<u>Permanent Improvement</u>	<u>CDBG</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues						
Taxes:						
Property (including Fire millage)	\$ 17,219,494	\$ -	\$ -	\$ -	\$ -	\$ 17,219,494
Transfer	2,215,635	-	-	-	-	2,215,635
Earned income tax	9,682,982	-	-	-	-	9,682,982
Business and mercantile	6,185,591	-	-	-	-	6,185,591
Local services tax	1,299,107	-	-	-	-	1,299,107
Fees, licenses and permits	3,626,851	-	-	-	-	3,626,851
Interest, dividends, and rents	616,832	-	75,446	-	16,102	708,380
Intergovernmental revenues	1,822,086	963,292	-	337,369	1,816,164	4,938,911
Fines, forfeitures, costs	122,326	-	-	-	-	122,326
Program revenues	653,140	-	-	-	-	653,140
Other	834,539	97,428	1,145	113,553	98,202	1,144,867
Total Revenues	<u>44,278,583</u>	<u>1,060,720</u>	<u>76,591</u>	<u>450,922</u>	<u>1,930,468</u>	<u>47,797,284</u>
Expenditures						
Current:						
General government	2,412,375	25,908	-	16,545	-	2,454,828
Public safety	25,232,804	206,814	-	-	-	25,439,618
Health and human services	-	-	-	64,575	-	64,575
Highways and roads	4,645,883	17,156	-	-	1,595,037	6,258,076
Culture and recreation	6,029,471	542,553	-	24,626	-	6,596,650
Insurance and employee benefits	1,383,528	-	-	-	-	1,383,528
Debt service:						
Principal	1,927,000	-	-	-	-	1,927,000
Interest	71,269	-	-	-	-	71,269
Capital projects	134,359	-	2,002,953	314,247	15,833	2,467,392
Total Expenditures	<u>41,836,689</u>	<u>792,431</u>	<u>2,002,953</u>	<u>419,993</u>	<u>1,610,870</u>	<u>46,662,936</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>2,441,894</u>	<u>268,289</u>	<u>(1,926,362)</u>	<u>30,929</u>	<u>319,598</u>	<u>1,134,348</u>
Other Financing Sources (Uses)						
Sale of capital assets	-	-	1,732	-	-	1,732
Transfers in	-	-	663,521	-	-	663,521
Transfers out	(663,521)	-	-	-	-	(663,521)
Total Other Financing Sources (Uses)	<u>(663,521)</u>	<u>-</u>	<u>665,253</u>	<u>-</u>	<u>-</u>	<u>1,732</u>
Net Change in Fund Balances	1,778,373	268,289	(1,261,109)	30,929	319,598	1,136,080
Fund Balances - Beginning	16,556,480	(131,707)	7,862,082	350	1,658,790	25,945,995
Fund Balances - Ending	<u>\$ 18,334,853</u>	<u>\$ 136,582</u>	<u>\$ 6,600,973</u>	<u>\$ 31,279</u>	<u>\$ 1,978,388</u>	<u>\$ 27,082,075</u>

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

TOWNSHIP OF ABINGTON

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

For the Year Ended December 31, 2021

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 1,136,080

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 outlay	\$ 2,112,003	
Depreciation expense	<u>(5,062,969)</u>	(2,950,966)

The effect of sales of capital assets is to decrease Net Position. (30,659)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (22,631)

The change in net position of the internal service fund is reported with governmental activities to the extent of services provided to governmental funds. 209,449

The issuance of long-term debt (e.g. bonds, leases) 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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of debt	<u>1,927,000</u>	1,927,000
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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 governmental funds.

Compensated absences	(55,675)	
Net pension liability and deferred items	5,848,395	
Net OPEB liability and deferred items	5,714,432	
Accrued interest payable	<u>8,786</u>	<u>11,515,938</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 11,784,211

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

TOWNSHIP OF ABINGTON

BUDGETARY COMPARISON STATEMENT – GENERAL FUND

For the Year Ended December 31, 2021

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Property (including Fire millage)	\$ 17,542,058	\$ 17,542,058	\$ 17,219,494	\$ (322,564)
Transfer	1,215,000	1,215,000	2,215,635	1,000,635
Earned income tax	6,600,000	6,600,000	9,682,982	3,082,982
Business and mercantile	5,192,000	5,192,000	6,185,591	993,591
Local services tax	1,200,000	1,200,000	1,299,107	99,107
Fees, licenses and permits	3,050,050	3,050,050	3,626,851	576,801
Interest, dividends, and rents	695,000	695,000	616,832	(78,168)
Intergovernmental revenues	1,694,500	1,694,500	1,822,086	127,586
Fines, forfeitures, costs	155,000	155,000	122,326	(32,674)
Program revenues	795,000	795,000	653,140	(141,860)
Other	975,680	975,680	834,539	(141,141)
Total Revenues	<u>39,114,288</u>	<u>39,114,288</u>	<u>44,278,583</u>	<u>5,164,295</u>
Expenditures				
Current:				
General government	2,710,356	2,711,503	2,412,375	299,128
Public safety	25,612,177	25,638,112	25,232,804	405,308
Highways and roads	5,013,193	5,019,014	4,645,883	373,131
Culture and recreation	6,978,175	6,977,028	6,029,471	947,557
Insurance and employee benefits	1,440,600	1,440,600	1,383,528	57,072
Debt service:				
Principal	1,750,000	1,750,000	1,927,000	(177,000)
Interest	303,741	303,741	71,269	232,472
Capital projects	-	100,047	134,359	(34,312)
Total Expenditures	<u>43,808,242</u>	<u>43,940,045</u>	<u>41,836,689</u>	<u>2,103,356</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,693,954)</u>	<u>(4,825,757)</u>	<u>2,441,894</u>	<u>7,267,651</u>
Other Financing Sources (Uses)				
Transfers out	<u>(663,521)</u>	<u>(663,521)</u>	<u>(663,521)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(663,521)</u>	<u>(663,521)</u>	<u>(663,521)</u>	<u>-</u>
Net Change in Fund Balance	(5,357,475)	(5,489,278)	1,778,373	7,267,651
Fund Balance - Beginning	<u>5,357,475</u>	<u>5,489,278</u>	<u>16,556,480</u>	<u>11,067,202</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,334,853</u>	<u>\$ 18,334,853</u>

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

TOWNSHIP OF ABINGTON

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

December 31, 2021

	Business-type Activities			Total Enterprise Funds	Governmental Activities
	Sewer	Sewer Capital	Refuse		Internal Service Funds
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 9,655,630	\$ 3,726,156	\$ 2,868,981	\$ 16,250,767	\$ 1,769,173
Investments	-	551,199	-	551,199	325,432
Receivables	164,324	-	199,753	364,077	56,802
Prepaid expense	-	-	-	-	-
Total Current Assets	<u>9,819,954</u>	<u>4,277,355</u>	<u>3,068,734</u>	<u>17,166,043</u>	<u>2,151,407</u>
Noncurrent Assets					
Net pension asset	333,043	-	486,755	819,798	-
Notes receivable	-	71,199	-	71,199	-
Land	281,662	-	-	281,662	-
Construction in progress	950,507	287,919	-	1,238,426	-
Capital assets, net	<u>17,001,220</u>	<u>23,413,487</u>	<u>1,694,485</u>	<u>42,109,192</u>	<u>-</u>
Total Noncurrent Assets	<u>18,566,432</u>	<u>23,772,605</u>	<u>2,181,240</u>	<u>44,520,277</u>	<u>-</u>
Total Assets	<u>28,386,386</u>	<u>28,049,960</u>	<u>5,249,974</u>	<u>61,686,320</u>	<u>2,151,407</u>
DEFERRED OUTFLOWS OF RESOURCES					
Non-uniform pension	29,248	-	42,747	71,995	-
OPEB plan	45,213	-	67,338	112,551	-
Total Deferred Outflows of Resources	<u>74,461</u>	<u>-</u>	<u>110,085</u>	<u>184,546</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 28,460,847</u>	<u>\$ 28,049,960</u>	<u>\$ 5,360,059</u>	<u>\$ 61,870,866</u>	<u>\$ 2,151,407</u>
LIABILITIES					
Current Liabilities					
Accounts payable and accrued expense	\$ 597,672	\$ 94,007	\$ 296,506	\$ 988,185	\$ -
Claims payable	-	-	-	-	20,000
Compensated absences	15,748	-	7,190	22,938	-
General obligation bonds and notes payable, net	500,000	-	260,000	760,000	-
Accrued interest	2,740	-	2,406	5,146	-
Total Current Liabilities	<u>1,116,160</u>	<u>94,007</u>	<u>566,102</u>	<u>1,776,269</u>	<u>20,000</u>
Noncurrent Liabilities					
Claims payable	-	-	-	-	90,071
Compensated absences	47,242	-	21,569	68,811	-
OPEB liability	131,666	-	196,096	327,762	-
General obligation bonds and notes payable, net	-	-	220,421	220,421	-
Total Noncurrent Liabilities	<u>178,908</u>	<u>-</u>	<u>438,086</u>	<u>616,994</u>	<u>90,071</u>
Total Liabilities	<u>1,295,068</u>	<u>94,007</u>	<u>1,004,188</u>	<u>2,393,263</u>	<u>110,071</u>
DEFERRED INFLOWS OR RESOURCES					
Non-uniform pension	929,150	-	1,357,989	2,287,139	-
OPEB plan	641,004	-	954,686	1,595,690	-
Total Deferred Inflows of Resources	<u>1,570,154</u>	<u>-</u>	<u>2,312,675</u>	<u>3,882,829</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	17,733,389	23,701,406	1,214,064	42,648,859	-
Restricted-capital projects	-	4,254,547	-	4,254,547	-
Unrestricted	7,862,236	-	829,132	8,691,368	2,041,336
Total Net Position	<u>25,595,625</u>	<u>27,955,953</u>	<u>2,043,196</u>	<u>55,594,774</u>	<u>2,041,336</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 28,460,847</u>	<u>\$ 28,049,960</u>	<u>\$ 5,360,059</u>	<u>\$ 61,870,866</u>	<u>\$ 2,151,407</u>
Adj. for the consolidation of internal service fund activities related to enterprise funds.				1,254,470	
Net Position of business-type activities				<u>\$ 56,849,244</u>	

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

TOWNSHIP OF ABINGTON

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

For the Year Ended December 31, 2021

	Business-type Activities				Governmental Activities
	Sewer	Sewer Capital	Refuse	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
User charges	\$ 7,902,256	\$ -	\$ 5,271,213	\$ 13,173,469	\$ -
Assessments	-	11,250	-	11,250	-
Joint sewer agreements	1,048,528	-	-	1,048,528	-
Miscellaneous	-	30	374,462	374,492	215,320
Total Operating Revenues	<u>8,950,784</u>	<u>11,280</u>	<u>5,645,675</u>	<u>14,607,739</u>	<u>215,320</u>
OPERATING EXPENSES					
Operations	1,529,248	-	981,481	2,510,729	-
Disposal and collections	1,801,810	782	3,862,520	5,665,112	-
Joint sewer agreements	1,668,049	-	-	1,668,049	-
Benefit payments	-	-	-	-	5,060
Insurance premiums	117,859	-	86,769	204,628	811
Miscellaneous expense	-	-	-	-	-
Depreciation	1,472,289	929,975	418,367	2,820,631	-
Total Operating Expenses	<u>6,589,255</u>	<u>930,757</u>	<u>5,349,137</u>	<u>12,869,149</u>	<u>5,871</u>
Operating Income (Loss)	<u>2,361,529</u>	<u>(919,477)</u>	<u>296,538</u>	<u>1,738,590</u>	<u>209,449</u>
NONOPERATING REVENUES (EXPENSES)					
Interest and investment income	61,568	38,466	31,727	131,761	-
Grants	-	-	347,447	347,447	-
Interest expense	(12,523)	-	(18,272)	(30,795)	-
Loss on disposal of capital assets	(484,176)	-	-	(484,176)	-
Change in NPL and deferred items	268,212	-	520,474	788,686	-
Change in OPEB liability and deferred items	201,843	-	304,838	506,681	-
Total Nonoperating Revenues (Expense)	<u>34,924</u>	<u>38,466</u>	<u>1,186,214</u>	<u>1,259,604</u>	<u>-</u>
Changes in Net Position	2,396,453	(881,011)	1,482,752	2,998,194	209,449
Total Net Position - Beginning	<u>23,199,172</u>	<u>28,836,964</u>	<u>560,444</u>	<u>1,831,887</u>	<u>1,831,887</u>
Total Net Position - Ending	<u>\$ 25,595,625</u>	<u>\$ 27,955,953</u>	<u>\$ 2,043,196</u>	<u>\$ 2,998,194</u>	<u>\$ 2,041,336</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				-	
Change in Net Position of business-type activities				<u>\$ 2,998,194</u>	

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

TOWNSHIP OF ABINGTON

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended December 31, 2021

	Business-type Activities				Governmental Activities
	Sewer			Total	Internal Service
	Sewer	Capital	Refuse	Enterprise Funds	Funds
Cash flows from operating activities					
Cash received from customers	\$ 9,003,499	\$ 11,250	\$ 5,236,361	\$ 14,251,110	\$ (43,088)
Other cash received	-	30	374,462	374,492	215,320
Cash paid to employees for services	(1,432,959)	-	(1,972,490)	(3,405,449)	-
Cash paid to vendors for goods and services	(4,145,800)	62,367	(2,858,289)	(6,941,722)	(811)
Cash paid for employee benefits	-	-	-	-	(5,248)
Net cash provided by (used in) operating activities	<u>3,424,740</u>	<u>73,647</u>	<u>780,044</u>	<u>4,278,431</u>	<u>166,173</u>
Cash flows from non-capital financing activities					
Nonoperating grants received	-	-	347,447	347,447	-
Net cash provided by (used in) non-capital financing activities	<u>-</u>	<u>-</u>	<u>347,447</u>	<u>347,447</u>	<u>-</u>
Cash flows from capital and related financing activities					
Purchase of capital assets	(85,280)	(343,114)	-	(428,394)	-
Principal paid on long-term debt	(485,000)	-	(252,000)	(737,000)	-
Interest paid on long-term debt	(16,593)	-	(19,036)	(35,629)	-
Net cash provided by (used in) capital and related financing activities	<u>(586,873)</u>	<u>(343,114)</u>	<u>(271,036)</u>	<u>(1,201,023)</u>	<u>-</u>
Cash flows from investing activities					
Purchase of investments	-	-	-	-	(20,000)
Sale of investments	-	110,000	-	110,000	10,000
Decrease in notes receivable	-	42,661	-	42,661	-
Investment earnings	61,568	48,239	31,727	141,534	9,551
Net cash provided by (used in) investing activities	<u>61,568</u>	<u>200,900</u>	<u>31,727</u>	<u>294,195</u>	<u>(449)</u>
Net increase (decrease) in cash and cash equivalents	2,899,435	(68,567)	888,182	3,719,050	165,724
Cash and cash equivalents - Beginning	6,756,195	3,794,723	1,980,799	12,531,717	1,603,449
Cash and cash equivalents - Ending	<u>\$ 9,655,630</u>	<u>\$ 3,726,156</u>	<u>\$ 2,868,981</u>	<u>16,250,767</u>	<u>\$ 1,769,173</u>

(continued)

**Reconciliation of Net Operating Income (Loss)
to Net Cash Provided (Used) by Operating Activities**

	Business-type Activities			Total Enterprise Funds	Governmental Activities
	Sewer	Sewer Capital	Refuse		Internal Service Funds
Operating income (loss)	<u>\$ 2,361,529</u>	<u>\$ (919,477)</u>	<u>\$ 296,538</u>	<u>\$ 1,738,590</u>	<u>\$ 209,449</u>
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities					
Depreciation and amortization	1,472,289	929,975	418,367	2,820,631	-
(Increase) Decrease in assets:					
Accounts receivable	52,715	-	(34,852)	17,863	(43,088)
Prepaid expenses	18,089	-	13,310	31,399	-
Increase (Decrease) in liabilities:					
Accounts payable	(482,411)	63,149	85,742	(333,520)	(188)
Accrued compensated absences	<u>2,529</u>	<u>-</u>	<u>939</u>	<u>3,468</u>	<u>-</u>
Net adjustments	<u>1,063,211</u>	<u>993,124</u>	<u>483,506</u>	<u>2,539,841</u>	<u>(43,276)</u>
Cash provided (used) by operating activities	<u>\$ 3,424,740</u>	<u>\$ 73,647</u>	<u>\$ 780,044</u>	<u>\$ 4,278,431</u>	<u>\$ 166,173</u>

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

TOWNSHIP OF ABINGTON

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

December 31, 2021

	Pension and Other Employee Benefit <u>Trust Plans</u>	Custodial <u>Fund</u>
ASSETS		
Cash and cash equivalents	\$ 10,150,806	\$ 3,109,562
Other receivables	-	828,829
Investments, at fair value:		
Annuity	278,464	-
Mutual funds	<u>181,737,252</u>	<u>-</u>
Total Assets	<u>192,166,522</u>	<u>3,938,391</u>
 LIABILITIES		
Payables	<u>4,957</u>	<u>68,727</u>
Total Liabilities	<u>4,957</u>	<u>68,727</u>
 NET POSITION		
Net Position - Restricted for:		
Pension benefits	161,784,542	-
Other post employment benefits	30,377,023	-
Developers and others	<u>-</u>	<u>3,869,664</u>
Total Net Position	<u>\$ 192,161,565</u>	<u>\$ 3,869,664</u>

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

TOWNSHIP OF ABINGTON

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended December 31, 2021

	Pension and Other Employee Benefit <u>Trust Plans</u>	Custodial <u>Fund</u>
ADDITIONS		
Contributions		
Plan member contributions	\$ 1,179,585	\$ -
Employer contributions	3,766,241	-
State aid	1,530,333	-
Escrow receipts	-	2,635,862
Total Contributions	<u>6,476,159</u>	<u>2,635,862</u>
Investment Income		
Net appreciation (depreciation) in fair value of investments	20,816,990	-
Interest and Dividends	2,490,726	-
Total investment earnings	23,307,716	-
Less investment expense	(94,796)	-
Net Investment Income	<u>23,212,920</u>	<u>-</u>
Other Income	20	-
Total Additions	<u>29,689,099</u>	<u>2,635,862</u>
DEDUCTIONS		
Benefits paid	9,481,981	-
Administrative expenses	119,988	-
Escrow disbursements	-	2,086,998
Refund of member contributions	74,622	-
Total Deductions	<u>9,676,591</u>	<u>2,086,998</u>
Change in Net Position	20,012,508	548,864
Net Position restricted for Pension, OPEB, other benefits, and custodial fund		
Beginning of Year (Restated)	172,149,057	3,320,800
End of Year	<u>\$ 192,161,565</u>	<u>\$ 3,869,664</u>

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

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Abington (the "Township") is a municipal corporation existing and operating under the First Class Township Code of the Commonwealth of Pennsylvania. The Township complies with generally accepted accounting principles, which includes all relevant Governmental Accounting Standards Board ("GASB") pronouncements. The accompanying financial statements present the primary government. In evaluating the Township (the primary government) as a reporting entity, all potential component units that may or may not fall within the financial accountability of the Township have been addressed. Financial accountability is present if the Township appoints a voting majority of a component unit's governing body and has the ability 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 Township. There is one component unit, described as an entity for which the government is considered to be financially accountable.

Discretely presented component units. The following is a component unit of Abington Township as the Township is financially accountable for the Library, appoints the Library Board, and has the responsibility for funding, funding deficits; and also handles the fiscal management on the Library's behalf. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Abington Township Public Library

The financial statements of the component unit may be obtained at the entity's administrative offices as follows: Abington Township Public Library, 1030 Old York Road, Abington, PA 19001.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements (except for the custodian funds). Custodian funds use the accrual basis of accounting but do not use the economic resources measurement focus, as they only report assets and liabilities. 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 for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 and claims and judgments, are recorded only when payment is due.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Township reports the following major governmental funds:

- The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Grant Fund** is used to account for the various local, state, and federal grants received by departments. The grant budget is used in the fund, and the expenditures are tracked by grant.
- The **Permanent Improvement Fund** accounts for the acquisition, construction, or improvement of capital facilities or infrastructure by the Township. It also funds various capital purchases for vehicles, trucks, equipment, etc.
- The **Community Development Block Grant ("CDBG") Fund** is used to account for federal monies received from Housing and Urban Development for the Community Development program. CDBG monies are used in areas of the community deemed to be eligible for improvement due to certain financial criteria, such as low to moderate income families, etc.

Special revenue funds account for the proceeds of specific revenue sources that are restricted or assigned to expenditures for specified purposes. The special revenue funds of the Township are:

- The **Highway Aid Fund** is used to account for state liquid fuels tax monies rebated to the Township. This special fund is required by state law.
- The **Rental Rehabilitation Fund** is used to account for grant monies received from the HOME program. The HOME program is a federal grant program.
- The **Economic Development Fund** is used to account for activities related to community enhancement. Funds are received from local and state agencies, area businesses, and individuals to rehabilitate or improve areas of the community.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- The **Special Investigations Fund** is used to account for monies received from the federal government that represent the Township portion of proceeds from criminal investigations that occurred within the community. The funds are then used for expenditures related to police department equipment.

All of the Township's special revenue funds are considered to be non-major governmental funds. In addition, the Township also maintains a non-major capital projects fund:

- The **Parks Capital Fund** collects contributions and funds to maintain specific areas in the Township.

The Township reports the following major proprietary funds:

- The **Sewer Fund** accounts for operations of the wastewater treatment plant. Sewer service is provided to properties in the Township and, in some cases, certain areas of the surrounding community.
- The **Sewer Capital Fund** accounts for the capital purchases and construction of sewer assets and any related revenues.
- The **Refuse Fund** is used to account for the operations of the refuse department. Refuse service is provided to residential and small commercial establishments (generating less than two tons of refuse per year) for an annual fee set by the Board of Commissioners. Customers must separate certain recyclable materials from the regular municipal waste.

Fiduciary funds are used to account for assets held by the Township in a trustee capacity for the future payments of benefits to employees. The Township reports the following fiduciary funds:

- The **Police Pension Fund** and the **Non-Uniformed Pension Fund** account for activities of the Police and Non-Uniformed Pension plans, which accumulate resources for pension benefit payments to qualified employees.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- The **Health Care Offset Fund** (OPEB Trust) was established as a result of a 1992 settlement with the Police Benevolent Association. It is used to account for funds set aside to help defray the health costs for all retired Township employees.

Additionally, the Township reports the following fund types:

The **Internal Service Fund** accounts for the self-insured workers' compensation program. Fees are charged to the General Fund, Sewer Fund, and Refuse Fund to cover their respective cost of workers' compensation insurance.

The **Custodian Fund** is used to account for the deposits held for developers and others.

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

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

Proprietary funds distinguish operating revenues 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 sewer fund, sewer capital fund, and internal service fund are charges to customers for services. The sewer fund and sewer capital fund also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the costs 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.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

With the exception of pension trust funds, state law allows the Township to invest in obligations of the United States of America, the Commonwealth of Pennsylvania, or any agency or instrumentality of either, which are secured by the full faith and credit of such entity. The law also allows for the Township to invest in certificates of deposit of banks, savings and loans, and savings banks both within and outside the Commonwealth of Pennsylvania, provided such amounts are insured by the Federal Deposit Insurance Corporation ("FDIC") or other like insurance, and that deposits in excess of such insurance are collateralized by the depository. The state also imposes limitations with respect to the amount of investment in certificates of deposit to the extent that such deposits may not exceed 20 percent of a bank's total capital surplus or 20 percent of a savings and loan's or savings bank's assets, net of its liabilities. The Township may also invest in shares of registered investment companies, provided that investments of the company are authorized investments, as noted above.

The Township may invest in obligations and agencies of the United States of America. These investments are comprised of U.S. Treasury obligations. The Township recognizes interest rate risk and extension risk with some of these obligations. The Township has stratified their portfolio so that the investments with extension risk are comprised of monies needed on a long-term basis. Investments with interest rate risk are selected so that the risk of interest decline below area savings accounts rates is minimal.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deposits and Investments (continued)

The law provides that the Township's pension trust funds may invest in any form or type of investment, financial instrument, or financial transaction if determined by the Township to be prudent.

Investments for the Township, as well as for its component unit, are reported at fair value.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles. At December 31, 2021, an allowance for trade receivables was recorded based on historical trends and circumstances, which existed at year end. The property tax receivable allowance has not been established since all property taxes are deemed fully collectible.

Property taxes are levied as of January 1 on property values assessed as of the same date. Taxes are billed in February and payable under the following terms: a two percent discount is applied if paid within 60 days of the billed date, face amount is payable from 61 days to 120 days past billed date, and a 10 percent penalty is assessed if paid after 120 days past billed date. Any unpaid bills at December 31 are subject to lien, and penalties and interest are assessed.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Expenditures for prepayments are recognized during the period benefited by the prepayment, the consumption method.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

All inventories are valued at cost using the first-in/first-out (“FIFO”) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Building improvements	30 years
Roads and bridges	45 - 75 years
Storm sewers	100 years
Lighting	20 years
Trucks and heavy equipment	10 years
Vehicles	7 years

Compensated Absences

- *Vacation Pay* - Unused vacation benefits lapse at year-end and, accordingly, are not provided for in these financial statements.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (continued)

- *Sick Pay* - Unused sick pay accumulates at different dates for the various classes of Township employees. All sick pay is accrued when incurred in 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.
- *Holiday Pay* - Each police officer can carry over 48 holiday hours in any calendar year up to a maximum of 300 hours. These hours will be compensated for at retirement or resignation. Amounts over 48 hours up to a maximum of 300 hours can be applied to early retirement.
- *Personal Time Off* - Unused personal days may be accumulated from year to year with a maximum accumulation of 15 days (120 hours). These hours will be compensated for at retirement or resignation.

Historically, the general fund has been responsible for liquidation of compensated absences associated with governmental activities. Compensated absences associated with business-type activities are liquidated from the fund in which the liability was generated.

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net asset that applies to a future periods and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net asset that applies to a future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has the following items that qualify for reporting in these categories:

1. *Differences between expected and actual experience* is reported in the government-wide statement. A difference results when actual economic or demographic factors differ from expected results.
2. *Change in assumptions* is reported in the government-wide statement of net position. A net difference results when actuarial assumptions are changed.
3. *Net difference between projected and actual earnings* is reported in the government-wide statement of net position. A net difference results from the actual earnings in the plan either exceeding or falling short of projected earnings.
4. *Unavailable revenue – intergovernmental revenues and delinquent taxes* is reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position

In the government-wide 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 reduce the balance of this category.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position (continued)

Restricted net position - 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 net position - This category represents net position of the entity, not restricted for any project or other purpose.

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

Fund Balances

Governmental funds report fund balance in classifications based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance can consist of the following:

Nonspendable Fund Balance - includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance - includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance - includes amounts that can only be used for the specific purposes determined by a resolution of the Township's highest level of decision-making authority, the Board of Commissioners. Commitments may be changed or lifted only by the Township taking the same formal action that imposed the constraint original (for example: resolution).

Assigned Fund Balance - includes amounts that are intended to be used by the Township for specific purposes that are neither restricted nor committed. In accordance with Township policy, intent is expressed by (a) the Board of Commissioners or (b) a body (a budget, finance committee, or Township Manager and Finance Director) to which the assigned amounts are to be used for specific purposes.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (continued)

Unassigned Fund Balance - This residual classification is used for all negative fund balances in special revenue and capital projects funds, or any residual amounts in the General Fund that are not classified as nonspendable, restricted, committed, or assigned. In circumstances when an expenditure is made for purposes for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Subsequent Events

The Township has evaluated all subsequent events through the date the financial statements were available for release. Subsequent to year end, the Township expects to receive additional funding under the American Rescue Plan Act in the amount of \$9,553,987. No other subsequent events have been recognized or disclosed.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Sewer Fund, Refuse Fund, Highway Aid Fund, Permanent Improvement Fund, and the Workers' Compensation Fund. All annual appropriations lapse at fiscal year-end. The General Fund budget is presented in the basic financial statements. The Grant Fund did not have a budget. Budgets for the other funds are shown in supplemental information.

During November, the Township holds budget hearings for the purpose of receiving oral and written comments from interested parties in regard to the proposed budget for the following year. The Township makes available to the public its proposed operating budget for all funds. The operating budget includes proposed expenditures and the means of financing them. The Board holds public hearings, and a final budget must be prepared and adopted no later than December 31 through the passage of an ordinance.

All budget revisions require the approval of the Township Board of Commissioners. There were budget revisions made during the year. The Board also authorized the use of unallocated fund balances in 2021.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders) outstanding at year end lapse.

Minimum Fund Balance Policy - It is the desire of Abington Township to maintain adequate General Fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The Township's Board of Commissioners have adopted a financial standard to maintain a General Fund unassigned fund balance minimum of approximately one month and a maximum of three months of expenses.

Excess of Expenditures Over Appropriations - For the year ended December 31, 2021, expenditures over appropriations for the General Fund were as follows: legal services \$61,273, police field service \$234,800, and capital projects \$34,312. The over expenditures were covered through revenues in excess of budget and expenditures under budget in other areas.

NOTE 3 DEPOSITS AND INVESTMENTS

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. At December 31, 2021, the Township's bank balance was \$58,531,108. Of the bank balance, \$500,000 was covered by federal depository insurance, and remaining balance was exposed to custodial credit risk because, in accordance with Act 72 of the Commonwealth of Pennsylvania, it was uninsured and the collateral held by the depository's agent was not in the Township's name.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Township manages its custodial credit risk through requiring that its broker-dealer or custodian shall be a member in good standing of the Securities Investor Protection Corporation, established under the Securities Investor Protection Act of 1970 and, additionally, provide a certificate of insurance demonstrating that a surety bond be maintained in the amount of 125 percent of the value of the Township's assets at any given time.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

	Fair Value	Investment Maturities (In Years)			
		Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
GOVERNMENTAL ACTIVITIES					
Certificates of Deposit	\$ 325,432	\$ 174,056	\$ 151,376	\$ -	\$ -
BUSINESS-TYPE ACTIVITIES					
Certificates of Deposit	\$ 551,199	\$ -	\$ 432,899	\$ 118,300	\$ -

Fair Value Measurements: The Township categorizes its fair value measurements within the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs that include quoted prices for similar assets in active markets and inputs that are observable for the asset, either directly, or indirectly, for substantially the full term of the financial instrument. Fair values of these instruments are estimated using pricing models, quoted pricing models, quoted prices of securities with similar characteristics, or discounted cash flows; Level 3 inputs are significant unobservable inputs. The Township has the following recurring fair value measurements as of December 31, 2021:

FIDUCIARY FUNDS	Total	Level 1	Level 2	Level 3
		Fair Value	Fair Value	Fair Value
Money Market Funds	\$ 3,437,225	\$ 3,437,225	\$ -	\$ -
DROP Annuity	278,464	-	-	278,464
Mutual Funds-International Equity	38,314,840	38,314,840	-	-
Mutual Funds-Domestic Equity	101,803,734	32,399,691	69,404,043	-
Mutual Funds-Fixed Income	41,618,678	-	41,618,678	-
	<u>\$ 185,452,941</u>	<u>\$ 74,151,756</u>	<u>\$ 111,022,721</u>	<u>\$ 278,464</u>

Concentration of Credit Risk. For fixed income securities: except for issues of the U.S. Government, its agencies, and instrumentalities of the U.S. Government, no more than five percent of the portfolio at fair value should be invested in the issues of a single issuer. For equities: no single issue should represent more than five percent at cost or 7.5 percent at fair value of the portfolio, and no more than 25 percent of the portfolio at fair value should be invested in any one industry as defined by the appropriate benchmark. At December 31, 2021, no investment in any one organization represented five percent or more of net position available for benefits.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk. The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The Township's policy is to follow state law as noted in Note 1. The types of investments allowable under state law are fully insured either by FDIC insurance or government agencies with an implied AAA rating. The Township has no investments subject to credit risk.

Discretely Presented Component Unit At December 31, 2021, the bank balance of the Abington Township Public Library's deposits was \$1,446,621. Of the balance, \$519,176 was covered by federal depository insurance. The remaining balance of deposits was exposed to custodial credit risk because, in accordance with Act 72 of the Commonwealth of Pennsylvania, it was uninsured and the collateral held by the depository's agent was not in the Library's name. As of December 31, 2021, the Library had the following investments:

	Level 1 <u>Fair Value</u>	Less Than <u>One Year</u>
Mutual funds	\$ 1,489,700	\$ 1,489,700
Exchange-traded funds	505,630	505,630
Preferred securities	51,470	51,470
Corporate bonds	<u>320,732</u>	<u>320,732</u>
	<u>\$ 2,367,532</u>	<u>\$ 2,367,532</u>

Investments in external investment pools, such as those in mutual funds, are disclosed but not subject to interest rate, custodial, credit, or concentration risks because they are not evidenced by securities that exist in physical or book entry form. The Library's investments in corporate bonds are subject to custodial credit risk.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 4 RECEIVABLES

Receivables as of year-end for the Township’s individual major funds and non-major, proprietary, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Grant	Sewer	Sewer Capital	Refuse Fund	Custodial Fund	Internal Service	Non-major and Other Funds	Total
Receivables:									
Taxes	\$ 2,913,676	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,913,676
Accounts	482,670	-	164,324	-	199,753	828,829	56,802	79,542	1,811,920
Grants	-	135,060	-	-	-	-	-	-	135,060
Notes	-	-	-	71,199	-	-	-	-	71,199
Total Receivables	<u>\$ 3,396,346</u>	<u>\$ 135,060</u>	<u>\$ 164,324</u>	<u>\$ 71,199</u>	<u>\$ 199,753</u>	<u>\$ 828,829</u>	<u>\$ 56,802</u>	<u>\$ 79,542</u>	<u>\$ 4,931,855</u>

NOTE 5 INTERNAL BALANCES

The interfund balances result from the time lag between the dates that payments between funds are made.

	<u>Transfer in</u>	<u>Transfer out</u>
General Fund	\$ -	\$ 663,521
Permanent Improvement Fund	663,521	-
Total	<u>\$ 663,521</u>	<u>\$ 663,521</u>

These transfers are initiated in the normal course of operation to address individual fund needs throughout the year. Interfund transfers are used to permanently move resources.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 6 CAPITAL ASSETS

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

Primary Government	Beginning			Ending
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 13,103,972	\$ -	\$ -	\$ 13,103,972
Construction in progress	<u>2,202,527</u>	<u>1,006,257</u>	<u>(1,182,000)</u>	<u>2,026,784</u>
Total capital assets, not being depreciated	<u>15,306,499</u>	<u>1,006,257</u>	<u>(1,182,000)</u>	<u>15,130,756</u>
Capital assets, being depreciated:				
Buildings and improvements	12,337,940	79,298	-	12,417,238
Machinery and equipment	5,192,662	252,698	(525,077)	4,920,283
Vehicles	8,836,484	890,646	(66,569)	9,660,561
Infrastructure	<u>210,239,262</u>	<u>1,065,104</u>	<u>-</u>	<u>211,304,366</u>
Total capital assets, being depreciated	<u>236,606,348</u>	<u>2,287,746</u>	<u>(591,646)</u>	<u>238,302,448</u>
Less accumulated depreciation for:				
Buildings and improvements	7,819,056	278,275	-	8,097,331
Machinery and equipment	4,318,095	185,761	(525,077)	3,978,779
Vehicles	6,445,525	934,863	(35,910)	7,344,478
Infrastructure	<u>90,455,865</u>	<u>3,664,070</u>	<u>-</u>	<u>94,119,935</u>
Total accumulated depreciation	<u>109,038,541</u>	<u>5,062,969</u>	<u>(560,987)</u>	<u>113,540,523</u>
Total capital assets, being depreciated, net	<u>127,567,807</u>	<u>(2,775,223)</u>	<u>(30,659)</u>	<u>124,761,925</u>
Governmental activities capital assets, net	<u>\$ 142,874,306</u>	<u>\$ (1,768,966)</u>	<u>\$ (1,212,659)</u>	<u>\$ 139,892,681</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 281,662	\$ -	\$ -	\$ 281,662
Construction in progress (restated)	<u>1,643,556</u>	<u>373,199</u>	<u>(778,329)</u>	<u>1,238,426</u>
Total capital assets, not being depreciated	<u>1,925,218</u>	<u>373,199</u>	<u>(778,329)</u>	<u>1,520,088</u>
Capital assets, being depreciated:				
Buildings and improvements	38,289,944	833,524	(651,056)	38,472,412
Sewer lines	69,528,601	-	(40,645)	69,487,956
Equipment/vehicles	<u>11,526,662</u>	<u>-</u>	<u>(1,476,663)</u>	<u>10,049,999</u>
Total capital assets, being depreciated	<u>119,345,207</u>	<u>833,524</u>	<u>(2,168,364)</u>	<u>118,010,367</u>
Less accumulated depreciation for:				
Buildings and improvements	22,795,038	827,222	(211,872)	23,410,388
Sewer lines	43,398,882	1,312,904	(5,263)	44,706,523
Equipment/vehicles	<u>8,570,812</u>	<u>680,505</u>	<u>(1,467,053)</u>	<u>7,784,264</u>
Total accumulated depreciation	<u>74,764,732</u>	<u>2,820,631</u>	<u>(1,684,188)</u>	<u>75,901,175</u>
Total capital assets, being depreciated, net	<u>44,580,475</u>	<u>(1,987,107)</u>	<u>(484,176)</u>	<u>42,109,192</u>
Business-type activities capital assets, net	<u>\$ 46,505,693</u>	<u>\$ (1,613,908)</u>	<u>\$ (1,262,505)</u>	<u>\$ 43,629,280</u>

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 6 CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Administrative	\$ 165,506
Police and emergency services	354,278
Codes and engineering	2,949
Public works, including depreciation of general infrastructure except park systems	4,313,749
Library	47,184
Parks, including depreciation related to park systems	<u>179,303</u>
Total depreciation expense-governmental activities	<u><u>\$ 5,062,969</u></u>
Business type activities:	
Sewer	\$ 2,402,264
Refuse	<u>418,367</u>
Total depreciation expense-business type activities	<u><u>\$ 2,820,631</u></u>

Discretely Presented Component Unit - Activity for the Abington Township Public Library for the year ended December 31, 2021 was as follows:

<u>Library</u>	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Building improvements	\$ 1,034,012	\$ 15,770	\$ -	\$ 1,049,782
Furniture and fixtures	214,510	-	-	214,510
Books and audio material	<u>4,151,641</u>	<u>184,072</u>	-	<u>4,335,713</u>
Total Capital Assets	5,400,163	199,842	-	5,600,005
Less accumulated depreciation	<u>(4,882,472)</u>	<u>(226,507)</u>	-	<u>(5,108,979)</u>
Total Capital Assets, net	<u><u>\$ 517,691</u></u>	<u><u>\$ (26,665)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 491,026</u></u>

NOTE 7 GENERAL DEBT

The Township issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 7 GENERAL DEBT (Continued)

In 2017, the Township issued General Obligation bonds in the amount of \$6,500,000 to fund capital projects within the Township. The interest rate on the bonds is 2.45%, with a maturity date of November 2023. The bond proceeds are available for draw-down by the Township. At December 31, 2021, the amount drawn down and payable on the bonds was \$1,011,062.

Advance Refunding - Certain outstanding general obligation bonds of the Township have been defeased by placing the proceeds of refunding bonds into an irrevocable escrow account held and managed by bank trustees and invested in U.S. Treasury obligations, the principal and interest on which would provide amounts sufficient to pay the principal and interest on the defeased bonds in accordance with the schedule of remaining payments due. Accordingly, the escrow account and the defeased bonds are not included in the Township's financial statements. At December 31, 2021, \$530,000 of bonds outstanding is considered defeased.

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
Governmental activities:					
Bonds payable	\$ 2,457,641	\$ -	\$ (1,927,000)	\$ 530,641	\$ 53,641
Claims payable	150,979	(20,026)	(20,882)	110,071	20,000
Net pension liability	9,446,356	12,380,969	(18,011,788)	3,815,537	-
Net OPEB obligation	5,107,172	2,455,550	(3,888,504)	3,674,218	-
Compensated absences	<u>1,006,039</u>	<u>402,768</u>	<u>(347,093)</u>	<u>1,061,714</u>	<u>266,991</u>
Governmental activity Long-term liabilities	<u>\$ 18,168,187</u>	<u>\$ 15,219,261</u>	<u>\$ (24,195,267)</u>	<u>\$ 9,192,181</u>	<u>\$ 340,632</u>
Business-type activities:					
Bonds payable	\$ 1,717,421	\$ -	\$ (737,000)	\$ 980,421	\$ 760,000
Net pension liability	38,313	1,708,064	(1,746,377)	-	-
Net OPEB liability	454,985	213,526	(340,749)	327,762	-
Compensated absences	<u>88,281</u>	<u>4,173</u>	<u>(705)</u>	<u>91,749</u>	<u>22,938</u>
Business-type activity Long-term liabilities	<u>\$ 2,299,000</u>	<u>\$ 1,925,763</u>	<u>\$ (2,824,831)</u>	<u>\$ 1,399,932</u>	<u>\$ 782,938</u>

Debt service for general obligation bonds is funded primarily from real estate taxes for governmental activities and charges for service in the business type activities. Any liabilities for compensated absences, pension liabilities, and OPEB liabilities are generally liquidated by the general fund. The claims payable is funded through an internal service fund.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 7 GENERAL DEBT (Continued)

The Township's debt consisted of the following:

Governmental Activities:

General Obligation Bonds

Series of 2017, maturing through November 2023, bearing interest of 2.45%, interest payable annually.

\$ 530,641

Business-type Activities:

General Obligation Bonds

Series of 2013, maturing through May 2022, bearing interest ranging from 2.00% to 4.00%, interest payable semi-annually in May and November.

\$ 500,000

Series of 2017, maturing through November 2023, bearing interest of 2.45%, interest payable annually.

480,421
\$ 980,421

Annual debt service requirements to maturity for general obligation bonds and notes are as follows:

	Governmental		Business-type	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 530,641	\$ 15,081	\$ 760,000	\$ 18,613
2023	-	-	220,421	5,401
	<u>\$ 530,641</u>	<u>\$ 15,081</u>	<u>\$ 980,421</u>	<u>\$ 24,014</u>

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 8 RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government participates in the Delaware Valley Property & Liability Trust pool, the Delaware Valley Workers' Compensation Trust pool, and the Delaware Valley Health Trust pool. Trust underwriting and rate setting policies are established after consultation with independent insurance consultants. Any member may withdraw from the Trust by giving 150 days written notice to the Executive Committee. Settled claims from these risks have not exceeded insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in the prior year.

- Delaware Valley Property & Liability Trust - The insurance expense for the year ended December 31, 2021 was \$987,501. The pooling agreement permits the pool to make additional assessments to its members. At December 31, 2021, there were no additional assessments due or anticipated; instead, the pool declared a dividend of which the Township's share was \$90,790.
- Delaware Valley Workers' Compensation Trust - The insurance expense for the year ended December 31, 2021 was \$755,990. The Township received \$37,371 as a result from a payroll audit of the 2020 coverage year. There were no additional assessments due or anticipated. An audit of the 2021 payroll will be performed in 2022. At December 31, 2021, the pool declared a dividend of which the Township's share was \$29,640.
- Delaware Valley Health Trust - The insurance expense for the year ended December 31, 2021 was \$5,477,877. There were no additional assessments due or anticipated. At December 31, 2021, the pool did not declare a dividend.

The government established a self-insured risk management program for workers' compensation. Premiums are paid into the workers' compensation fund by all other funds and are available to pay claims, claim reserves, and administrative costs of the program. The amount of expense is charged back to the General Fund, Sewer Fund, and Refuse Fund based on their respective share of the losses incurred. In 2017, the Township stopped self-insuring workers' compensation and moved to the Delaware Valley Worker's Compensation Trust for future claims as noted above.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 8 RISK MANAGEMENT (Continued)

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (“IBNRs”). The result of the process to estimate the claim liability is not an exact amount, as it depends on many complex factors such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claims settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustments expenses regardless of whether allocated to specific claims. Estimated recoveries, for example, from salvage or subrogation are another component of the claims liability estimate. An excess coverage insurance policy covers individual claims in excess of \$400,000. Settlements have not exceeded coverage for each of the past three fiscal years.

The General Fund, Sewer Fund, and Refuse Fund participate in the program and make payments to the Internal Service Fund based on estimates of the amounts needed to pay prior and current year claims. The claims liability of \$110,071 reported in the Funds at December 31, 2021 is based on the requirements of governmental accounting standards, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the Fund’s claims liability amount were as follows:

	<u>Year Ended</u> <u>12/31/2021</u>	<u>Year Ended</u> <u>12/31/2020</u>
Unpaid claims, beginning of fiscal year	\$ 130,259	\$ 150,979
Changes in claim estimate	694	4,102
Claim payments	<u>(20,882)</u>	<u>(24,822)</u>
Unpaid claims, end of fiscal year	<u>\$ 110,071</u>	<u>\$ 130,259</u>

Uncertainties - A global pandemic due to the spread of the COVID-19 coronavirus caused the United States government to declare a national emergency. As a result, economic uncertainties have arisen that could negatively impact the Township finances including investment income. The potential impact is unknown at this time.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 9 CONTINGENCIES AND COMMITMENTS

Amounts received or receivables from grant agencies are subject to audit and any adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS

The Township sponsors a contributory, single-employer post-employment benefit plan (OPEB) for eligible employees of the Township. The OPEB Plan is governed by the Board of Commissioners. The Board of Commissioners has delegated the authority to manage plan assets to US Bank.

The plan is reported as an OPEB Trust Fund in the accompanying financial statements, titled Health Care Offset Fund, and does not issue a stand-alone report. The plan is administered by the Township. The most recent valuation was as of January 1, 2020. Details below are from the valuation.

As of December 31, 2021, the most recent actuarial valuation, plan membership is as follows:

	<u>OPEB</u>
Inactive employees (or their beneficiaries) currently receiving benefits	287
Inactive employees entitled to benefits but not yet receiving them	0
Active employees	<u>260</u>
	<u>547</u>

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (Continued)

Eligibility

There are three classes of membership in the Township of Abington's postemployment benefits plan:

Per Diem Employees: Eligibility begins upon attainment of the earlier of age 55 with 10 years of service, age 65, or Rule of 85. Employees hired after December 31, 2014 are not eligible for health benefits.

Police Employees: Eligibility begins upon attainment of age 50 with 25 years of service.

Salaried Employees: Eligibility begins upon attainment of the earlier of age 55 with 10 years of service, age 65, or Rule of 85. Employees hired after December 31, 2013 are not eligible for health benefits.

Benefits Provided

Benefit and contribution provisions are established by, and may be amended only as allowed by the following:

- Per Diem Employees by Union Labor Contract
- Police Employees by the Police Collective Bargaining Agreement
- Salaried Employees by the Board of Commissioners

Per diem employees - The amount paid by per diem retirees is the ratio of their insurance payment to their total salary at retirement applied to the insurance payment. The amount that the Township pays is limited to 150 percent of the amount of premium paid by the Township in the final year of their employment.

Police employees - Police retiring after 1993 are limited to an HMO, the cost of which is covered by the Township. For Officers hired after January 1, 2021, retiree health insurance for the retiree and spouse shall cease upon the each covered individual's eligibility for Medicare. Police who retired after January 1, 1993 receive a prescription plan providing an 80 percent/20 percent basis, which means the insured is responsible for 20 percent of the cost of each prescription if similar coverage is not available via the spouse. For those retiring before 2006, the Township's cost is limited to \$55 per month for a single person and \$110 per month for a couple. For those that retire after 2005, the Township will pay 75 percent of the cost for prescription drug benefits. Any cost over that is charged to the retiree.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (Continued)

Benefits Provided (continued)

Salaried employees - Retirees and their spouse receive lifetime medical benefits with no required contributions.

There is a provision under the plan that the retirees apply for Medicare as soon as they are eligible. The annual health insurance costs for the employees are fully funded, and the Township intends to add funds to the trust annually to fund future liabilities as it is able. Costs to administer the plan are paid from the trust's assets.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting. OPEB plan financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Employee and employer contributions are recognized as when due pursuant to formal commitments, as well as statutory or contractual requirements. Investment income is recognized as revenue when earned. Post-employment benefits and refunds are recognized when due and payable in accordance with terms of the Plan. Other expenses are recognized when the corresponding liabilities are incurred. The net appreciation/(depreciation) in fair value of investments is recorded as an increase/(decrease) to investment income based on the valuation of investments. The entire expense of Plan administration is charged against the earnings of the Plan. Investment earnings are reduced for investment management fees, portfolio evaluation, custodial services, and actuarial services, as required by State statutes.

Method Used to Value Investments. OPEB plan equity securities are reported at fair value. Fixed income securities are reported at fair value, investment income is recognized as earned. Gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date.

At December 31, 2021, there were no individual investments that constituted more than five percent of plan net position available for benefits that were required to be reported. Investments in mutual funds are disclosed but not subject to interest rate, custodial, credit, or concentration risks because they are not evidenced by securities that exist in physical or book entry form.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (Continued)

Contributions

Police hired after April 20, 2006 will contribute one percent of wages (base salary, shift differential and longevity) toward the cost of retiree medical coverage beginning January 1 of the third calendar year of employment.

Per Diem employees hired between January 1, 2007 and December 31, 2009 contribute one percent of wages (wages plus longevity) toward the cost of retiree medical coverage. Per Diem employees hired between January 1, 2010 and December 31, 2014 contribute two percent of wages (wages plus longevity). Per Diem employees hired on or after January 1, 2015 are not eligible for post-retirement medical benefits.

Salaried employees hired in a full-time capacity on or after January 1, 2007 through December 31, 2013 will contribute one percent of salary toward the cost of retiree medical coverage. Salaried/Clerical employees hired on or after January 1, 2014 are not eligible for post-retirement medical benefits.

The Township does not have a set policy for employer contributions to the plan. Employer contributions will be determined annually by the Board of Commissioners based on funding needs. For the year end December 31, 2021, the employer contributions totaled \$1,729,377. There are no legal or contractual requirements for employer contributions to the plan.

Investments

Investment Policy: The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the Township Board of Commissioners. The policy is to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Rate of Return: For the year ended December 31, 2021, the annual money-weighted rate of return on Plan investments, net of investment expense was 14.28% for the OPEB Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (Continued)

Net OPEB Liability

The Township's net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

	<u>OPEB</u>
Inflation	4.65%
Salary Increases	4.5% (including inflation)
Investment Rate of Return	5.0% (net of OPEB plan investment expense, including inflation)
Healthcare Cost Trend Rates	Pre-65 Med 6.75%, Post-65 Med 6%, and Rx 8.3% for 2022, decreasing .25% to .3% per year to an ultimate rate of 4.5% for 2029 and later years.

Mortality rates were based on the RP-2014 employee and healthy annuitant mortality table projection: Mortality rates are projected generationally from 2006 using Scale MP-2021.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study from the period January 1, 2018 to December 31, 2019.

The net OPEB liability was measured as of December 31, 2021 and the total OPEB liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2020. There were no benefit or assumption changes since the valuation date.

Asset Allocation and 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 OPEB plan investment expense and inflation) were developed for each major asset class. These ranges were 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 adding expected inflation. Below is the target allocation of the OEPB plan as of December 31, 2021.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Equity	42.00%	5.10%
International Equity	16.00%	4.80%
Emerging Equity	7.00%	5.20%
Core Fixed Income	17.50%	1.40%
Intermediate Inv. Grade Corp.	8.75%	1.40%
High Yield	4.38%	2.50%
Emerging Debt	4.38%	2.40%
Cash	0.00%	-0.30%

Discount Rate

The discount rate used to measure the total OPEB liability was 5 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the pay-as-you-go amount plus an additional \$200,000 annually. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on these assumptions, the OPEB Fund's fiduciary net position is projected to be exhausted in 2042. Therefore, a blended rate based on the long-term expected rate of return on OPEB Plan investments and the Bond Buyer GO 20-Bond Municipal Bond Index was applied to all periods of projected benefit payments to determine the total OPEB liability.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (Continued)

Change in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
<u>OPEB Plan</u>			
Balance at December 31, 2020	\$ 32,434,378	\$ 26,872,221	\$ 5,562,157
Changes for the year:			
Service cost	1,025,056	-	1,025,056
Interest	1,644,020	-	1,644,020
Change of benefit terms	-	-	-
Differences between expected and actual experience	(301,938)	-	(301,938)
Change of assumptions	62,782	-	62,782
Contributions - employer	-	1,729,377	(1,729,377)
Contributions - employee	-	-	-
Net investment income	-	2,263,825	(2,263,825)
Benefit payments, including refunds of employee contributions	(1,172,384)	(1,172,384)	-
Administrative expense	-	(3,105)	3,105
Other changes	-	-	-
Net Changes	1,257,536	2,817,713	(1,560,177)
Balance at December 31, 2021	\$ 33,691,914	\$ 29,689,934	\$ 4,001,980

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability calculated using the discount rate of 5 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4 percent) or one percentage point higher (6 percent) than the current rate:

	1% Decrease (4%)	Current Discount Rate (5%)	1% Increase (6%)
Net OPEB liability	\$ 8,190,441	\$ 4,001,980	\$ 734,602

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease Valuation Rates	Healthcare Cost Trend Valuation Rates	1% Increase Valuation Rates
Net OPEB liability	\$ 14,617	\$ 4,001,980	\$ 9,132,942

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (Continued)

The schedule of changes in the OPEB liability, schedule of contributions, and a schedule of investment returns are presented as required supplementary information (“RSI”) following the notes to the financial statements.

OPEB Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2021, the Township recognized OPEB expense/(income) of (\$4,491,736). At December 31, 2021, the Township reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>OPEB Plan</u>		
Differences between expected and actual experience	\$ 796,463	\$ 2,613,268
Changes in assumptions	577,766	14,669,086
Net difference between projected and actual earnings on OPEB plan investments	-	2,201,043
Total	<u>\$ 1,374,229</u>	<u>\$ 19,483,397</u>

The deferred amounts related to OPEB will be recognized in expense as follows:

	<u>Governmental- Activities OPEB</u>	<u>Proprietary - Activities OPEB</u>	<u>Total OPEB</u>
Year Ended December 31:			
2022	\$ (5,107,960)	\$ (455,661)	\$ (5,563,621)
2023	(5,490,477)	(489,783)	(5,980,260)
2024	(3,951,846)	(352,528)	(4,304,374)
2025	(1,422,252)	(126,873)	(1,549,125)
2026	(636,601)	(56,789)	(693,390)
Thereafter	(16,893)	(1,505)	(18,398)
Total	<u>\$ (16,626,029)</u>	<u>\$ (1,483,139)</u>	<u>\$ (18,109,168)</u>

Payable to the OPEB Plan: For the year ended December 31, 2021, there was no amount payable for contributions to the OPEB plan.

The OPEB trust does not issue a standalone statement but is included in the statements for the Township. Financial statements for the trust are included in Note 12 with the pension statements.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Defined Benefit Pension Plan

The Township sponsors two single-employer defined benefit pension plans, the Non-Uniformed Pension Plan and the Police Pension Plan. These plans are reported as Pension Trust Funds in the accompanying financial statements and do not issue stand-alone reports. The plans are administered by the Township. The most recent valuation was as of January 1, 2020. Details below are from the valuation.

Non-Uniformed Pension Plan: The plan is a contributory, single employer defined benefit plan that covers all full-time non-uniformed employees of the Township hired prior to December 31, 2015. The plan is closed to new entrants as of December 31, 2015.

Police Pension Plan: The plan is a contributory, single employer defined benefit plan that covers all full-time uniformed employees of the Township. An employee may become a participant of the plan on the first day of the month coincident with or next following commencement of employment, provided he agrees to make the necessary contributions.

The Pension Plans are governed by the Board of Commissioners. The Board of Commissioners has delegated the authority to manage Plan assets to PFM Asset Management, LLC.

At December 31, 2021, the Abington Township Pension Plans consisted of the following:

	<u>Non-Uniform</u>	<u>Police</u>
Inactive employees (or their beneficiaries)		
currently receiving benefits *	136	91
Inactive employees entitled to benefits		
but not yet receiving them	10	1
Active employees	<u>153</u>	<u>85</u>
	<u>299</u>	<u>177</u>

* Includes 6 and 4 DROP members in the Non-Uniform and Police Pension Plan, respectively

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Description of the Non-Uniformed Pension Plan: The Non-Uniformed Pension Plan provides retirement benefits as well as disability benefits. All benefits vest at 100 percent after five years of credited service. Employees who retire at or after age 65, or after their age plus service equals 85, are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to two percent of the final average earnings times years and months of credited service. Final average earnings are the employee's average salary over the period of 36 consecutive calendar months during which the employee was an active participant yielding the highest average.

Covered employees are required to contribute 5.0 percent of their salary to the Non-Uniformed Pension Plan. If an employee leaves covered employment or dies before five years of credited service, accumulated employee contributions plus related interest earnings are refunded to the employee or designated beneficiary. The Township is required by statute, principally Pennsylvania Act 205, to contribute the remaining amounts necessary to finance the fund. Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law. Administrative costs are included in the calculation of the Township contribution and, thus, are financed by the Township.

Deferred Retirement Option Program - Non-Uniformed Pension Plan: The Non-Uniformed Pension Plan offers a Deferred Retirement Option Program (DROP) to full-time non-uniformed employees who are eligible to retire. A member is eligible to enter the DROP program on or after his normal retirement date. Upon entering the DROP program, the member's retirement benefit is frozen and his retirement benefit payments will be deposited into an account that will be credited with interest and paid to the participant in a lump sum at his actual retirement in addition to his monthly pension payments. The member must retire within 24 months after entering the DROP. As of December 31, 2021, the balance of the amounts held by the Plan pursuant to the DROP was \$278,464.

Description of the Police Pension Plan: The Police Pension Plan provides retirement benefits as well as disability benefits. All benefits vest after 12 years of credited service. Employees who retire at or after age 50 with 25 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 50 percent of their final-average salary. Final-average salary is the employee's average salary, including overtime, over the last three years of credited service.

Police officers are currently required to contribute 5.0 percent of compensation to the Police Pension Plan.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

If an employee leaves covered employment or dies before 12 years of credited service, accumulated employee contributions of the Police Pension Plan (not the Association) plus related interest earnings are refunded to the employee or designated beneficiary. The Township is required by statute, principally Pennsylvania Act 205, to contribute the remaining amounts necessary to finance the Pension Plan. Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law. Administrative costs are included in the calculation of the Township contribution and, thus, are financed by the Township.

An active member who has met the eligibility requirements for normal retirement may elect to participate in the deferred retirement option program for a period of up to 48 months. The monthly pension shall be calculated as of the date of participation in the program. The balance in deferred retirement option program plan is distributed to the employee in a lump sum at the termination of the program.

Deferred Retirement Option Program - Police Pension Plan: The Police Pension Plan offers a Deferred Retirement Option Program (DROP) to officers who are eligible to retire. A member is eligible to enter the DROP program on or after his normal retirement date. Upon entering the DROP program, the member's retirement benefit is frozen and his retirement benefit payments will be deposited into an account that will be credited with interest and paid to the participant in a lump sum at his actual retirement in addition to his monthly pension payments. The member must retire within 48 months for officers, and 60 months for lieutenants, after entering the DROP. As of December 31, 2021, the balance of the amounts held by the Plan pursuant to the DROP was \$0.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting. Pension plan financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Employee and employer contributions are recognized as when due pursuant to formal commitments, as well as statutory or contractual requirements. Investment income is recognized as revenue when earned. Retirement benefits and refunds are recognized when due and payable in accordance with terms of the Plan. Other expenses are recognized when the corresponding liabilities are incurred. The net appreciation/(depreciation) in fair value of investments is recorded as an increase/(decrease) to investment income based on the valuation of investments. The entire expense of Plan administration is charged against the earnings of the Plan. Investment earnings are reduced for investment management fees, portfolio evaluation, custodial services, and actuarial services, as required by State statutes.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Method Used to Value Investments. Pension plan equity securities are reported at fair value. Fixed income securities are reported at fair value, investment income is recognized as earned. Gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date.

At December 31, 2021, there were no individual investments that constituted more than five percent of plan net position available for benefits that were required to be reported. Investments in mutual funds are disclosed but not subject to interest rate, custodial, credit, or concentration risks because they are not evidenced by securities that exist in physical or book entry form.

Contributions Required and Contributions Made

The pension plan funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level of percentage of employer contribution rates is determined using the entry age normal actuarial funding method as required by Pennsylvania Act 205. Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law.

The Township's annual required contribution is equal to its minimum municipal obligation ("MMO") as calculated in accordance with Pennsylvania law (Act 205 of 1984) less state aid and employee contributions deposited in the pension fund during the year. State law requires that state aid be used first to fund the plan, then employee contributions and finally general Township funds. The Township received state aid, which is recognized as revenue and expenses, in the amount of \$1,530,333 for the pensions for the year ended December 31, 2021.

Investments

Investment Policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Township Board of Commissioners. The policy is to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Rate of Return: For the year ended December 31, 2021, the annual money-weighted rate of return on Plan investments, net of investment expense was 14.74% for the Police Plan and 14.6% for the Non-Uniformed Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the pension plans at December 31, 2021 is as follows:

	<u>Non-Uniform</u>	<u>Police</u>
Total pension liability	\$ 71,814,501	\$ 89,420,404
Plan fiduciary net position	<u>(74,837,506)</u>	<u>(85,604,867)</u>
Net pension liability	<u>\$ (3,023,005)</u>	<u>\$ 3,815,537</u>
Plan fiduciary net position as a percentage of the total pension liability	104%	96%

Actuarial Assumptions: The total pension liability in the January 1, 2021 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

	<u>Police</u>	<u>Non-Uniform</u>
Inflation	2.1%	2.1%
Salary Increases	4.5%	4.5%
Investment Rate of Return	7.5%	7.5% (including inflation)
Postretirement Cost of Living Increase	3.0%	3.0%

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for males or females. This table does not include projected mortality improvements.

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2019 to December 31, 2020.

The net pension liability for Police was measured as of December 31, 2021 and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2021. There were no changes to benefits since the last valuation. Mortality tables were updated in 2021.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Asset Allocation and Long-Term Expected Rate of Return

The long-term expected rate of return on the pension plans investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were 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 adding expected inflation. Below is the target allocation of the pension plans as of December 31, 2021.

Non-Uniformed Pension and Police Pension

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Equity	42.00%	5.10%
International Equity	16.00%	4.80%
Emerging Equity	7.00%	5.20%
Core Fixed Income	17.50%	1.40%
Intermediate Inv. Grade Corp.	8.75%	1.40%
High Yield	4.38%	2.50%
Emerging Debt	4.38%	2.40%
Cash	0.00%	-0.30%

Discount Rate

The discount rate used to measure the total pension liability for the police and non-uniformed pension plans was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Based upon the Plan's current target investment allocation and the associated long-term expected investment returns for its asset classes, the Plan's long-term returns may be less than its actuarial discount rate assumption used to determine its pension liability. This may result in future increased total and net pension liability.

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

	Increase (Decrease)		
	Total Pension <u>Liability</u>	Plan Fiduciary <u>Net Position</u>	Net Pension <u>Liability</u>
<u>Police Pension Plan</u>			
Balance at December 31, 2020	\$ 85,306,120	\$ 75,964,563	\$ 9,341,557
Changes for the year:			
Service cost	1,418,369	-	1,418,369
Interest	6,344,500	-	6,344,500
Change of benefit terms	-	-	-
Differences between expected and actual experience	491,348	-	491,348
Change of assumptions	200,850	-	200,850
Contributions - employer	-	2,813,000	(2,813,000)
Contributions - employee	-	607,268	(607,268)
Net investment income	-	10,623,657	(10,623,657)
Benefit payments, including refunds of employee contributions	(4,340,783)	(4,340,783)	-
Administrative expense	-	(62,838)	62,838
Other changes	-	-	-
Net Changes	<u>4,114,284</u>	<u>9,640,304</u>	<u>(5,526,020)</u>
Balance at December 31, 2021	<u>\$ 89,420,404</u>	<u>\$ 85,604,867</u>	<u>\$ 3,815,537</u>

	Increase (Decrease)		
	Total Pension <u>Liability</u>	Plan Fiduciary <u>Net Position</u>	Net Pension <u>Liability</u>
<u>Non-Uniform Pension Plan</u>			
Balance at December 31, 2020	\$ 68,505,546	\$ 68,362,434	\$ 143,112
Changes for the year:			
Service cost	1,241,780	-	1,241,780
Interest	5,084,384	-	5,084,384
Change of benefit terms	-	-	-
Differences between expected and actual experience	704,388	-	704,388
Change of assumptions	261,496	-	261,496
Contributions - employer	-	589,632	(589,632)
Contributions - employee	-	407,752	(407,752)
Net investment income	-	9,517,931	(9,517,931)
Benefit payments, including refunds of employee contributions	(3,983,093)	(3,983,093)	-
Administrative expense	-	(57,150)	57,150
Other changes	-	-	-
Net Changes	<u>3,308,955</u>	<u>6,475,072</u>	<u>(3,166,117)</u>
Balance at December 31, 2021	<u>\$ 71,814,501</u>	<u>\$ 74,837,506</u>	<u>\$ (3,023,005)</u>

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the non-uniformed and police pension plans calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent) or one percentage point higher (8.50 percent) than the current rate:

	1% Decrease <u>(6.5%)</u>	Current Discount <u>Rate (7.5%)</u>	1% Increase <u>(8.5%)</u>
Net pension liability			
Police	\$ 14,927,369	\$ 3,815,537	\$ (5,401,058)
Non-Uniform	5,026,810	(3,023,005)	(9,895,780)

The schedule of changes in the pension liability, schedule of contributions, and a schedule of investment returns are presented as required supplementary information (“RSI”) following the notes to the financial statements.

Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2021, the Township recognized pension expense of (\$2,423,033) for Non-Uniformed Pension and (\$706,617) for Police Pension. At December 31, 2021, the Township reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Non-Uniform Pension</u>		
Differences between expected and actual experience	\$ 572,972	\$ 1,355,293
Changes in assumptions	265,483	-
Net difference between projected and actual earnings on pension plan investments	-	<u>7,651,505</u>
Total	<u>\$ 838,455</u>	<u>\$ 9,006,798</u>
 <u>Police Pension</u>		
Differences between expected and actual experience	\$ 847,574	\$ -
Changes in assumptions	155,306	47,120
Net difference between projected and actual earnings on pension plan investments	-	<u>8,374,469</u>
Total	<u>\$ 1,002,880</u>	<u>\$ 8,421,589</u>

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

The deferred amounts related to the pension will be recognized in pension expense as follows:

Year Ended December 31:	Governmental - Activities Non-Uniform	Proprietary - Activities Non-Uniform	Total Non-Uniform	Governmental- Activities Police
2022	\$ (1,642,171)	\$ (611,052)	\$ (2,253,223)	\$ (1,491,345)
2023	(2,569,143)	(955,978)	(3,525,121)	(3,178,188)
2024	(1,268,046)	(471,840)	(1,739,886)	(1,820,602)
2025	(521,086)	(193,896)	(714,982)	(928,574)
2026	47,247	17,622	64,869	-
Thereafter	-	-	-	-
Total	<u>\$ (5,953,199)</u>	<u>\$ (2,215,144)</u>	<u>\$ (8,168,343)</u>	<u>\$ (7,418,709)</u>

Payable to the Pension Plan: For December 31, 2021, there were no amounts payable for contributions to the pension plans.

Neither plan issues a stand-alone financial statement. Below are the financial statements for each plan. Also included are the financial statements for the healthcare trust plan.

	Pension and Other Employee Benefit Trust Plans					
	Police Pension	Non-Uniformed Pension			Health Care Offset Fund	Total
		Defined Benefit	Defined Contribution	Total Non-Uniformed		
ASSETS						
Cash and cash equivalents	\$ 2,102,996	\$ 1,196,239	\$ -	\$ 1,196,239	\$ 6,851,571	\$ 10,150,806
Investments, at fair value:						
Annuity	-	278,464	-	278,464	-	278,464
Mutual funds	83,501,871	73,362,803	1,342,169	74,704,972	23,530,409	181,737,252
Total Assets	<u>85,604,867</u>	<u>74,837,506</u>	<u>1,342,169</u>	<u>76,179,675</u>	<u>30,381,980</u>	<u>192,166,522</u>
LIABILITIES						
Benefits Payable	-	-	-	-	4,957	4,957
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,957</u>	<u>4,957</u>
NET POSITION						
Net Position - Restricted for:						
Pension benefits	85,604,867	74,837,506	1,342,169	76,179,675	-	161,784,542
Other post employment benefits	-	-	-	-	30,377,023	30,377,023
Total Net Position	<u>\$85,604,867</u>	<u>\$74,837,506</u>	<u>\$ 1,342,169</u>	<u>\$ 76,179,675</u>	<u>\$ 30,377,023</u>	<u>\$ 192,161,565</u>

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

	Pension and Other Employee Benefit Trust Plans					
	Police Pension	Non-Uniformed Pension			Health Care Offset Fund	Total
		Defined Benefit	Defined Contribution	Total Non-Uniformed		
Additions						
Contributions						
Member contributions	\$ 607,268	\$ 407,752	\$ 164,565	\$ 572,317	\$ -	\$ 1,179,585
Employer contributions	1,872,299	-	164,565	164,565	1,729,377	3,766,241
State aid	940,701	589,632	-	589,632	-	1,530,333
Total Contributions	<u>3,420,268</u>	<u>997,384</u>	<u>329,130</u>	<u>1,326,514</u>	<u>1,729,377</u>	<u>6,476,159</u>
Investment Income						
Net appreciation (depreciation) in fair value of investments	9,349,886	8,387,119	129,070	8,516,189	2,950,915	20,816,990
Interest and Dividends	1,316,524	1,174,202	-	1,174,202	-	2,490,726
Total investment earnings	10,666,410	9,561,321	129,070	9,690,391	2,950,915	23,307,716
Less investment expense	(42,765)	(43,398)	(8,633)	(52,031)	-	(94,796)
Net Investment Income	<u>10,623,645</u>	<u>9,517,923</u>	<u>120,437</u>	<u>9,638,360</u>	<u>2,950,915</u>	<u>23,212,920</u>
Other Income	11	9	-	9	-	20
Total Additions	<u>14,043,924</u>	<u>10,515,316</u>	<u>449,567</u>	<u>10,964,883</u>	<u>4,680,292</u>	<u>29,689,099</u>
Deductions						
Benefits	4,338,522	3,967,969	-	3,967,969	1,175,490	9,481,981
Administrative expenses	62,838	57,150	-	57,150	-	119,988
Refund of member contributions	2,261	15,124	57,237	72,361	-	74,622
Total Deductions	<u>4,403,621</u>	<u>4,040,243</u>	<u>57,237</u>	<u>4,097,480</u>	<u>1,175,490</u>	<u>9,676,591</u>
Net Increase	9,640,303	6,475,073	392,330	6,867,403	3,504,802	20,012,508
Net Position restricted for Pension, OPEB, and other benefits						
Beginning of Year	75,964,564	68,362,433	949,839	69,312,272	26,872,221	172,149,057
End of Year	<u>\$ 85,604,867</u>	<u>\$ 74,837,506</u>	<u>\$ 1,342,169</u>	<u>\$ 76,179,675</u>	<u>\$ 30,377,023</u>	<u>\$ 192,161,565</u>
Combining Information						
Deferred Outflows of Resources						
Differences between expected and actual experience	\$ 847,574	\$ 572,972	\$ -	572,972	796,463	2,217,009
Changes in assumptions	155,306	265,483	-	265,483	577,766	998,555
Total Deferred Outflows of Resources	<u>\$ 1,002,880</u>	<u>\$ 838,455</u>	<u>\$ -</u>	<u>\$ 838,455</u>	<u>\$ 1,374,229</u>	<u>\$ 3,215,564</u>
Deferred Inflows of Resources						
Differences between expected and actual experience	\$ -	\$ 1,355,293	\$ -	1,355,293	2,613,268	3,968,561
Changes in assumptions	47,120	-	-	-	14,669,086	14,716,206
Net differences between projected and actual earnings on pension plan investments	8,374,469	7,651,505	-	7,651,505	2,201,043	18,227,017
Total Deferred Inflows of Resources	<u>\$ 8,421,589</u>	<u>\$ 9,006,798</u>	<u>\$ -</u>	<u>\$ 9,006,798</u>	<u>\$ 19,483,397</u>	<u>\$ 36,911,784</u>
Net Pension Liability (Asset)	<u>\$ 3,815,537</u>	<u>\$ (3,023,005)</u>	<u>\$ -</u>	<u>(3,023,005)</u>	<u>4,001,980</u>	<u>4,794,512</u>
Pension Expense (Income)	<u>\$ 706,617</u>	<u>\$ 2,423,033</u>	<u>\$ 141,220</u>	<u>2,564,253</u>	<u>(4,491,736)</u>	<u>(1,220,866)</u>

TOWNSHIP OF ABINGTON

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Defined Contribution Pension Plan

Non-Uniformed Defined Contribution Pension Plan

Abington Township sponsors a defined contribution pension plan to provide pension benefits for all full-time non-uniformed employees of the Township hired after the transition date of January 1, 2016. As of December 31, 2021, there were 40 active participants in the plan. Each full-time, permanent, non-uniformed employee of the Township hired on or after January 1, 2016, shall become eligible.

The plan provides retirement, death, and disability benefits to plan members and their beneficiaries. All amounts are fully vested. Administrative costs of the Plan are financed through investment earnings. The Plan is managed by an outside trustee appointed by the Township. The Township is required to contribute 5% of eligible compensation annually. Employer contributions to the plan for 2021 totaled \$164,565. Participants are required to contribute 5% of their covered compensation to the Plan. Employee contributions to the Plan for 2021 totaled \$164,565. Plan provisions and contribution requirements are established and may be amended by ordinance enacted by the Abington Township Board of Commissioners.

This plan is part of the Non-Uniformed Pension Plan. It is reported as Pension Trust Fund in the accompanying financial statements and does not issue stand-alone reports. Pension Plan financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Pension Plan investments are reported at fair value. Investment income is recognized as earned. Gains and losses on sales and exchanges of securities are recognized on the transaction date. The net appreciation/(depreciation) in fair value of investments is recorded as an increase/(decrease) to investment income based on the valuation of investments.

NOTE 12 RESTATED CUSTODIAL FUNDS

The Township holds escrow funds for developers and others. They have been moved from the Capital Fund to the Custodial Fund in the amount of \$3,320,800. The reclassification did not have any effect on the fund balance of the Capital Fund or on governmental activities net position. The Custodial Fund's beginning net position has been restated for this change.

REQUIRED

SUPPLEMENTARY INFORMATION

TOWNSHIP OF ABINGTON

SCHEDULE OF CHANGES IN NET PENSION LIABILITY, RELATED RATIOS,
AND INVESTMENT RETURNS – NON-UNIFORMED PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 1,241,780	\$ 1,193,454	\$ 1,408,835	\$ 1,386,870	\$ 1,290,112	\$ 1,575,939	\$ 1,465,990	\$ 1,520,570
Interest	5,084,384	4,903,749	4,930,457	4,749,817	4,622,097	4,376,524	4,243,608	3,982,642
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	704,388	-	(2,732,618)	-	(1,136,534)	-	(1,966,705)	-
Changes of assumptions	261,496	84,092	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(3,983,093)	(3,664,979)	(3,826,901)	(3,742,507)	(2,596,497)	(2,188,146)	(1,973,120)	(1,965,034)
Net change in total pension liability	3,308,955	2,516,316	(220,227)	2,394,180	2,179,178	3,764,317	1,769,773	3,538,178
Total pension liability - beginning	68,505,546	65,989,230	66,209,457	63,815,277	61,636,099	57,871,782	56,102,009	52,563,831
Total pension liability - ending (a)	<u>\$ 71,814,501</u>	<u>\$ 68,505,546</u>	<u>\$ 65,989,230</u>	<u>\$ 66,209,457</u>	<u>\$ 63,815,277</u>	<u>\$ 61,636,099</u>	<u>\$ 57,871,782</u>	<u>\$ 56,102,009</u>
Plan fiduciary net position								
Contributions - employer	\$ 589,632	\$ 653,616	\$ 518,168	\$ 552,359	\$ 672,666	\$ 782,023	\$ 1,139,029	\$ 1,069,091
Contributions - employee	407,752	426,975	454,359	467,457	495,738	530,640	472,704	462,059
Net investment income	9,517,931	9,022,939	10,970,091	(2,907,339)	8,407,254	3,281,954	(425,016)	1,810,819
Benefit payments, including refunds of employee contributions	(3,983,093)	(3,664,979)	(3,826,901)	(3,742,507)	(2,596,497)	(2,188,146)	(1,973,120)	(1,965,034)
Administrative expense	(57,150)	(61,511)	(36,610)	(25,505)	(32,991)	(33,453)	(55,380)	(23,937)
Net change in plan fiduciary net position	6,475,072	6,377,040	8,079,107	(5,655,535)	6,946,170	2,373,018	(841,783)	1,352,998
Plan fiduciary net position - beginning	<u>68,362,434</u>	<u>61,985,394</u>	<u>53,906,287</u>	<u>59,561,822</u>	<u>52,615,652</u>	<u>50,242,634</u>	<u>51,084,417</u>	<u>49,731,419</u>
Plan fiduciary net position - ending (b)	<u>\$ 74,837,506</u>	<u>\$ 68,362,434</u>	<u>\$ 61,985,394</u>	<u>\$ 53,906,287</u>	<u>\$ 59,561,822</u>	<u>\$ 52,615,652</u>	<u>\$ 50,242,634</u>	<u>\$ 51,084,417</u>
Township's net pension liability - ending (a)-(b)	<u>\$ (3,023,005)</u>	<u>\$ 143,112</u>	<u>\$ 4,003,836</u>	<u>\$ 12,303,170</u>	<u>\$ 4,253,455</u>	<u>\$ 9,020,447</u>	<u>\$ 7,629,148</u>	<u>\$ 5,017,592</u>
Plan fiduciary net position as a percentage of the total pension liability	104.2%	99.8%	93.9%	81.4%	93.3%	85.4%	86.8%	91.1%
Covered payroll	\$ 8,155,003	\$ 8,213,237	\$ 9,109,039	\$ 10,609,257	\$ 10,152,399	\$ 12,070,121	\$ 11,550,355	\$ 11,491,057
Net pension liability as a percentage of covered payroll	-37.1%	1.7%	44.0%	116.0%	41.9%	74.7%	66.1%	43.7%
Annual money-weighted return, net of investment expenses	13.98%	14.60%	20.40%	-4.93%	16.10%	6.53%	-0.84%	3.41%

Notes to Schedule:

Change in benefit terms: None since 1/1/2021

Change in assumptions: The mortality tables were updated

Note on Cumulative Information:

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

TOWNSHIP OF ABINGTON

SCHEDULE OF CHANGES IN NET PENSION LIABILITY, RELATED RATIOS,
AND INVESTMENT RETURNS – POLICE PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability								
Service cost	\$ 1,418,369	\$ 1,364,163	\$ 1,242,314	\$ 1,222,946	\$ 1,137,624	\$ 1,085,262	\$ 1,009,546	\$ 943,406
Interest	6,344,500	6,104,448	5,766,887	5,544,596	5,191,690	5,013,437	4,831,429	4,675,733
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	491,348	-	1,409,208	-	2,071,939	-	242,467	-
Changes of assumptions	200,850	(86,062)	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	<u>(4,340,783)</u>	<u>(4,135,072)</u>	<u>(3,947,199)</u>	<u>(3,770,210)</u>	<u>(3,792,111)</u>	<u>(3,756,615)</u>	<u>(3,708,136)</u>	<u>(3,510,550)</u>
Net change in total pension liability	4,114,284	3,247,477	4,471,210	2,997,332	4,609,142	2,342,084	2,375,306	2,108,589
Total pension liability - beginning	<u>85,306,120</u>	<u>82,058,643</u>	<u>77,587,433</u>	<u>74,590,101</u>	<u>69,980,959</u>	<u>67,638,875</u>	<u>65,263,569</u>	<u>63,154,980</u>
Total pension liability - ending (a)	<u>\$ 89,420,404</u>	<u>\$ 85,306,120</u>	<u>\$ 82,058,643</u>	<u>\$ 77,587,433</u>	<u>\$ 74,590,101</u>	<u>\$ 69,980,959</u>	<u>\$ 67,638,875</u>	<u>\$ 65,263,569</u>
Plan fiduciary net position								
Contributions - employer	\$ 2,813,000	\$ 2,777,967	\$ 1,907,290	\$ 1,818,362	\$ 1,136,244	\$ 1,139,264	\$ 1,057,363	\$ 1,010,124
Contributions - employee	607,268	550,522	520,887	501,917	471,816	432,237	414,495	409,246
Net investment income	10,623,657	9,870,160	11,702,832	(3,121,277)	8,772,613	3,431,294	(418,029)	2,028,414
Benefit payments, including refunds of employee contributions	<u>(4,340,783)</u>	<u>(4,135,072)</u>	<u>(3,947,199)</u>	<u>(3,770,210)</u>	<u>(3,792,111)</u>	<u>(3,756,615)</u>	<u>(3,708,136)</u>	<u>(3,510,551)</u>
Administrative expense	<u>(62,838)</u>	<u>(41,955)</u>	<u>(37,434)</u>	<u>(25,066)</u>	<u>(33,904)</u>	<u>(30,197)</u>	<u>(52,927)</u>	<u>(26,021)</u>
Other	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	9,640,304	9,021,622	10,146,376	(4,596,274)	6,554,658	1,215,983	(2,707,234)	(88,788)
Plan fiduciary net position - beginning	<u>75,964,563</u>	<u>66,942,941</u>	<u>56,796,565</u>	<u>61,392,839</u>	<u>54,838,181</u>	<u>53,622,198</u>	<u>56,329,432</u>	<u>56,418,220</u>
Plan fiduciary net position - ending (b)	<u>\$ 85,604,867</u>	<u>\$ 75,964,563</u>	<u>\$ 66,942,941</u>	<u>\$ 56,796,565</u>	<u>\$ 61,392,839</u>	<u>\$ 54,838,181</u>	<u>\$ 53,622,198</u>	<u>\$ 56,329,432</u>
Township's net pension liability - ending (a)-(b)	<u>\$ 3,815,537</u>	<u>\$ 9,341,557</u>	<u>\$ 15,115,702</u>	<u>\$ 20,790,868</u>	<u>\$ 13,197,262</u>	<u>\$ 15,142,778</u>	<u>\$ 14,016,677</u>	<u>\$ 8,934,137</u>
Plan fiduciary net position as a percentage of the total pension liability	95.7%	89.0%	81.6%	73.2%	82.3%	78.4%	79.3%	86.3%
Covered payroll	\$ 12,095,724	\$ 11,010,430	\$ 10,417,732	\$ 9,156,397	\$ 8,762,102	\$ 8,845,979	\$ 8,465,052	\$ 7,485,296
Net pension liability as a percentage of covered payroll	31.5%	84.8%	145.1%	227.1%	150.6%	171.2%	165.6%	119.4%
Annual money-weighted return, net of investment expenses	13.99%	14.74%	20.60%	-5.09%	16.00%	6.40%	-0.76%	3.68%

Notes to Schedule:

Change in benefit terms: None since 1/1/2021

Change in assumptions: The mortality tables were updated

Note on Cumulative Information:

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

TOWNSHIP OF ABINGTON

SCHEDULE OF CHANGES IN NET OPEB LIABILITY, RELATED RATIOS, AND
INVESTMENT RETURNS – OPEB PLAN

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability					
Service cost	\$ 1,025,056	\$ 1,303,314	\$ 1,368,420	\$ 2,304,988	\$ 2,248,404
Interest	1,644,020	1,932,003	1,802,728	2,353,036	2,276,858
Changes of benefit terms	-	10,838	-	-	-
Differences between expected and actual experience	(301,938)	1,145,023	(106,737)	(5,824,355)	2,006,678
Changes of assumptions	62,782	(8,713,170)	(1,957,476)	(19,107,396)	-
Benefit payments, including refunds of employee contributions	<u>(1,172,384)</u>	<u>(1,146,776)</u>	<u>(1,193,852)</u>	<u>(1,403,188)</u>	<u>(1,379,872)</u>
Net change in total OPEB liability	1,257,536	(5,468,768)	(86,917)	(21,676,915)	5,152,068
Total OPEB liability - beginning	<u>32,434,378</u>	<u>37,903,146</u>	<u>37,990,063</u>	<u>59,666,978</u>	<u>54,514,910</u>
Total OPEB liability - ending (a)	<u>\$ 33,691,914</u>	<u>\$ 32,434,378</u>	<u>\$ 37,903,146</u>	<u>\$ 37,990,063</u>	<u>\$ 59,666,978</u>
Plan fiduciary net position					
Contributions - employer	\$ 1,729,377	\$ 1,645,118	\$ 3,273,306	\$ 3,453,309	\$ 3,308,932
Contributions - employee	-	-	-	194,640	193,672
Net investment income	2,263,825	2,788,252	3,136,048	(837,748)	1,915,965
Benefit payments, including refunds of employee contributions	(1,172,384)	(1,146,776)	(1,193,852)	(1,403,188)	(1,379,872)
Administrative expense	(3,105)	(7,964)	(9,322)	(5,286)	(4,927)
Other	-	-	-	-	-
Net change in plan fiduciary net position	<u>2,817,713</u>	<u>3,278,630</u>	<u>5,206,180</u>	<u>1,401,727</u>	<u>4,033,770</u>
Plan fiduciary net position - beginning	<u>26,872,221</u>	<u>23,593,591</u>	<u>18,387,411</u>	<u>16,985,684</u>	<u>12,951,914</u>
Plan fiduciary net position - ending (b)	<u>\$ 29,689,934</u>	<u>\$ 26,872,221</u>	<u>\$ 23,593,591</u>	<u>\$ 18,387,411</u>	<u>\$ 16,985,684</u>
Township's net OPEB liability - ending (a)-(b)	<u>\$ 4,001,980</u>	<u>\$ 5,562,157</u>	<u>\$ 14,309,555</u>	<u>\$ 19,602,652</u>	<u>\$ 42,681,294</u>
Plan fiduciary net position as a percentage of the total OPEB liability	88.1%	82.9%	62.2%	48.4%	28.5%
Covered payroll	\$ 22,585,111	\$ 21,639,110	\$ 18,826,140	\$ 19,108,424	\$ 18,477,911
Net OPEB liability as a percentage of covered payroll	17.7%	25.7%	76.0%	102.6%	231.0%
Annual money-weighted return, net of investment expenses	14.28%	15.59%	21.24%	-5.68%	16.73%

Notes to Schedule:

Change in benefit terms: None since 1/1/2020

Assumption changes: None since 1/1/2020

Note on Cumulative Information:

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

TOWNSHIP OF ABINGTON

SCHEDULE OF EMPLOYER CONTRIBUTIONS – NON-UNIFORMED
PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION

<u>Fiscal Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
2012	\$ 1,269,508	\$ 1,269,508	\$ -	\$ 10,711,284	(1) 11.85%
2013	1,333,127	1,333,127	-	10,996,227	12.12%
2014	1,069,091	1,069,091	-	11,491,057	9.30%
2015	1,139,029	1,139,029	-	11,550,355	9.86%
2016	782,023	782,023	-	12,070,121	6.48%
2017	672,666	672,666	-	10,152,399	6.63%
2018	552,359	552,359	-	10,609,257	5.21%
2019	518,168	518,168	-	9,109,039	5.69%
2020	653,616	653,616	-	8,213,237	7.96%
2021	589,632	589,632	-	8,155,003	7.23%

Notes to Schedule:

Actuarially determined contribution rates are calculated as of January 1 of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Valuation date	1/1/2021
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization period	N/A
Asset valuation method	Asset smoothing
Inflation	2.10%
Projected salary increases	4.5%
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	Normal Retirement Age
Mortality	Based on the RP-2000 projected to 2021 using Scale MP-2021 with separate rates for males/females and annuitants/non-annuitants

Change in benefit terms: None since 1/1/2021

Change in assumptions: The mortality tables were updated

(1) - covered employee payroll taken from 1/1/2011 through 1/1/2013 actuarial valuations

TOWNSHIP OF ABINGTON

SCHEDULE OF EMPLOYER CONTRIBUTIONS – POLICE PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION

<u>Fiscal</u> <u>Year Ended</u> <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Employer</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Covered</u> <u>Payroll</u>	<u>Contribution as</u> <u>a Percentage</u> <u>of Covered</u> <u>Payroll</u>
2012	\$ 602,907	\$ 602,907	\$ -	\$ 7,255,105	(1) 8.31%
2013	620,926	621,497	(571)	7,162,963	8.68%
2014	1,010,124	1,010,124	-	7,485,296	13.49%
2015	1,057,363	1,057,363	-	8,465,052	12.49%
2016	1,139,264	1,139,264	-	8,845,979	12.88%
2017	1,136,244	1,136,244	-	8,762,102	12.97%
2018	1,818,362	1,818,362	-	9,156,397	19.86%
2019	1,907,290	1,907,290	-	10,417,732	18.31%
2020	2,777,967	2,777,967	-	11,010,430	25.23%
2021	2,813,000	2,813,000	-	12,095,724	23.26%

Notes to Schedule:

Actuarially determined contribution rates are calculated as of January 1 of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Valuation date	1/1/2021
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization period	6 years
Asset valuation method	Asset Smoothing
Inflation	2.10%
Projected salary increases	4.5%
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	Normal Retirement Age
Mortality	Based on the RP-2000 projected to 2021 using Scale MP-2021 with separate rates for males/females and annuitants/non-annuitants

Change in benefit terms: None since 1/1/2021

Change in assumptions: The mortality tables were updated

(1) - covered employee payroll taken from 1/1/2011 through 1/1/2013 actuarial valuations

TOWNSHIP OF ABINGTON

SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB PLAN

REQUIRED SUPPLEMENTARY INFORMATION

<u>Fiscal</u> <u>Year Ended</u> <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Employer</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Covered</u> <u>Payroll</u>	<u>Contribution as</u> <u>a Percentage</u> <u>of Covered</u> <u>Payroll</u>
2017	not applicable	\$ 3,308,932	not applicable	\$ 18,477,911	17.91%
2018	not applicable	3,453,309	not applicable	19,108,424	18.07%
2019	not applicable	3,273,306	not applicable	18,826,140	17.39%
2020	not applicable	1,645,118	not applicable	21,639,110	7.60%
2021	not applicable	1,729,377	not applicable	22,585,111	7.66%

Notes to Schedule:

Actuarially determined contribution rates are calculated as of January 1 of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Valuation date	1/1/2020
Actuarial cost method	Entry Age Normal
Amortization method	Level % Closed
Remaining amortization period	Not Applicable
Asset valuation method	Market Value
Inflation	4.65%
Healthcare cost trend rates	Pre-65 Med 7%, Post-65 Med 6%, and Rx 8.3% for 2020, decreasing .25% to .3% per year to an ultimate rate of 4.5% for 2029 and later years.
Projected salary increases	4.5%, including inflation
Investment rate of return	5%, net of OPEB plan investment expense, including inflation
Retirement age	Per diem and salaries - 100% at the earlier of Age 55 with 10 years of service, Age 65, or Rule of 85. Police - 100% at Age 50 with 25 years of service.
Mortality	RP-2014 Headcount-Weighted Combined Mortality Table projected generationally from the central year using scale MP-2020

Change in benefit terms: None since 1/1/2020

Assumption changes: None since 1/1/2020

Note on Cumulative Information:

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

SUPPLEMENTARY INFORMATION

ABINGTON TOWNSHIP

DETAILED SCHEDULE OF GENERAL FUND REVENUES
BUDGET AND ACTUAL

For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Real estate taxes				
2021 taxes (net)	\$ 17,164,828	\$ 17,164,828	\$ 16,805,480	\$ (359,348)
Prior years' taxes and penalties	<u>377,230</u>	<u>377,230</u>	<u>414,014</u>	<u>36,784</u>
Total real estate taxes	<u>17,542,058</u>	<u>17,542,058</u>	<u>17,219,494</u>	<u>(322,564)</u>
Earned income taxes	<u>6,600,000</u>	<u>6,600,000</u>	<u>9,682,982</u>	<u>3,082,982</u>
Other taxes				
Mercantile tax	1,452,000	1,452,000	2,076,746	624,746
Business privilege tax	3,740,000	3,740,000	4,108,845	368,845
Local services tax	1,200,000	1,200,000	1,299,107	99,107
Deed transfer tax	<u>1,215,000</u>	<u>1,215,000</u>	<u>2,215,635</u>	<u>1,000,635</u>
Total other taxes	<u>7,607,000</u>	<u>7,607,000</u>	<u>9,700,333</u>	<u>2,093,333</u>
Total taxes	<u>31,749,058</u>	<u>31,749,058</u>	<u>36,602,809</u>	<u>4,853,751</u>
Fees, licenses, and permits				
Registration fees	40,000	40,000	40,195	195
Building permits	1,000,000	1,000,000	1,277,319	277,319
Other permits, licenses, and fees	304,500	304,500	385,501	81,001
Cable franchise fees	1,200,000	1,200,000	1,134,426	(65,574)
Public safety	494,500	494,500	787,410	292,910
Liquor license fees	<u>11,050</u>	<u>11,050</u>	<u>2,000</u>	<u>(9,050)</u>
Total fees, licenses, and permits	<u>3,050,050</u>	<u>3,050,050</u>	<u>3,626,851</u>	<u>576,801</u>
Investment income and rent				
Interest on investments	360,000	360,000	214,100	(145,900)
Rental revenue	<u>335,000</u>	<u>335,000</u>	<u>402,732</u>	<u>67,732</u>
Total investment income and rent	<u>695,000</u>	<u>695,000</u>	<u>616,832</u>	<u>(78,168)</u>
Intergovernmental revenues	1,694,500	1,694,500	1,822,086	127,586
Fines and forfeitures	155,000	155,000	122,326	(32,674)
Program revenues	795,000	795,000	653,140	(141,860)
Other	<u>975,680</u>	<u>975,680</u>	<u>834,539</u>	<u>(141,141)</u>
Total Revenues	<u>\$ 39,114,288</u>	<u>\$ 39,114,288</u>	<u>\$ 44,278,583</u>	<u>\$ 5,164,295</u>

ABINGTON TOWNSHIP

DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES
BUDGET AND ACTUAL

For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
General government				
General management	\$ 2,450,356	\$ 2,451,503	\$ 2,091,102	\$ 360,401
Legal services	260,000	260,000	321,273	(61,273)
Total General Government	<u>2,710,356</u>	<u>2,711,503</u>	<u>2,412,375</u>	<u>299,128</u>
Public safety				
Police protection:				
Administration	9,428,128	9,306,020	8,881,275	424,745
Investigations	1,810,671	1,768,671	1,664,948	103,723
Traffic safety	739,590	742,648	703,710	38,938
Animal control	109,631	110,781	107,879	2,902
Field service	10,067,845	10,229,786	10,464,586	(234,800)
Public safety training facility	131,886	129,845	120,406	9,439
Training	80,000	80,000	75,617	4,383
Total Police Protection	<u>22,367,751</u>	<u>22,367,751</u>	<u>22,018,421</u>	<u>349,330</u>
Code enforcement	826,962	852,897	817,149	35,748
Emergency services	2,417,464	2,417,464	2,397,234	20,230
Total Public Safety	<u>25,612,177</u>	<u>25,638,112</u>	<u>25,232,804</u>	<u>405,308</u>
Highways and roads:				
Street light maintenance	338,684	338,684	320,697	17,987
Public works	4,125,630	4,125,630	3,914,287	211,343
Engineering	548,879	522,944	410,899	112,045
Vehicle maintenance	-	31,756	-	31,756
Total Highways and Roads	<u>5,013,193</u>	<u>5,019,014</u>	<u>4,645,883</u>	<u>373,131</u>
Culture and recreation:				
Library operations	2,664,072	2,664,072	2,395,771	268,301
Recreation management	2,805,231	2,801,331	2,417,127	384,204
Alverthorpe Park	244,084	246,252	223,942	22,310
Ardsley Community Center	233,391	230,076	170,164	59,912
Cresmont Pool	186,031	186,031	154,536	31,495
Penbryn Pool	184,431	188,331	132,109	56,222
Briar Bush Nature Center	660,935	660,935	535,822	125,113
Total Culture and Recreation	<u>6,978,175</u>	<u>6,977,028</u>	<u>6,029,471</u>	<u>947,557</u>
Insurance and employee benefits	1,440,600	1,440,600	1,383,528	57,072
Debt service	2,053,741	2,053,741	1,998,269	55,472
Capital Projects	-	100,047	134,359	(34,312)
Transfers	663,521	663,521	663,521	-
Total Expenditures by Program	<u>\$ 44,471,763</u>	<u>\$ 44,603,566</u>	<u>\$ 42,500,210</u>	<u>\$ 2,103,356</u>

TOWNSHIP OF ABINGTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL -
PERMANENT IMPROVEMENT FUND

For the Year Ended December 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Investment income and rent	\$ -	\$ 75,446	\$ 75,446
Other	-	1,145	1,145
Total Revenues	<u>-</u>	<u>76,591</u>	<u>76,591</u>
Expenditures			
Capital projects			
Administration	590,651	296,876	293,775
Public safety	637,259	550,942	86,317
Engineering	861,587	391,407	470,180
Public works	1,089,507	209,681	879,826
Emergency services	1,804,876	389,044	1,415,832
Library	6,500	2,330	4,170
Parks and recreation	<u>265,000</u>	<u>162,673</u>	<u>102,327</u>
Total Expenditures	<u>5,255,380</u>	<u>2,002,953</u>	<u>3,252,427</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,255,380)</u>	<u>(1,926,362)</u>	<u>3,329,018</u>
Other Financing Sources (Uses)			
Sale of capital assets	-	1,732	1,732
Transfers in	<u>-</u>	<u>663,521</u>	<u>663,521</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>665,253</u>	<u>665,253</u>
Net Change in Fund Balance	<u>\$ (5,255,380)</u>	<u>(1,261,109)</u>	<u>\$ 3,994,271</u>
Fund Balance - Beginning		<u>7,862,082</u>	
Fund Balance - Ending		<u>\$ 6,600,973</u>	

TOWNSHIP OF ABINGTON

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

December 31, 2021

	<u>Special Revenue</u>				<u>Capital</u>	<u>Total</u> <u>Non-major</u> <u>Governmental</u> <u>Funds</u>
	<u>Highway</u> <u>Aid</u>	<u>Rental</u> <u>Rehab</u>	<u>Economic</u> <u>Development</u>	<u>Special</u> <u>Investigations</u>	<u>Parks</u> <u>Capital</u>	
<u>ASSETS</u>						
Cash and cash equivalents	\$ 2,041,338	\$ 7,625	\$ 4,051	\$ 6,582	\$ 93,290	\$ 2,152,886
Receivables	79,542	-	-	-	-	79,542
Total Assets	<u>\$ 2,120,880</u>	<u>\$ 7,625</u>	<u>\$ 4,051</u>	<u>\$ 6,582</u>	<u>\$ 93,290</u>	<u>\$ 2,232,428</u>
 <u>LIABILITIES AND FUND BALANCES</u>						
Liabilities						
Accounts payable and accrued expense	\$ 249,989	\$ -	\$ -	\$ -	\$ -	\$ 249,989
Unearned revenue	-	-	4,051	-	-	4,051
Total Liabilities	<u>249,989</u>	<u>-</u>	<u>4,051</u>	<u>-</u>	<u>-</u>	<u>254,040</u>
Fund balances						
Restricted for:						
Culture and Recreation	-	-	-	-	93,290	93,290
Public Works	1,870,891	-	-	-	-	1,870,891
Public Safety	-	-	-	6,582	-	6,582
Community Development	-	7,625	-	-	-	7,625
Total Fund Balance	<u>1,870,891</u>	<u>7,625</u>	<u>-</u>	<u>6,582</u>	<u>93,290</u>	<u>1,978,388</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 2,120,880</u>	 <u>\$ 7,625</u>	 <u>\$ 4,051</u>	 <u>\$ 6,582</u>	 <u>\$ 93,290</u>	 <u>\$ 2,232,428</u>

TOWNSHIP OF ABINGTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2021

	<u>Special Revenue</u>				<u>Capital</u>	Total Non-major Governmental Funds
	<u>Highway Aid</u>	<u>Rental Rehab</u>	<u>Economic Development</u>	<u>Special Investigations</u>	<u>Parks Capital</u>	
REVENUES						
Interest, dividends, and rents	\$ 16,102	\$ -	\$ -	\$ -	\$ -	\$ 16,102
Intergovernmental revenues	1,816,164	-	-	-	-	1,816,164
Other	<u>97,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,147</u>	<u>98,202</u>
Total Revenues	<u>1,929,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,147</u>	<u>1,930,468</u>
EXPENDITURES						
Current						
Highways and roads	1,595,037	-	-	-	-	1,595,037
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,833</u>	<u>15,833</u>
Total Expenditures	<u>1,595,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,833</u>	<u>1,610,870</u>
Net Change in Fund Balances	334,284	-	-	-	(14,686)	319,598
Fund Balance - Beginning	<u>1,536,607</u>	<u>7,625</u>	<u>-</u>	<u>6,582</u>	<u>107,976</u>	<u>1,658,790</u>
Fund Balance - Ending	<u>\$ 1,870,891</u>	<u>\$ 7,625</u>	<u>\$ -</u>	<u>\$ 6,582</u>	<u>\$ 93,290</u>	<u>\$ 1,978,388</u>

TOWNSHIP OF ABINGTON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL

HIGHWAY AID FUND

For the Year Ended December 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Investment income and rent	\$ 20,000	\$ 16,102	\$ (3,898)
Intergovernmental revenues	1,477,000	1,816,164	339,164
Other	<u>10,000</u>	<u>97,055</u>	<u>87,055</u>
Total Revenues	<u>1,507,000</u>	<u>1,929,321</u>	<u>422,321</u>
Expenditures			
Highways and roads	<u>2,002,037</u>	<u>1,595,037</u>	<u>407,000</u>
Total Expenditures	<u>2,002,037</u>	<u>1,595,037</u>	<u>407,000</u>
Excess (Deficiency) of Revenues Over Expenditures	(495,037)	334,284	829,321
Other Financing Sources (Uses)			
Sale of capital assets	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Net Change in Fund Balance	<u>\$ (490,037)</u>	334,284	<u>\$ 824,321</u>
Fund Balance - Beginning		<u>1,536,607</u>	
Fund Balance - Ending		<u>\$ 1,870,891</u>	

TOWNSHIP OF ABINGTON

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
BUDGET AND ACTUAL

SEWER FUND

For the Year Ended December 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Sewer charges	\$ 7,516,000	\$ 7,902,256	\$ 386,256
Joint sewer agreements	990,000	1,048,528	58,528
Miscellaneous	40,000	-	(40,000)
Total Revenues	<u>8,546,000</u>	<u>8,950,784</u>	<u>404,784</u>
Expenditures			
Sewer operations	1,712,990	1,529,248	183,742
Sewage disposal and collections	3,164,885	1,801,810	1,363,075
Joint sewer agreements	3,145,000	1,668,049	1,476,951
Insurance premiums	158,200	117,859	40,341
Depreciation and amortization	-	1,472,289	(1,472,289)
Total Expenditures	<u>8,181,075</u>	<u>6,589,255</u>	<u>1,591,820</u>
Operating Income (Loss)	<u>364,925</u>	<u>2,361,529</u>	<u>1,996,604</u>
Nonoperating Revenues (Expense)			
Interest and Investment income	85,000	61,568	(23,432)
State grants	100,000	-	(100,000)
Interest expense	(18,593)	(12,523)	6,070
Gain (Loss) on disposal of capital assets	1,000	(484,176)	(485,176)
Change in NPL and deferred items	-	268,212	268,212
Change in OPEB liability and deferred items	-	201,843	201,843
Principal payment	(485,000)	-	485,000
Total Nonoperating Revenues (Expense)	<u>(317,593)</u>	<u>34,924</u>	<u>352,517</u>
Change in Net Position	<u>\$ 47,332</u>	2,396,453	<u>\$ 2,349,121</u>
Net Position - Beginning		<u>23,199,172</u>	
Net Position - Ending		<u>\$ 25,595,625</u>	

TOWNSHIP OF ABINGTON

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
BUDGET AND ACTUAL

REFUSE FUND

For the Year Ended December 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Refuse charges	\$ 5,258,000	\$ 5,271,213	\$ 13,213
Miscellaneous	<u>170,000</u>	<u>374,462</u>	<u>204,462</u>
Total Revenues	<u>5,428,000</u>	<u>5,645,675</u>	<u>217,675</u>
Expenditures			
Operations	1,065,834	981,481	84,353
Disposal and collections	4,224,794	3,862,520	362,274
Insurance premiums	108,285	86,769	21,516
Depreciation	<u>-</u>	<u>418,367</u>	<u>(418,367)</u>
Total Expenditures	<u>5,398,913</u>	<u>5,349,137</u>	<u>49,776</u>
Operating Income (Loss)	<u>29,087</u>	<u>296,538</u>	<u>267,451</u>
Nonoperating Revenues (Expense)			
Interest and Investment income	40,000	31,727	(8,273)
Grants	186,000	347,447	161,447
Interest expense	(19,037)	(18,272)	765
Gain on disposal of capital assets	10,000	-	(10,000)
Change in NPL and deferred items	-	520,474	520,474
Change in OPEB liability and deferred items	-	304,838	304,838
Capital purchases	(550,000)	-	550,000
Principal payment	<u>(252,000)</u>	<u>-</u>	<u>252,000</u>
Total Nonoperating Revenues (Expense)	<u>(585,037)</u>	<u>1,186,214</u>	<u>1,771,251</u>
Change in Net Position	<u>\$ (555,950)</u>	1,482,752	<u>\$ 2,038,702</u>
Net Position - Beginning		<u>560,444</u>	
Net Position - Ending		<u>\$ 2,043,196</u>	

TOWNSHIP OF ABINGTON

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
BUDGET AND ACTUAL

WORKERS COMPENSATION FUND

For the Year Ended December 31, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Other revenues	<u>\$ -</u>	<u>\$ 215,320</u>	<u>\$ 215,320</u>
Total Revenues	<u>-</u>	<u>215,320</u>	<u>215,320</u>
Expenditures			
Benefit payments	78,700	5,060	73,640
Insurance expense	4,000	811	3,189
Miscellaneous expense	<u>11,000</u>	<u>-</u>	<u>11,000</u>
Total Expenditures	<u>93,700</u>	<u>5,871</u>	<u>87,829</u>
Change in Net Position	<u>\$ (93,700)</u>	209,449	<u>\$ 303,149</u>
Net Position - Beginning		<u>1,831,887</u>	
Net Position - Ending		<u>\$ 2,041,336</u>	

TOWNSHIP OF ABINGTON

COMBINING STATEMENT OF NET POSITION

FIDUCIARY FUNDS-PENSION AND OTHER
EMPLOYEE BENEFIT TRUST PLANS

December 31, 2021

	Pension and Other Employee Benefit Trust Plans					Total
	Police Pension	Non-Uniformed Pension			Health Care Offset Fund	
		Defined Benefit	Defined Contribution	Total Non-Uniformed		
<u>ASSETS</u>						
Cash and cash equivalents	\$ 2,102,996	\$ 1,196,239	\$ -	\$ 1,196,239	\$ 6,851,571	\$ 10,150,806
Investments, at fair value:						
Annuity	-	278,464	-	278,464	-	278,464
Mutual funds	83,501,871	73,362,803	1,342,169	74,704,972	23,530,409	181,737,252
Total Assets	<u>85,604,867</u>	<u>74,837,506</u>	<u>1,342,169</u>	<u>76,179,675</u>	<u>30,381,980</u>	<u>192,166,522</u>
<u>LIABILITIES</u>						
Benefits Payable	-	-	-	-	4,957	4,957
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,957</u>	<u>4,957</u>
<u>NET POSITION</u>						
Net Position - Restricted for:						
Pension benefits	85,604,867	74,837,506	1,342,169	76,179,675	-	161,784,542
Other post employment benefits	-	-	-	-	30,377,023	30,377,023
Total Net Position	<u>\$85,604,867</u>	<u>\$74,837,506</u>	<u>\$ 1,342,169</u>	<u>\$ 76,179,675</u>	<u>\$ 30,377,023</u>	<u>\$ 192,161,565</u>

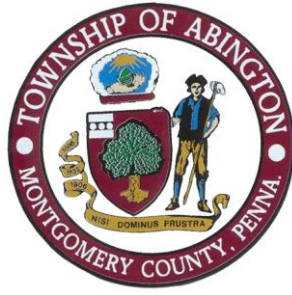
TOWNSHIP OF ABINGTON

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION

FIDUCIARY FUNDS-PENSION AND OTHER
EMPLOYEE BENEFIT TRUST PLANS

For the Year Ended December 31, 2021

	Pension and Other Employee Benefit Trust Plans					
	Police Pension	Non-Uniformed Pension			Health Care Offset Fund	Total
		Defined Benefit	Defined Contribution	Total Non-Uniformed		
Additions						
Contributions						
Member contributions	\$ 607,268	\$ 407,752	\$ 164,565	\$ 572,317	\$ -	\$ 1,179,585
Employer contributions	1,872,299	-	164,565	164,565	1,729,377	3,766,241
State aid	940,701	589,632	-	589,632	-	1,530,333
Total Contributions	<u>3,420,268</u>	<u>997,384</u>	<u>329,130</u>	<u>1,326,514</u>	<u>1,729,377</u>	<u>6,476,159</u>
Investment Income						
Net appreciation (depreciation) in fair value of investments	9,349,886	8,387,119	129,070	8,516,189	2,950,915	20,816,990
Interest and Dividends	<u>1,316,524</u>	<u>1,174,202</u>	<u>-</u>	<u>1,174,202</u>	<u>-</u>	<u>2,490,726</u>
Total investment earnings	10,666,410	9,561,321	129,070	9,690,391	2,950,915	23,307,716
Less investment expense	<u>(42,765)</u>	<u>(43,398)</u>	<u>(8,633)</u>	<u>(52,031)</u>	<u>-</u>	<u>(94,796)</u>
Net Investment Income	<u>10,623,645</u>	<u>9,517,923</u>	<u>120,437</u>	<u>9,638,360</u>	<u>2,950,915</u>	<u>23,212,920</u>
Other Income	<u>11</u>	<u>9</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>20</u>
Total Additions	<u>14,043,924</u>	<u>10,515,316</u>	<u>449,567</u>	<u>10,964,883</u>	<u>4,680,292</u>	<u>29,689,099</u>
Deductions						
Benefits	4,338,522	3,967,969	-	3,967,969	1,175,490	9,481,981
Administrative expenses	62,838	57,150	-	57,150	-	119,988
Refund of member contributions	<u>2,261</u>	<u>15,124</u>	<u>57,237</u>	<u>72,361</u>	<u>-</u>	<u>74,622</u>
Total Deductions	<u>4,403,621</u>	<u>4,040,243</u>	<u>57,237</u>	<u>4,097,480</u>	<u>1,175,490</u>	<u>9,676,591</u>
Net Increase	9,640,303	6,475,073	392,330	6,867,403	3,504,802	20,012,508
Net Position restricted for Pension, OPEB, and other benefits						
Beginning of Year	<u>75,964,564</u>	<u>68,362,433</u>	<u>949,839</u>	<u>69,312,272</u>	<u>26,872,221</u>	<u>172,149,057</u>
End of Year	<u>\$ 85,604,867</u>	<u>\$ 74,837,506</u>	<u>\$ 1,342,169</u>	<u>\$ 76,179,675</u>	<u>\$ 30,377,023</u>	<u>\$ 192,161,565</u>



STATISTICAL SECTION

STATISTICAL SECTION

This section of the Township of Abington'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.

<u>Contents</u>	<u>Page</u>
Financial Trends	100
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	106
These schedules contain information to help the reader assess the Township's most significant local revenue source – the property tax.	
Debt Capacity	111
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	115
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities take place.	
Operating Information	118
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 government provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive reports for the relevant year or Township records.

Township of Abington
Montgomery County, Pennsylvania
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016¹</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental activities										
Net Investment in Capital Assets	\$ 139,362	\$ 140,417	\$ 132,148	\$ 131,444	\$ 132,498	\$ 129,121	\$ 126,904	\$ 125,935	\$ 129,729	\$ 130,011
Restricted	2,933	2,236	4,580	4,665	5,456	1,174	2,110	1,053	1,439	1,160
Unrestricted	(11,089)	(23,231)	(33,244)	(43,714)	(39,028)	(34,100)	(4,444)	14,092	12,935	13,417
Total governmental activities net position	<u>\$ 131,206</u>	<u>\$ 119,422</u>	<u>\$ 103,484</u>	<u>\$ 92,395</u>	<u>\$ 98,926</u>	<u>\$ 96,195</u>	<u>\$ 124,570</u>	<u>\$ 141,080</u>	<u>\$ 144,103</u>	<u>\$ 144,588</u>
Business-type activities										
Net Investment in Capital Assets	\$ 42,649	\$ 44,788	\$ 45,093	\$ 45,897	\$ 45,014	\$ 44,069	\$ 43,231	\$ 43,058	\$ 42,545	\$ 45,329
Restricted	5,509	5,803	6,461	6,948	8,124	8,516	9,938	10,359	10,348	8,801
Unrestricted	8,691	3,260	622	481	640	560	3,331	4,751	5,406	5,886
Total business-type activities net position	<u>\$ 56,849</u>	<u>\$ 53,851</u>	<u>\$ 52,176</u>	<u>\$ 53,326</u>	<u>\$ 53,778</u>	<u>\$ 53,145</u>	<u>\$ 56,500</u>	<u>\$ 58,168</u>	<u>\$ 58,299</u>	<u>\$ 60,016</u>
Primary government										
Net Investment in Capital Assets	\$ 182,011	\$ 185,205	\$ 177,241	\$ 177,341	\$ 177,512	\$ 173,190	\$ 170,135	\$ 168,993	\$ 172,274	\$ 175,340
Restricted	8,442	8,039	11,041	11,613	13,580	9,690	12,048	11,412	11,787	9,961
Unrestricted	(2,398)	(19,971)	(32,622)	(43,233)	(38,388)	(33,540)	(1,113)	18,843	18,342	19,303
Total primary government net position	<u>\$ 188,055</u>	<u>\$ 173,273</u>	<u>\$ 155,660</u>	<u>\$ 145,721</u>	<u>\$ 152,704</u>	<u>\$ 149,340</u>	<u>\$ 181,070</u>	<u>\$ 199,248</u>	<u>\$ 202,403</u>	<u>\$ 204,604</u>

¹GASB #75 was implemented in 2017, net position was restated for 2016

Township of Abington
Montgomery County, Pennsylvania
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental Activities:										
Administration	\$ 4,219	\$ 5,036	\$ 306	\$ 1,047	\$ 5,123	\$ 5,107	\$ 1,201	\$ 1,374	\$ 1,174	\$ 5,423
Codes and Engineering	385	502	879	925	1,021	1,039	1,051	998	955	801
Health and Human Services	64	-	-	-	-	-	-	-	-	-
Police and Emergency Services	17,089	20,727	18,108	32,296	22,909	23,628	23,650	21,452	20,208	17,228
Public Works	9,175	7,698	7,621	9,919	6,728	10,054	11,116	10,671	9,866	8,898
Library	1,632	1,751	2,818	2,761	2,626	2,777	2,866	2,641	2,641	2,200
Parks	3,267	2,662	4,469	3,742	3,461	4,181	4,905	4,446	4,376	3,987
Community Development	314	154	386	919	1,489	802	711	809	1,318	1,148
Economic Development	-	-	-	-	-	-	-	-	-	3
Miscellaneous	-	-	-	-	-	-	-	-	22	-
Interest on debt	62	71	113	106	135	174	219	264	215	293
Total governmental activities expenses	<u>36,207</u>	<u>38,601</u>	<u>34,700</u>	<u>51,715</u>	<u>43,492</u>	<u>47,762</u>	<u>45,719</u>	<u>42,655</u>	<u>40,775</u>	<u>39,981</u>
Business-type activities:										
Sewer	8,017	7,941	10,118	9,486	8,902	10,070	9,506	9,285	10,706	8,700
Refuse	5,367	5,016	6,256	6,187	6,165	6,417	6,325	5,821	5,844	5,639
Total business-type activities expenses	<u>13,384</u>	<u>12,957</u>	<u>16,374</u>	<u>15,673</u>	<u>15,067</u>	<u>16,487</u>	<u>15,831</u>	<u>15,106</u>	<u>16,550</u>	<u>14,339</u>
Total primary government expenses	<u>\$ 49,591</u>	<u>\$ 51,558</u>	<u>\$ 51,074</u>	<u>\$ 67,388</u>	<u>\$ 58,559</u>	<u>\$ 64,249</u>	<u>\$ 61,550</u>	<u>\$ 57,761</u>	<u>\$ 57,325</u>	<u>\$ 54,320</u>
Program Revenues										
Governmental Activities:										
Charges for services:										
Administration	\$ -	\$ -	\$ 550	\$ 500	\$ 682	\$ 628	\$ -	\$ -	\$ -	\$ -
Codes and Engineering	1,705	1,383	2,074	1,652	1,043	1,512	1,938	1,132	1,096	1,161
Police and Emergency Services	910	657	682	758	759	701	738	922	397	737
Public Works	-	-	-	-	-	-	-	-	-	10
Parks	653	379	765	792	797	848	933	902	894	846
Community Development	-	-	-	-	-	-	-	-	-	85
Operating grants and contributions:										
Administration	71	70	66	423	182	81	22	23	31	-
Codes and engineering	156	205	79	42	51	58	33	34	37	-
Police and Emergency Services	1,423	1,235	1,612	1,199	1,056	1,066	1,171	903	782	139
Public Works	2,600	2,193	1,909	1,898	1,813	1,983	1,924	1,552	1,742	2,556
Library	110	112	85	83	102	139	88	90	103	-
Parks	305	132	118	126	159	147	155	154	174	-
Community Development	-	-	-	-	-	-	22	27	51	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions:										
Administration	-	-	-	-	-	-	-	-	-	354
Police and Emergency Services	-	-	-	-	-	451	-	-	-	41
Public Works	-	-	-	391	530	1,044	642	122	155	46
Parks	1	-	-	-	-	-	-	-	-	168
Community Development	337	84	225	754	1,342	655	584	682	1,100	1,073
Economic Development	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>8,271</u>	<u>6,450</u>	<u>8,165</u>	<u>8,618</u>	<u>8,516</u>	<u>9,313</u>	<u>8,250</u>	<u>6,543</u>	<u>6,562</u>	<u>7,216</u>

(continued)

Township of Abington
Montgomery County, Pennsylvania
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Business-type activities:										
Charges for services:										
Sewer	8,962	8,920	9,073	9,030	9,381	8,892	9,040	9,027	9,178	10,092
Refuse	5,271	5,215	5,204	5,188	5,175	5,158	5,432	5,109	4,879	4,935
Operating grants and contributions	347	-	1,223	386	613	357	305	497	263	182
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>14,580</u>	<u>14,135</u>	<u>15,500</u>	<u>14,604</u>	<u>15,169</u>	<u>14,407</u>	<u>14,777</u>	<u>14,633</u>	<u>14,320</u>	<u>15,209</u>
Total primary government program revenues	<u>\$ 22,851</u>	<u>\$ 20,585</u>	<u>\$ 23,665</u>	<u>\$ 23,222</u>	<u>\$ 23,685</u>	<u>\$ 23,720</u>	<u>\$ 23,027</u>	<u>\$ 21,176</u>	<u>\$ 20,882</u>	<u>\$ 22,425</u>
Net (expense)/revenue										
Governmental activities	27,936	32,151	26,535	43,097	34,976	38,448	37,467	36,112	(34,213)	(32,764)
Business-type activities	(1,196)	(1,178)	874	1,069	(102)	2,080	1,054	474	(2,230)	869
Total primary government net expense	<u>\$ 26,740</u>	<u>\$ 30,973</u>	<u>\$ 27,409</u>	<u>\$ 44,166</u>	<u>\$ 34,874</u>	<u>\$ 40,528</u>	<u>\$ 38,521</u>	<u>\$ 36,586</u>	<u>\$ (36,443)</u>	<u>\$ (31,895)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Real Estate taxes	\$ 17,197	\$ 17,315	\$ 15,221	\$ 14,552	\$ 14,811	\$ 14,167	\$ 13,316	\$ 13,303	\$ 13,173	\$ 12,982
Transfer tax	2,215	1,643	1,417	1,499	1,407	1,291	1,104	1,342	1,153	1,248
Earned income tax	9,683	8,645	8,521	8,223	7,957	7,953	7,918	7,329	7,969	6,980
Business, Mercantile and LST	7,485	8,042	7,824	8,034	9,092	8,342	7,804	7,382	7,338	7,012
Unrestricted grants and contributions	35	32	30	34	33	34	34	38	36	1,260
Investment earnings	305	511	724	455	334	247	907	757	739	198
Miscellaneous	2,801	2,610	3,888	3,768	4,073	3,969	2,886	2,938	3,321	2,890
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>39,721</u>	<u>38,798</u>	<u>37,625</u>	<u>36,565</u>	<u>37,707</u>	<u>36,003</u>	<u>33,969</u>	<u>33,089</u>	<u>33,729</u>	<u>32,570</u>
Business-type activities:										
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	250
Investment earnings	132	227	466	191	204	224	289	255	343	362
Miscellaneous	1,670	270	301	426	327	381	536	87	171	198
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>1,802</u>	<u>497</u>	<u>767</u>	<u>617</u>	<u>531</u>	<u>605</u>	<u>825</u>	<u>342</u>	<u>514</u>	<u>810</u>
Total primary government	<u>\$ 41,523</u>	<u>\$ 39,295</u>	<u>\$ 38,392</u>	<u>\$ 37,182</u>	<u>\$ 38,238</u>	<u>\$ 36,608</u>	<u>\$ 34,794</u>	<u>\$ 33,431</u>	<u>\$ 34,243</u>	<u>\$ 33,380</u>
Change in Net Position										
Governmental activities	\$ 11,784	\$ 6,647	\$ 11,089	\$ (6,531)	\$ 2,731	\$ (2,444)	\$ (3,499)	\$ (3,023)	\$ (484)	\$ (194)
Business-type activities	2,998	1,675	(106)	(452)	633	(1,475)	(228)	(131)	(1,717)	1,679
Total primary government	<u>\$ 14,782</u>	<u>\$ 8,322</u>	<u>\$ 10,983</u>	<u>\$ (6,983)</u>	<u>\$ 3,364</u>	<u>\$ (3,919)</u>	<u>\$ (3,727)</u>	<u>\$ (3,154)</u>	<u>\$ (2,201)</u>	<u>\$ 1,485</u>

**Township of Abington
Montgomery County, Pennsylvania
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)**

Fiscal Year	Property Tax	Deed Transfer Tax	Earned Income Tax	Business Mercantile and Local Services Tax	Total
2012	12,982 ⁴	1,248	6,980	7,012	28,222
2013	13,173 ⁵	1,153	7,969	7,338	29,633
2014	13,302	1,342	7,329	7,382	29,355
2015	13,316	1,104	7,918	7,840	30,178
2016	14,167 ⁶	1,292	7,953	8,342	31,754
2017	14,811	1,407	7,957	9,092	33,267
2018	14,552	1,499	8,223	8,034	32,308
2019	15,221	1,417	8,521	7,824	32,983
2020	17,315	1,643	8,645	8,042	35,645
2021	17,197	2,215	9,683	7,485	36,580

²Increase due to .0841 millage increase for property tax (.0621 general purpose - .022 fire tax)

³Decrease due to change in taxable assessed valuation.

⁴Increase due to .198 millage increase for property (general purpose) tax.

⁵Increase due to .052 millage increase for property (fire) tax.

⁶Increase due to .2319 millage increase for property (.1529 general purpose and .079 fire) tax.

**Township of Abington
Montgomery County, Pennsylvania
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund										
Reserved										
Unreserved, undesignated										
Unassigned										
Nonspendable-prepaid items	\$ -	\$ 357	\$ 5	\$ 9	\$ -	\$ 19	\$ 5	\$ 23	\$ 19	\$ 1
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	1,457	1,401	1,312	1,381	1,598	2,234	3,666	4,062	4,062	4,166
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	16,878	14,798	13,687	12,899	14,437	14,399	12,746	10,700	15,157	12,289
<i>Total general fund</i>	<u>\$ 18,335</u>	<u>\$ 16,556</u>	<u>\$ 15,004</u>	<u>\$ 14,289</u>	<u>\$ 16,035</u>	<u>\$ 16,652</u>	<u>\$ 16,417</u>	<u>\$ 14,785</u>	<u>\$ 19,238</u>	<u>\$ 16,456</u>
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue funds										
Capital projects funds										
Nonspendable-prepaid items					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	2,146	1,659	4,055	4,467	5,169	865	1,298	302	1,072	926
Committed	4,471	5,255	1,486	1,913	1,326	1,145	1,189	1,128	1,128	2,193
Assigned	2,130	2,607	4,763	4,407	2,170	4,595	3,931	6,907	1,258	1,063
Unassigned	-	(132)	(190)	(42)	(108)	(10)	-	-	-	-
<i>Total all other governmental funds</i>	<u>\$ 8,747</u>	<u>\$ 9,390</u>	<u>\$ 10,114</u>	<u>\$ 10,745</u>	<u>\$ 8,557</u>	<u>\$ 6,595</u>	<u>\$ 6,418</u>	<u>\$ 8,337</u>	<u>\$ 3,458</u>	<u>\$ 4,182</u>
<i>Total Government Funds</i>	<u>\$ 27,082</u>	<u>\$ 25,946</u>	<u>\$ 25,118</u>	<u>\$ 25,034</u>	<u>\$ 24,592</u>	<u>\$ 23,247</u>	<u>\$ 22,835</u>	<u>\$ 23,122</u>	<u>\$ 22,696</u>	<u>\$ 20,638</u>

¹The decrease in fund balance was a planned use of fund balance for capital projects.

Township of Abington
Montgomery County, Pennsylvania
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues										
Real estate taxes	\$ 17,219	\$ 17,266	\$ 15,231	\$ 14,557	\$ 14,835	\$ 14,214	\$ 13,296	\$ 13,324	\$ 13,236	\$ 12,988
Transfer taxes	2,216	1,643	1,417	1,499	1,407	1,292	1,104	1,342	1,153	1,248
Earned income taxes	9,683	8,645	8,521	8,223	7,957	7,953	7,918	7,329	7,969	6,980
Business, Mercantile taxes and LST	7,485	8,042	7,824	8,034	9,092	8,342	7,840	7,382	7,338	7,012
Fees, licenses and permits	3,627	3,069	4,423	4,070	3,524	3,936	4,322	3,656	3,275	3,230
Investment income and rent	708	810	1,463	1,230	1,046	912	907	757	729	720
Grants	4,939	4,019	4,005	4,910	5,190	5,537	4,675	3,625	4,212	5,466
Fines and forfeitures	122	128	183	196	202	199	226	239	252	288
Program revenues	653	379	765	792	797	847	933	902	894	846
Other	1,145	1,055	1,352	1,103	1,465	1,444	916	1,029	1,254	1,072
Total Revenues	47,797	45,056	45,184	44,614	45,515	44,676	42,137	39,585	40,312	39,850
Expenditures										
General government	2,455	2,573	407	824	1,067	620	829	682	730	778
Public safety	25,440	24,382	24,025	23,474	21,300	21,328	20,194	19,677	18,852	17,544
Health and human services	65	-	-	-	-	-	-	-	-	-
Highways and roads	6,258	5,973	6,752	6,269	5,699	5,920	8,364	7,559	6,813	5,378
Culture and recreation	6,597	5,476	6,720	7,156	6,998	6,562	6,668	6,423	6,082	5,804
Miscellaneous	1,383	1,552	2,803	2,874	4,509	3,716	3,321	5,180	2,769	2,503
Debt Service:										
Principal	1,927	1,927	1,839	1,895	1,865	1,665	1,585	1,075	1,570	1,550
Interest	71	122	199	194	231	270	333	160	219	295
Capital projects	2,467	3,384	2,964	2,525	3,291	5,119	1,192	778	1,263	6,315
Total Expenditures	46,663	45,389	45,709	45,211	44,960	45,200	42,486	41,534	38,298	40,167
Excess (Deficiency) of revenues over expenditures	1,134	(333)	(525)	(597)	361	(524)	(349)	(1,949)	2,014	(317)
Other Financing Sources (uses)										
Issuance of debt	0	1,081	600	1,000	718	363	-	4,150	-	3,000
Payment to refund bond escrow agent			-	-	-	-	-	588	-	-
Proceeds from sale of fixed assets	2	80	9	38	71	59	47	(1,833)	65	-
Transfers in	664	664	664	2,715	2,553	1,303	467	6,996	500	3,194
Transfers out	(664)	(664)	(664)	(2,715)	(2,553)	(1,303)	(467)	(6,996)	(500)	(3,619)
Unrealized loss on investments			-	-	-	-	-	-	(22)	-
Total other financing sources (uses)	2	1,161	609	1,038	789	422	47	2,905	43	2,575
Net Change in Fund Balances	\$ 1,136	\$ 828	\$ 84	\$ 441	\$ 1,344	\$ (102)	\$ (302)	\$ 956	\$ 2,057	\$ 2,258
Debt service as a percentage of noncapital expenditures	4.48%	4.85%	4.61%	4.97%	5.12%	4.74%	4.95%	3.16%	4.95%	5.30%

**Township of Abington
Montgomery County, Pennsylvania
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)**

Fiscal Year	Property Tax	Deed Transfer Tax	Earned Income Tax	Business, Mercantile and Local Service Tax
2012	12,988	1,248	6,980	7,012
2013	13,236	1,153	7,969	7,338
2014	13,303	1,342	7,329	7,382
2015	13,295	1,104	7,918	7,840
2016	14,214	1,292	7,953	8,342
2017	14,835	1,406	7,957	9,092
2018	14,557	1,499	8,223	8,034
2019	15,231	1,417	8,521	7,824
2020	17,315	1,643	8,645	8,042
2021	17,197	2,216	9,683	7,485

**Township of Abington
Montgomery County, Pennsylvania
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)**

Fiscal Year	Real Property Residential Property³	Commercial Property³	Total Assessed Value¹	Exempted Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value²	Ratio of Total Taxable Assessed Value to Total Estimated Actual Value²
2012	N/A	N/A	3,970,006	588,352	3,381,654	3.919	5,333,839	63.4%
2013	N/A	N/A	3,972,186	590,548	3,381,638	3.971	5,891,356	57.4%
2014	N/A	N/A	3,977,120	594,333	3,382,787	3.971	6,019,194	56.2%
2015	N/A	N/A	3,987,218	593,733	3,393,485	3.971	6,048,993	56.1%
2016	N/A	N/A	3,989,005	594,577	3,394,428	4.203	6,050,674	56.1%
2017	N/A	N/A	4,001,072	595,266	3,405,806	4.203	6,691,171	50.9%
2018	N/A	N/A	4,069,384	598,558	3,470,826	4.203	7,040,215	49.3%
2019	N/A	N/A	4,075,376	619,104	3,456,272	4.443	7,369,450	46.9%
2020	N/A	N/A	4,075,140	621,927	3,453,213	4.851	7,725,309	44.7%
2021	N/A	N/A	4,061,652	621,799	3,439,853	4.851	N/A ⁴	N/A ⁴

Data sources

¹Source: County assessment tax duplicate.

²Source: State Tax Equalization Board Common Level Ratio.

³County Assessor's Office does not provide this information as of 2011 forward.

⁴State Tax Equalization Board Statistics are not available until after July 1st

**Township of Abington
Montgomery County, Pennsylvania
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Township of Abington</u>			<u>Montgomery County</u>			<u>Abington School District</u>			<u>Total Direct & Overlapping Rates</u>
	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total Township Millage</u>	<u>Operating Millage</u>	<u>Debt Service Millage¹</u>	<u>Total County Millage</u>	<u>Operating Millage</u>	<u>Debt Service Millage²</u>	<u>Total School Millage</u>	
2012	3.389	0.530	3.919	3.152	-	3.152	25.247	1.830	27.080	34.151
2013	3.451	0.520	3.971	3.152	-	3.152	25.312	1.770	27.080	34.203
2014	3.451	0.520	3.971	3.152	-	3.152	27.246	1.760	29.006	36.129
2015	3.451	0.520	3.971	3.152	-	3.152	28.021	1.869	29.890	37.013
2016	3.683	0.520	4.203	3.459	-	3.459	29.250	1.580	30.830	38.492
2017	3.683	0.520	4.203	3.459	-	3.459	30.037	1.733	31.770	39.432
2018	3.683	0.520	4.203	3.849	-	3.849	30.024	1.746	31.770	39.822
2019	3.923	0.520	4.443	3.849	-	3.849	29.444	2.326	31.770	40.062
2020	4.253	0.598	4.851	3.849	-	3.849	29.321	2.449	31.770	40.470
2021	4.253	0.598	4.851	4.313	-	4.313	30.212	2.510	32.720	41.884

Data sources

¹Montgomery County Finance Office

²Abington School District

Beginning with 2009 Montgomery County does not breakout millage for debt service

**Township of Abington
Montgomery County, Pennsylvania
Principal Property Taxpayers
Current Year and Ten Years Ago
(amounts expressed in thousands)**

Taxpayer	Type of Business	2021			2012		
		Taxable Assessed Valuation ¹	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation ²	Rank	Percentage of Total Assessed Valuation
14236404	WG Park L P ³	\$ 100,980	1	2.94%	\$ 48,090	1	1.42%
31004007	Pleasantville Gardens Associates	31,036	2	0.90%	31,036	2	0.92%
66648003	Phila Presbytery Homes, Inc.	23,087	3	0.67%	23,087	3	0.68%
66636006	Baederwood Fairway LLC ⁴	20,016	4	0.58%			
49664004	Pavilion Unit Acquisition LP ⁵	18,434	5	0.54%	19,140	4	0.56%
49232004	Old York LLC ⁶	14,861	6	0.43%	11,664	10	0.35%
49660008	Plaza Unit Acquisition LP	14,618	7	0.42%	14,618	5	0.43%
14236602	WG Park Anchor B LP	14,000	8	0.41%	14,000	6	0.41%
70660005	Washington York 2021 LLC ⁷	13,507	9	0.39%			
28936005	Abington Hospital	12,822	10	0.37%	12,822	8	0.38%
14236008	WG Park LP ⁸				13,554	7	0.40%
49808004	Abington Hospital				12,797	9	0.38%
Total:	Totals	<u>\$ 263,361</u>		<u>7.66%</u>	<u>\$ 200,808</u>		<u>5.93%</u>

Data sources

¹Abington Township Tax Duplicate/Montgomery County Property Records

²2012 Township of Abington Comprehensive Annual Financial Report

³Reassessment effective 1/1/2017

⁴Assessed value in 2012 was 7,419,320

⁵Assessment appeal effective 8/1/2015

⁶Reassessment effective 1/1/2018

⁷Reassessment effective 1/1/2018 from \$9,724,280

⁸Reassessment effective 1/1/2021 for \$7,072,500

**Township of Abington
Montgomery County, Pennsylvania
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)**

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	13,253	13,097	98.8%	150	13,247	100.0%
2013	13,429	13,266	98.8%	155	13,421	99.9%
2014	13,433	13,302	99.0%	132	13,434	100.0%
2015	13,476	13,331	98.9%	144	13,475	100.0%
2016	14,267	14,134	99.1%	122	14,256	99.9%
2017	14,315	14,197	99.2%	119	14,316	100.0%
2018	14,588	14,439	99.0%	141	14,580	99.9%
2019	15,356	15,263	99.4%	118	15,381	100.2%
2020	16,752	16,631	99.3%	74	16,705	99.7%
2021	16,687	16,559	99.2%			

**Township of Abington
Montgomery County, Pennsylvania
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)**

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income ²	Per Capita ¹
	General Obligation Bonds ³	Capital Leases	Notes Payable	General Obligation Bonds ³				
2012	9,860	0	0	16,105		25,965	1.22%	472
2013	8,290	0	0	16,800		25,090	1.17%	456
2014	9,454	0	0	14,435		23,889	1.09%	434
2015	8,817	0	0	12,584		21,401	0.94%	389
2016	6,660	0	290	9,782		16,732	0.68%	304
2017	5,422	0	289	8,792		14,503	0.60%	264
2018	4,580	0	145	6,351		11,076	0.44%	201
2019	3,323	0	72	3,685		7,080	0.27%	129
2020	2,458	0	0	1,717		4,175	0.16%	76
2021	531	0	0	980		1,511	0.06%	27

¹Population information is only available each 10 years from the U.S. Census

²See the Schedule of Demographic and Economic Statistics for personal income and population data.

2020 and 2021 Personal Income Data not available therefore percentage is an estimate.

³Presented net of debt issuance premiums

Township of Abington
Montgomery County, Pennsylvania
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value¹ of Property	Per Capita²
2012	25,965	0.49%	472
2013	25,090	0.43%	456
2014	23,350	0.39%	425
2015	19,525	0.32%	355
2016	16,441	0.27%	299
2017	14,214	0.21%	258
2018	10,931	0.16%	199
2019	7,008	0.10%	127
2020	4,175	0.05%	76
2021	1,511	N/A ³	

Note: Details regarding the Township's outstanding debt can be found in the notes to the financial statements.

¹See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

²Population data can be found in the Schedule of Demographic and Economic Statistics.

³State Tax Equalization Board's Common Level Ratio is not available until after July 1st.

**Township of Abington
Montgomery County, Pennsylvania
Direct and Overlapping Governmental Activities Debt
As of December 31, 2021**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
Township of Abington	\$ 530,641	100.00%	\$ 530,641
Overlapping:			
Montgomery County ²	437,505,000	5.80%	25,375,290
Abington School District ³	<u>151,435,000</u>	96.75%	<u>146,513,363</u>
Sub Total Overlapping Debt			171,888,653
 Total Direct and Overlapping	 589,470,641		 172,419,294

Data sources:

¹Assessed value data used to estimate applicable percentages provided by the County Board of Assessment.

²Montgomery County Finance Director

³Abington School District Period Ending June 30, 2021 Audited Financial Statements.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Township. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Township of Abington. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

**Township of Abington
Montgomery County, Pennsylvania
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt limit	\$ 154,100	\$ 152,069	\$ 153,344	\$ 150,823	\$ 148,775	\$ 141,689	\$ 137,787	\$ 140,001	\$ 133,702
Total net debt applicable to limit	<u>1,511</u>	<u>4,175</u>	<u>7,008</u>	<u>10,931</u>	<u>13,898</u>	<u>15,925</u>	<u>19,525</u>	<u>23,980</u>	<u>25,090</u>
Legal debt margin	<u>\$ 152,589</u>	<u>\$ 147,894</u>	<u>\$ 146,336</u>	<u>\$ 139,892</u>	<u>\$ 134,877</u>	<u>\$ 125,764</u>	<u>\$ 118,262</u>	<u>\$ 116,021</u>	<u>\$ 108,612</u>
Total net debt applicable to the limit as a percentage of debt limit	0.98%	2.75%	4.57%	7.25%	9.34%	11.24%	14.17%	17.13%	18.77%

Debt Limit Formula for Fiscal Year 2020

Total net revenues (2019-2021)	\$ 184,920,473
Three year average (borrowing base)	\$ 61,640,158
Multiplier	250%
Total nonelectoral debt limit	\$ 154,100,394

Note: The Local Government Unit Debt Act (Act 52 of 1978, reenacting and amending Act 185 of 1972) prescribes debt limits, net revenues and the calculation of borrowing base for all local government units in Pennsylvania. The "Debt Act" is administered by the Pennsylvania Department of Community and Economic Development.

**Township of Abington
Montgomery County, Pennsylvania
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population¹	Personal Income² (in thousands)	Per Capita Personal Income	Median Age¹	School Enrollment³	Unemployment Rate⁴
2012	55,310	2,122,088	38,367	42.8	7,601	6.8%
2013	55,310	2,145,434	38,789	42.8	7,639	6.3%
2014	55,310	2,193,347	39,656	42.8	7,677	4.6%
2015	55,310	2,280,870	41,238	42.8	7,816	4.1%
2016	55,310	2,447,646	44,253	42.8	7,970	4.2%
2017	55,310	2,407,343	43,525	42.8	8,160	3.3%
2018	55,310	2,489,701	45,014	42.8	8,339	3.0%
2019	55,310	2,610,063	47,190	42.8	8,515	3.4%
2020	55,310	N/A	N/A	42.8	8,364	6.1%
2021	58,502	N/A	N/A	42.4	8,292	3.3%

Data sources

¹2000, 2010 and 2020 Official U.S. Census

²Pennsylvania Department of Education. Information received includes both Abington and Rockledge, therefore the percentage of Rockledge's population as compared to Abington's was used to calculate Abington's portion. 2018 and 2019 data not yet available.

³Abington School District

⁴Pennsylvania Department of Labor and Industry: Center for Workforce Information and Analysis.

Note: Unemployment rate is for Montgomery County as it is not maintained at the municipal level.

**Township of Abington
Montgomery County, Pennsylvania
Principal Employers
Current Year and Ten Years Ago**

Employer	2021			2012		
	Employees ¹	Rank	Percentage of Total Township Employment	Employees ²	Rank	Percentage of Total Township Employment
Abington Memorial Hospital (Hospital)	4,137	1	18.47%	4,195	1	18.08%
Holy Redeemer Health System (Hospital)	2,168	2	9.68%	2,061	2	8.88%
Willow Grove Mall	1,638	3	7.31%	2,025	3	8.73%
Sarah Care (Adult Day Care Services Center)	1,224	4	5.47%			
Abington School District (Public School District)	1,111	5	4.96%	1,073	4	4.63%
The Pennsylvania State University (College)	675	6	3.01%	638	6	2.75%
SPS Technologies (Manufacturer)	593	7	2.65%	822	5	3.54%
Giant (Food Market-2)	484	8	2.16%			
Abington Township (Municipal Government)	508	9	2.27%	606	7	2.61%
Federated Department Stores (Macy's & Bloomingdale's)	299	10	1.34%	460	8	1.98%
Giant Markets (Retail Grocery Stores)				337	9	1.45%
Target (Department Store)				228	10	0.98%
Totals	12,837		57.32%	12,445		53.64%

Data Sources

¹2021- Local Service Tax Records

²2012 Township of Abington ACFR

**Township of Abington
Montgomery County, Pennsylvania
Full-Time Equivalent Employees by Function
Last Ten Fiscal Years**

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Administration	11	11	12	12	15	16	16	16	16	16
Code Enforcement	7	5	7	7	7	7	7	7	6	6
Engineering	3	4	3	3	3	3	4	4	4	4
Sanitation	25	25	26	25	25	26	26	26	28	26
Highways and Streets	30	31	31	31	31	30	30	30	30	31
Vehicle Maintenance	6	6	6	6	7	7	7	7	7	6
Parks and Recreation	23	19	23	25	25	25	25	25	26	26
Public Safety										
Police										
Officers	92	92	92	92	92	92	92	92	92	92
Civilians	18	18	20	20	20	21	23	23	22	20
Fire	5	4	3	3	4	4	4	4	4	4
Library	23	20	22	23	23	23	23	23	23	24
WasteWater	17	15	16	17	16	16	16	16	18	18
Total	260	250	261	264	268	270	273	273	276	273

Source: Township payroll department.

**Township of Abington
Montgomery County, Pennsylvania
Operating Indicators by Function
Last Ten Fiscal Years**

Function ¹	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Code Enforcement										
Permits Issued (Building, Electrical and Fire)	3,786	3,483	3,759	3,218	3,034	3,299	3,276	3,326	2,439	2,168
Police										
Physical Arrests	723	1,062	1,499	1,909	2,280	1,685	1,681	1,986	1,722	1,766
Total Crimes (Part I and II)	2,624	2,510	3,112	3,004	3,501	3,464	3,383	3,416	3,212	3,337
Traffic and Parking Citations	4,161	3,381	8,399	8,880	9,799	9,602	10,458	10,718	9,772	11,289
Highways and Streets										
Street resurfacing (miles)	4.10	4.00	17.00	22.00	22.00	18.00	15.30	14.20	8.06	4.70
Sanitation										
Tons of Commingled Recyclables	3,259	3,415	2,628	2,891	3,292	2,815	2,927	3,211	3,040	2,740
Tons of Paper	3,157	3,354	3,136	3,287	3,392	3,435	3,543	3,756	4,198	4,426
Tons of Refuse	18,587	19,217	16,534	16,992	17,900	17,155	17,208	17,575	17,583	17,805
Parks and Recreation										
Park Attendance	98,591	50,734	192,637	192,587	186,402	184,073	208,800	208,809	204,964	147,498
Pool Memberships	4,033	1,117	4,877	4,547	5,831	5,068	5,288	5,241	5,789	6,107
Wastewater										
Miles of sanitary sewers	260	260	260	260	216	216	216	216	216	216
Miles of storm sewers	124.5	124.1	123.6	120	119	119	119	119	119	119
Number of equivalent dwelling units connected	12,079	12,072	12,063	12,055	12,046	12,006	12,002	12,001	11,988	11,966
Daily average treatment in gallons (millions)	3.27	3.45	3.76	3.48	2.72	2.71	2.50	2.90	2.66	2.58
Maximum daily capacity of treatment plant in gallons (millions)	3.91	3.91	3.91	3.91	3.91	3.91	3.91	3.91	3.91	3.91
Facilities & Services not included in primary government:										
Library ²										
Circulation				474,907	441,939	458,109	459,806	472,830	491,824	492,701
Physical Items	136,957	147,268	454,619							
Digital Items ⁴	116,000	162,564	27,719							
Volumes				150,787	153,686	157,063	160,074	172,689	172,843	172,361
Physical Items	148,523	129,108	143,326							
Digital Items ^{3,4}	47,679	67,530	376,047							
Fire										
Calls	1,713	1,712	1,663	1,683	1,576	1,581	1,823	1,846	1,498	1,789
Inspections	862	1,576	1,608	723	451	910	1,349	1,127	1,138	1,127
Second Alarmers Rescue Squad										
Emergency Rescue Calls	6,062	5,249	5,701	5,391	5,646	5,466	5,493	5,407	5,476	5,664

Data Sources

¹Various Township Departments.

²Beginning in 2019, Library circulation and volumes are broken down between physical and digital items as required by the Office of Commonwealth Libraries

³In 2020 the Library increased its digital circulation, however total volumes decreased due to the changes the State instituted to count digital volumes.

⁴The State changed the calculation of digital circulation and volumes for 2021

**Township of Abington
Montgomery County, Pennsylvania
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function¹	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Highways and streets										
Streets (miles)										
County	3	3	3	3	3	3	3	3	3	3
Municipal ²	184	184	184	184	184	184	184	184	184	184
State ²	18	18	18	18	18	18	18	18	18	18
Street lights	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200
Traffic signals	104	104	104	104	104	104	104	104	104	104
Parks and recreation										
Ball Fields	28	27	27	27	27	27	27	27	27	18
Community Centers	3	3	3	2	2	2	2	2	2	2
Golf Courses (Par-3 & Mini)	2	2	2	2	2	2	2	2	2	2
Parks (18 Active, 11 Passive)	29	29	29	28	28	28	28	28	28	28
Swimming pools	3	3	3	3	3	3	3	3	3	3
Tennis courts	13	13	10	10	10	10	10	10	10	12
Public Safety										
Police										
Station	1	1	1	1	1	1	1	1	1	1
Training Center	1	1	1	1	1	1	1	1	1	1
Sworn Officers	92	92	92	92	92	92	92	92	92	92
Sanitation										
Collection trucks	23	23	23	25	24	24	24	24	23	22
Sewer										
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Pump Stations	15	15	15	15	15	15	15	15	15	15
Facilities & Services not included in primary government:										
Library										
Branches	2	2	2	2	2	2	2	2	2	2
Fire Services										
Stations	5	5	5	5	5	5	5	5	5	5
Volunteers	230	230	218	218	220	233	222	229	241	235

¹Source: Various Township Departments

²2012 Municipal and State Miles corrected per Engineering Department.