

# TOWNSHIP OF ABINGTON

## Montgomery County, Pennsylvania

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2022



1176 Old York Road, Abington, PA 19001

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

for the year ended December 31, 2022

## **TOWNSHIP OF ABINGTON, MONTGOMERY COUNTY, PENNSYLVANIA**

Prepared by the Abington Township Finance Department Under  
the Direction of

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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, 2022. 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 financial 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.

Barbacane, Thornton & Company LLP, Certified Public Accountants, have issued an unmodified (clean) opinion on the Township's financial statements for the year ended December 31, 2022. 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. We will work to achieve continuous improvement of our internal controls and procurement procedures in the fourth quarter of 2023 and into fiscal year 2024.

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 was classified as first-class status in 1906. It is the second most populous municipality in Montgomery County, Pennsylvania and is located in the southeastern part of both the Commonwealth of Pennsylvania and Montgomery County.

The Township encompasses approximately 15 square miles, 9,520 acres of land area and consists of more than 22,000 parcels of land. It comprises nearly 7% of the County's total 2021 population. According to the U. S. Census Bureau's 2021 American Community Survey (ACS) 5- Year Estimates, the Township has a population of 58,131, a slight decrease from the decennial census. The Township's vacancy rate has remained consistent over the past year at 5.1% per the 2021 ACS 5-Yr estimate. This aligns with the County's vacancy rate of 5.1%. In comparison, neighboring community's vacancy rates range from 4.5 to 10.3%.

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 governing body of the Township with its corporate and legislative authority prescribed by the Commonwealth of Pennsylvania. As the governing body, the Commissioners adopt ordinances and policies establishing what and how the business of the Township is to be conducted. It creates and appoints committees from the Board of Commissioners to review and recommend, among other duly prescribed duties, policies and actions to the full Board in conducting the affairs of the Township. The Board of Commissioners annually levies taxes and user fees to fund the delivery services.

The Township's Board of Commissioners selects and appoints a Township Manager to serve as the Chief Executive and Administrative Officer of the Township, who is responsible for directing and administering all non-legislative and non-judicial powers, and conducting all business of the Township and carrying out the duties delegated to the Township Manager (Manager) by the Board of Commissioners. The Manager is responsible to the Board of Commissioners for the supervision of all municipal departments and the administration of all municipal affairs of the Township. The various departments currently include Police, Fire and Emergency Management including the Code Enforcement Division, Engineering, Public Works, which includes Refuse, Highway, Vehicle Services and Property Maintenance Divisions, Wastewater, Engineering, Parks and Recreation, Library Services, Wastewater, Finance, and Community Development.

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 the

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 engaged an independent consulting firm to build upon the previous strategic plan and conduct the formal strategic planning process to establish clear focus areas and drive future targeted funding priorities through 2025. An 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 Strategic Plan is expected to be adopted in the summer of 2023.

As discussed further below, the economic and social challenges due to the coronavirus (COVID-19) pandemic continued to be present throughout 2022. In 2022, the Township met its three-month expenditure reserve minimum as set in the Township fund balance policy, returned departmental operations to pre COVID-19 service levels, and established a foundation by which a sound fiscal policy can be built upon. It also continued its implementation of the OpenGov accounting system and used the DCED Chart of Accounts for Township accounting.

Additionally, the Township implemented an integrated approach to governance that aligns policy and operational service delivery systems through a strategic planning process. The Board of Commissioners public meetings and structured committee system provides systemic change and improves citizen engagement and transparency, while focusing on assuring services are delivered as planned and expected. The Strategic Plan Committee will be a guide to balance and assure the strategic plan is implemented and policy decision-making are on target. Infrastructure, Finance, and Comprehensive Plan Consistency Committees will ensure cross-functional alignment within the identified and specific scopes of their committees.

As we work through finalizing the current Township Strategic Plan and synchronizing all plans that will be completed in calendar year 2023, the efforts we have made to reduce costs and improve efficiencies in all operations allow us to develop work plans that can deliver material outcomes to the residents and public. Calendar year 2022 brought the completion of the Roadway (Pavement) Management Plan and Stormwater Management Study and Plan which will be used to inform capital investment in 2023 and beyond. Ongoing Board of Commissioners initiatives include an evolving Strategic Plan, the Comprehensive Plan Update: Vision 2035, a Recreation, Parks and Open Space Plan, including a state-of-the art Inclusive Park, and an Economic Development Feasibility Study.

The Economic Development Feasibility Study began in July 2022. The study will include an evaluation of demographic, socioeconomic, and market demand information; conduct an industry analysis and provide a prioritization of potential redevelopment sites, an action and implementation plan, and potential funding sources. The plan is expected to be completed in spring of 2023.

The Township continues to look for ways to support the community with the continuation of the rental and mortgage assistance program, a food pantry assistance program, a small business assistance program, and a summer meal youth program. Additionally, the Township has continued to seek ways to enhance communications with residents and expand Parks and Recreation programming to provide social and physical outlets for residents.

## Local Economy

The 2022 Township business year saw an increase in revenues as compared to 2021, including business tax receipts. When reviewing the business and mercantile tax receipts, the increase was due to businesses reopening and catching up on the previous year business taxes. Mercantile receipts showed an increase in sales due to higher prices of food at restaurants and food stores, along with increased prices of clothing, etc.

Business in Abington was, in some ways, different, with online shopping and telehealth visits becoming more common practice. The Willow Grove Park Mall, Huntingdon Valley Shopping Center, Fairway business area, 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 Rack, Primark, Tilted 10, and others committed to the mall experience including Apple, Yards Brewing and the Cheesecake Factory. Facing similar challenges to other large shopping malls across the country, the occupancy rate of leased space decreased by 1% from 97.8% in 2021 to 96.8% in 2022.

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 a land development application and approval for a new Chipotle Mexican Grill in early 2022. Along the Fairway, Whole Foods Market remains a strong anchor, and Panera Bread, Snap Pizza, Athleta. Penn Community Bank, Beneficial Bank, Pet Valu, Crumbl Cookies and Planet Fitness continue to operate at the current Baederwood Shopping Center.

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 vehicles. 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 Taco, Cajun Seafood, First 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 modest growth in the residential sector. In 2022, the Galman Group's, "The Flats" development continued with 104 rental units being built, Rydal Waters, a community of 85 homes, neared completion, and Toll Brothers submitted for a text and map amendment to enable 150 age-restricted homes at the former St. Basil's Highschool site. A land development application has been made by Toll Brothers in 2023 for this planned community.

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 and is expected to be completed in 2023. 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 2022. This project will address stormwater issues and implement a piece of the Township's MS4 program.

In summary, the Township administration continues to seek ways to improve and enhance the quality of lives of residents, retain and attract businesses, strengthen the local economy, and provide exceptional services to all who live, work, or visit the Township. The Township's financial condition is not immune to global, national, and regional economic factors. Federal and Commonwealth fiscal and tax policy, as well as, acts of the legislature have more direct impacts on the Township than in any time in the past. The Township's future land-use strategies, the focus on strategic initiatives across all functions and activities, and the focused and consistent management of the Township's fiscal affairs are ever-present.

The Montgomery County Planning Commission reports the median sale price for a single-family detached dwelling in the Township increased from \$375,000 in 2021 to \$400,000 in 2022, or approximately 6.67%. In 2021, there were 667 units sold, as compared to 591 units for 2022 (single-family detached). The predominant housing type in the Township is single-family detached; in fact, this type constitutes 70% 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 Pennsylvania. 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 21<sup>st</sup> 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 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. The Department continues to offer youth programming such as *D.A.R.E.*, *Youth Aid Panel*, *Police Athletic League*, and *Police Explorers*. The Youth Aid Panel reviewed 57 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 2022 officers responded to 45,589 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.**

### ***Co-Responder Program***

As we continue to recover from the Pandemic and witness dramatic increases in mental health calls for service, we are hyper focused on strengthening our Veterans HUB, Bridge and HUB programs. We know that root cause of many criminal offenses are attributed to those suffering from mental health and substance use disorders, and anything that we can do to help these individuals will positively impact the quality of life for all of our citizens. Because of this, the Department is working on a Co-Responder Program to include additional staff members that are also a certified mental health and substance use disorder counselor. We hope to have this program up and running by June 2023.

## 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 239 that allows us to remain a 100% volunteer Fire Department. Despite ever-growing demands on their time, our volunteers logged over 19,000 hours of volunteer community service in 2022 including hours spent in emergency response, training, and community education and fire prevention programs.

The ATFD is guided by its Mission Statement: *The Abington Township Fire Department is a unified team of five individual volunteer fire companies providing excellent fire services to protect the health, safety and welfare of our community and members.*

The ATFD is the only 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 309 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.

In 2018, 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)*. In 2023, the ATFD will once again be evaluated by a team of peer assessors from CFAI as part of the 5-year accreditation cycle. In preparation for the site visit, the ATFD updated its 5-year Strategic Plan in November 2022 with input from members and the community. 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 are 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 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, but the ATFD was able to run the program for the first time in October, 2021, with 15 participants, several of whom joined the ATFD as firefighters.

Recruiting for the volunteer fire department is always a priority and always a challenge, which became even more challenging over the past several years due to the global COVID-19 pandemic. That did not stop us from welcoming 54 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 3.12 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 2.79 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, 10.96% (owned and operated by Bucks County Water and Sewer Authority); Upper Moreland Township, 3.11%; Springfield Township, 0.20%; Cheltenham Township, 1.04% and a small portion of Jenkintown Borough.

The Wastewater Treatment Plant was in compliance with all PaDEP effluent limitations during 2022. 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 2023 utilizing GIS mapping software.

A collection system pipe investigation and repair contract work will proceed through 2023, 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. In December 2019 AQUA Pennsylvania

purchased the sanitary sewer collection system from Cheltenham Township and is responsible for all operation, maintenance and capital improvements. The sanitary services agreement between AQUA Pennsylvania, Abington Township and also Jenkintown Borough requires each municipality to continuously meter the sanitary flows discharged to the AQUA Pennsylvania system in Cheltenham Township. The agreement also prohibits exceeding each of their respective metering site's permitted 30-minute peak flow rates. During 2022, peak flow rates were exceeded for a three hour period at the Keswick meter site in September 2022. All remaining six meter sites did not exceed permit limits during 2022.

### **Abington Township Public Library (Abington Free Library and Roslyn Library)**

In 2022, there were a total of 29,150 patrons registered to use the library. This represents 50% of Abington Township's population of 58,502 (2020 census.) The library made a full return to pre-pandemic hours on January 31, 2022, and remained open 65 hours each week for the remainder of the year. In 2022 there were 136,274 visits made to the library's two locations, the Abington Free Library and the Roslyn Library, an increase of 83% from 2021. The library's collections, which include books, DVDs, digital content like eBooks, audiobooks, and streaming video, as well as educational kits, hotspots, and museum passes, number 129,212 items. Circulation of our materials was up 80% in 2022. The library saw an astounding increase in circulation of items in the Library of Things, our non-traditional lending collection, which was up from 927 to 5,440 in 2022, an increase of 487%. This was driven by the loan of hotspots and connected Chromebooks, made available through a grant. Visitors also used the library's public computers and the library's wireless internet connection. Use of the public computers was up from 1,652 sessions in 2021 to 31,455 in 2022. Use of wireless sessions was up from 1,413 in 2021 to 9,282 in 2022. The library is meeting a vital need that our patrons have to connect to the Internet. Library staff offered 1,521 programs at our two libraries, at offsite community events, and virtually. These programs were attended by 9,851 people. In 2022, the library saw a significant uptick in onsite, in-person programs – 1,391 programs with 8,251 attendees in 2022, up from 95 programs with 1,720 attendees in 2021. The Library's Adult Literacy program engaged 133 English language learning students at one-on-one tutoring sessions and 132 English classes. Adult language learners spent 1,677 hours learning from our volunteer tutors. The Adult Literacy program trained the tutors at three three-part training sessions in 2022. Finally, the Library completed several capital projects in 2022, including the addition of two small study rooms, providing additional space for group work, studying, and tutoring. This was a great year for the Library, one that saw a return to pre-pandemic operations and a community that values their libraries for the resources and services they provide. The year 2022 proved that the library continues to be a vital asset to the community of Abington Township.

### **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 31 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 2022, the Department of Parks and Recreation began the process of repairing and color coating 16 of the 26 basketball and Tennis / Pickleball courts.

## **Engineering**

In 2022, the Engineering Department operated 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. Also 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 2022, the Department constructed five (5) Capital Projects: Huntingdon Road storm sewer, Crestmont Park storm sewer, Central Avenue stream bank stabilization, Runnymede Avenue storm sewer and Boy Scout Preserve stream bank Project. Also falling under Engineering was the installation of pedestrian crosswalks at Township Line and Holme Avenue as well as Acorn Lane and Edgehill Road. In conjunction with the Capital work, Construction Services also constructed or repaired eleven (11) sites on an emergency basis as well as reconstructing 2 large diameter storm systems at Dixon Lane and on the 1400 block of Rothley Avenue. Engineering and Construction Services is currently scheduled to provide In-Kind Services on many of the Grants currently held by The Township.

## **Code Enforcement**

The Code Enforcement Division is charged with enforcing the numerous codes and ordinances of Abington Township and the State of Pennsylvania. Another successful year in 2022 was shown through the issuing of 4120 permits, 874 and 144 contractors and plumbers registered successfully, and 1103 property maintenance complaints addressed.

Throughout the year continued improvements were made to the divisions' utilization of the new OpenGov Citizen Services software. This included the ongoing streamlining of workflows, updating of division processes, and organizing years' worth of records. One key point of success was the implementation of the first online permit, our Dumpster permit. Going online with this permit has been the starting point to work towards the full digitalization of our permitting process.

The Code Enforcement Division continues to administer building, electrical, mechanical, accessibility, energy, property maintenance, and zoning codes, 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 2022, the Public Works Highway Division milled 300,509 square yards of roadway at a cost of \$634,073.00 and then paved the roads applying over 24,904 tons of asphalt at a cost of \$1,555,986.00 all paid for by the utility companies.

The Leaf Collection Program brought in 31,000 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 2023 Annual Action Plan is currently under consideration by the Board of Commissioners and expected to be adopted and submitted to HUD before August 2023. 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 June 2023.

For FY 2022 (which began October 1, 2022), the Township's allocation from HUD was decreased over previous years to \$740,385. The 2022 Annual Action Plan includes activities for public infrastructure improvements, affordable housing activities to support low-income housing rehabilitation, and spot blight remediation activities; it was adopted by the Board of Commissioners and submitted to HUD in August 2022.

The 2021 program year was October 1, 2021-September 30, 2022. The Township's allocation from HUD for FY202 was \$747,961. The adopted FY 2021 Annual Action Plan included approved activities

such as public facility improvements, public infrastructure improvements, and technical assistance to support the creation of a Neighborhood Revitalization Strategic Area (NRSA).

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. Amendments to make better and faster use of these funds are being considered by the Board of Commissioners and are expected to be submitted to HUD in the Summer of 2023.

The Township continues to be a subrecipient of a \$400,000 Pennsylvania Department of Community and Economic Development (DCED HOME program grant. These funds are being used to support the Township's Owner-Occupied Home Rehabilitation Program, and five (5) owner-occupied properties are being 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% 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% of excess; Capital Fund, 55 - 60% of the excess; and 0 - 10% 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, 2021. This was the 19th 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 Annual Comprehensive 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 28, 2023



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

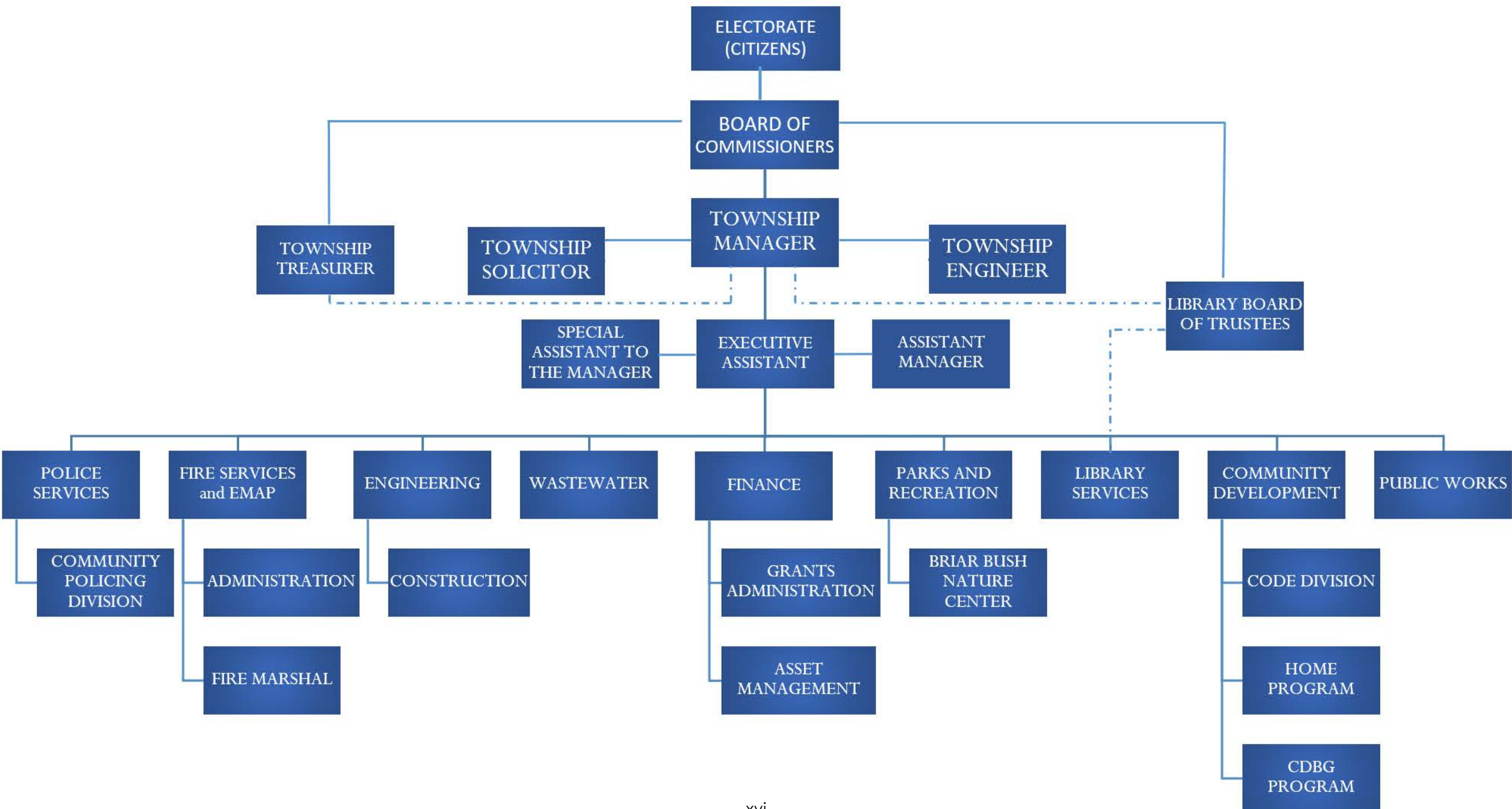
**Township of Abington  
Pennsylvania**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO



**Township of Abington  
Montgomery County, Pennsylvania  
List of Elected and Appointed Officials  
December 31, 2022**

**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	Lori Henry
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*



## INDEPENDENT AUDITOR'S REPORT

June 28, 2023

Board of Commissioners  
Township of Abington  
Abington, Pennsylvania

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township of Abington (the Township), Abington, Pennsylvania, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township of Abington, Abington, Pennsylvania, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Abington Township Public Library, which represent 1%, 1%, and 4%, respectively, of the assets, fund balance, and revenues of the Township. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing*

Board of Commissioners  
Township of Abington

*Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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's internal control. Accordingly, no such opinion is expressed.

Board of Commissioners  
Township of Abington

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of a Matter

As discussed in Notes 1 and 13 to the financial statements, the Township has adopted the requirements of GASB Statement No. 87, "Leases." The purpose of this statement is to increase the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for all leases, including those that previously were classified as operating leases. As a result, the Township has restated its governmental activities net position as of December 31, 2021. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 22 and the schedule of changes in the net pension liability, related ratios, and investment returns - non-uniformed pension plan; schedule of employer contributions - non-uniformed pension plan; notes to schedule of employer contributions - non-uniformed pension plan; schedule of changes in the net pension liability, related ratios, and investment returns - police pension plan; schedule of employer contributions - police pension plan; notes to schedule of employer contributions - police pension plan; schedule of changes in the net OPEB liability, related ratios, and investment returns - OPEB Plan; schedule of employer contributions - OPEB Plan; and notes to schedule of employer contributions - OPEB Plan on pages on pages 73 through 78 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Commissioners  
Township of Abington

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining nonmajor fund and individual fund financial statements, and budgetary schedules on pages 79 through 91 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

  
BARBACANE, THORNTON & COMPANY LLP

**TOWNSHIP OF ABINGTON  
ABINGTON, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED  
DECEMBER 31, 2022**

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, 2022. Please read this Management's Discussion and Analysis in conjunction with the accompanying financial statements, which begin on page 35, and notes which follow in order to obtain a thorough understanding of the Township's financial condition at December 31, 2022.

**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 \$195.8 million (net position) at December 31, 2022.

The Township's total net position increased from 2021 by \$7,703,899, or 4.1% mainly due to pension and OPEB.

Unrestricted net position increased from a negative \$2.4 million to a positive \$3.1 million, as compared to the prior year primarily due to an increase in assets.

Net investment in capital assets was \$178.0 million at year end, a decrease of \$3.8 million.

Taxes and other revenues of the Township's governmental activities amounted to \$55.1 million, and expenses equaled \$47.9 million for 2022. This compares to 2021 activity of \$48.0 million in revenues and expenses of \$36.2 million.

Business-type activities for 2022 ended the year with revenues of \$15.1 million and expenses of \$14.7 million. This compares to 2021 revenues of \$16.0 million and expenses of \$13.4 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 \$32.5 million, an increase of \$5.5 million in comparison with the prior year.

The total fund balance of the General Fund at December 31, 2022 was \$23.7 million. The unassigned portion of the fund balance was \$22.2 million, which is approximately 47.0% of General Fund

**TOWNSHIP OF ABINGTON  
ABINGTON, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)  
DECEMBER 31, 2022**

revenues for 2022. The unassigned General Fund balance increased by \$5.3 million from 2021 to 2022.

**General Financial Highlights**

The Township's total tax levy is 5.922 mills for 2022, an overall increase of 1.514 mills, (.443 reallocated from debt service mills to general purpose mills along with 1.071 mills for general purposes).

The Board of Commissioners set the residential refuse fee for 2022 at \$275 for 95 gallon trash containers; \$248 for 65 gallon trash containers; and \$220 for 35 gallon trash containers annually per dwelling unit. The refuse fee remained the same as 2021.

Sewer rental rates for 2022 remained the same as 2021 at an average of \$4.01/1,000 gallons.

Taxable assessment valuation decreased from 2021 levels by \$6,103,690 or .17%.

**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 23 and 24), 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 25 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  
ABINGTON, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)  
DECEMBER 31, 2022**

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**

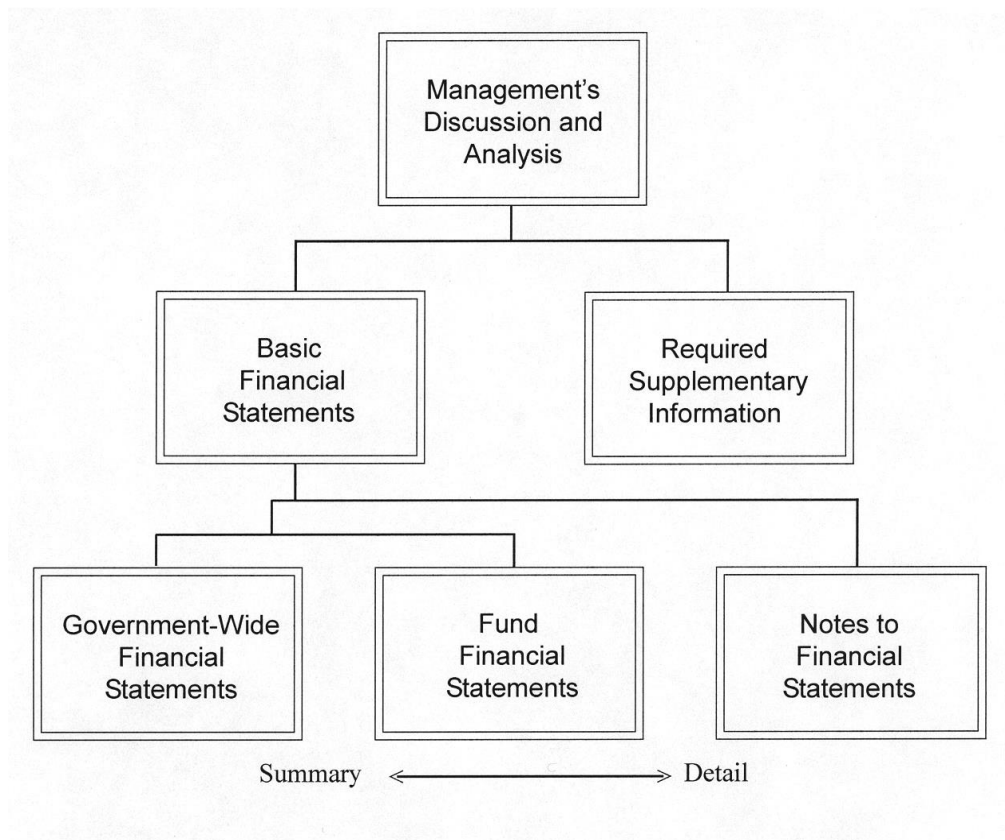


Figure A-2 summarizes the major features of the Township's financial statements. The remainder of this overview section of the Management's Discussion and Analysis explains the structure and contents of each of the statements.



**TOWNSHIP OF ABINGTON  
 ABINGTON, PENNSYLVANIA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)  
 DECEMBER 31, 2022**

*Figure A-2*

<b>Major Features of the Municipality's Government-wide and Fund Financial Statements</b>			
	<b>Government-wide Statements</b>	<b>Fund Statements</b>	
		<b>Governmental Funds</b>	<b>Fiduciary Funds</b>
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"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balance</li> <li>• Budget to actual</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in net position</li> </ul>
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

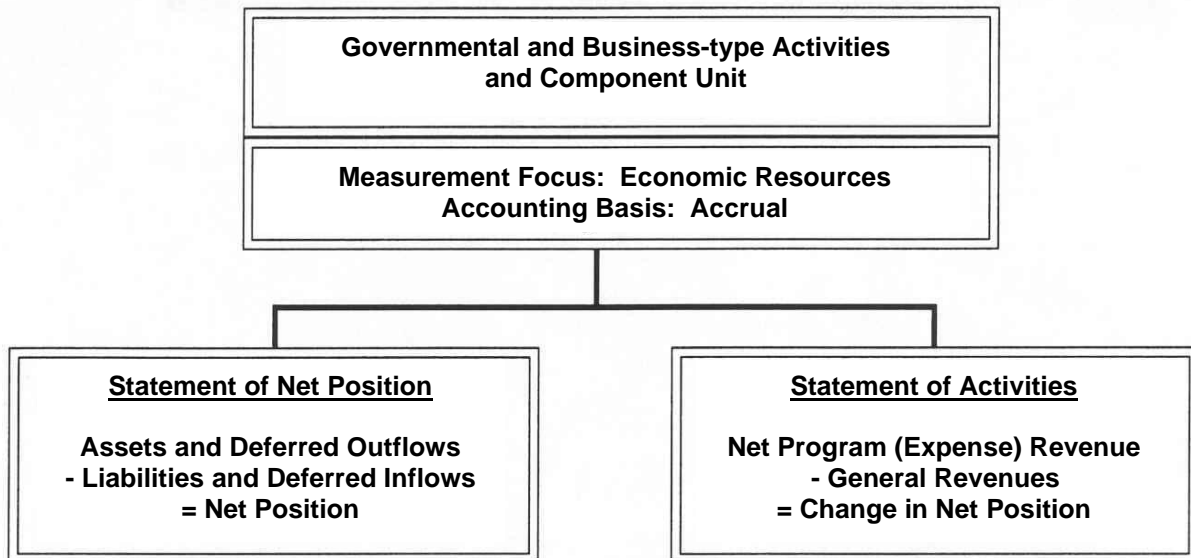
**TOWNSHIP OF ABINGTON  
 ABINGTON, PENNSYLVANIA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)  
 DECEMBER 31, 2022**

**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, code and engineering, police and emergency services, public works, library, parks,

**TOWNSHIP OF ABINGTON  
ABINGTON, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)  
DECEMBER 31, 2022**

and community development. Property, business and earned income taxes, user and franchise fees, and state and federal grants finance most of these activities.

*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 25. 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 26 and 28.

**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  
ABINGTON, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)  
DECEMBER 31, 2022**

**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 33 and 34. 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, 2022 and 2021 are presented below:

**Table 1  
Statement of Net Position  
(in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 60,161	\$ 41,663	\$ 19,686	\$ 18,492	\$ 79,847	\$ 60,155
Capital Assets	136,476	142,212	42,082	44,449	178,558	186,661
Total Assets	196,637	183,875	61,768	62,941	258,405	246,816
Deferred Outflows of Resources	20,504	3,031	2,780	185	23,284	3,216
Long-term Liabilities	34,414	8,862	4,692	618	39,106	9,480
Other Liabilities	20,506	11,512	1,258	1,776	21,764	13,288
Total Liabilities	54,920	20,374	5,950	2,394	60,870	22,768
Deferred Inflows of Resources	23,718	35,273	1,289	3,883	25,007	39,156
Net Position						
Net Investment in Capital Assets	136,424	139,415	41,598	42,649	178,022	182,064
Restricted	8,790	2,933	5,895	5,509	14,685	8,442
Unrestricted	(6,711)	(11,089)	9,816	8,691	3,105	(2,398)
Total Net Position	\$ 138,503	\$ 131,259	\$ 57,309	\$ 56,849	\$ 195,812	\$ 188,108

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.

**Net Position**

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

**TOWNSHIP OF ABINGTON  
ABINGTON, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)  
DECEMBER 31, 2022**

Net position of governmental and business-type activities increased from the previous year by \$7.7 million (4%) to \$195.8 million.

Governmental Activities – Of the \$138.5 million in total net position, \$136.4 million represents the investment in capital assets, and \$4.7 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 \$57.3 million in total net position, \$41.6 million represents the net investment in capital assets. Restricted net position of \$5.9 million is primarily comprised of undetermined sewer capital. Unrestricted net position of \$9.8 million are split between sewer fund (\$9.1 million) and refuse operations (\$.7 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 5 – Capital Assets for a more detailed schedule of capital assets.

**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, 2022 and 2021:

**Table 2  
Change in Net Position  
(in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 3,812	\$ 3,268	\$ 14,408	\$ 14,233	\$ 18,220	\$ 17,501
Operating grants and contributions	5,861	4,664	399	347	6,260	5,011
Capital grants and contributions	239	339	-	-	239	339
General revenues:						
Property taxes	20,613	17,197	-	-	20,613	17,197
Other taxes	21,099	19,383	-	-	21,099	19,383
Investment income and rent	1,393	305	273	132	1,666	437
Other	2,150	2,836	45	1,670	2,195	4,506
<b>Total Revenues</b>	<b>55,167</b>	<b>47,992</b>	<b>15,125</b>	<b>16,382</b>	<b>70,292</b>	<b>64,374</b>

**TOWNSHIP OF ABINGTON  
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MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)  
DECEMBER 31, 2022**

**Table 2  
Change in Net Position  
(in thousands)**

(cont'd)	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>EXPENSES</b>						
Administrative	4,729	4,219	-	-	4,729	4,219
Police and emergency services	24,941	17,089	-	-	24,941	17,089
Code and engineering	782	385	-	-	782	385
Health and human services	-	65	-	-	-	65
Public works	10,269	9,175	-	-	10,269	9,175
Refuse	-	-	5,490	5,367	5,490	5,367
Sewer	-	-	9,175	8,017	9,175	8,017
Library	3,382	1,632	-	-	3,382	1,632
Parks	3,701	3,267	-	-	3,701	3,267
Community development	92	314	-	-	92	314
Interest expense	27	62	-	-	27	62
<b>Total Expenses</b>	<b>47,923</b>	<b>36,208</b>	<b>14,665</b>	<b>13,384</b>	<b>62,588</b>	<b>49,592</b>
Change in Net Position	7,244	11,784	460	2,998	7,704	14,782
Net Position Beginning of Year, Restated	131,259	119,475	56,849	53,851	188,108	173,326
Net Position End of Year	<u>\$ 138,503</u>	<u>\$ 131,259</u>	<u>\$ 57,309</u>	<u>\$ 56,849</u>	<u>\$ 195,812</u>	<u>\$ 188,108</u>

Total government-wide ending net position of \$195.8 million represents an increase of approximately \$7.7 million from the previous year. Total government-wide revenues of \$70.3 million were \$5.9 million more than the prior year. Total expenses in 2022 were \$62.6 million, which is \$13.0 million more than the previous year. Tax revenue collections returned to pre-pandemic levels as business enjoyed increased operations, increased business gross receipts, and employees returned to work as represented by the decrease in unemployment rates. Expenditure savings occurred in several areas primarily due to wage and benefit savings, as discussed in more detail below.

### **Governmental Activities**

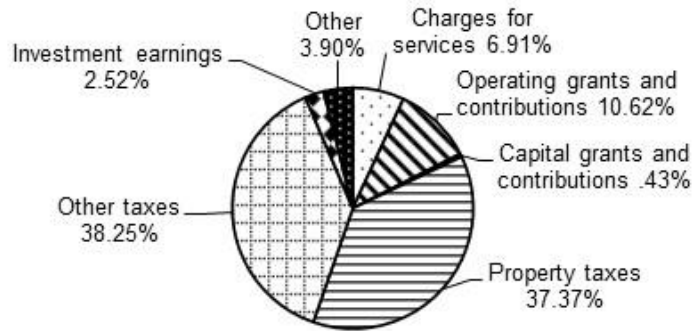
#### Revenue Sources

Total governmental activities revenues of \$55.1 million were primarily derived from earned income, transfer, and business taxes (38%), and property taxes (37%). Total revenues were greater than the previous year by \$7.1 million primarily due to business tax collections, investment returns, property taxes, and grant receipts.

The following chart graphically depicts the government-wide sources of revenues for governmental activities for the fiscal year ended December 31, 2022:

**TOWNSHIP OF ABINGTON  
 ABINGTON, PENNSYLVANIA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)  
 DECEMBER 31, 2022**

**Governmental Activities - Revenues by Source  
 For the Year Ended December 31, 2022**

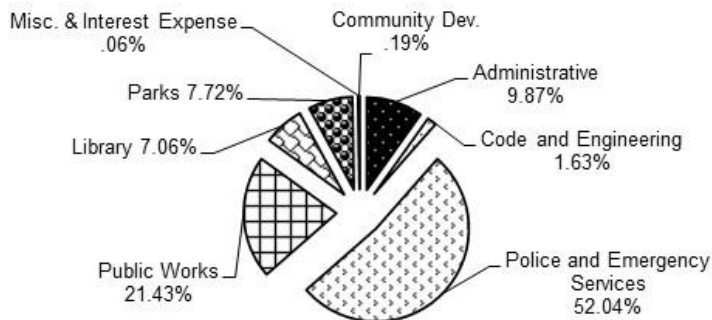


**Program Expenses**

The cost of all governmental activities for 2022 is \$47.9 million, an increase of \$11.7 million from the prior year. As the chart below indicates, police and emergency services is the largest program (52%), totaling \$24.9 million. The second largest program expense is public works (21%), totaling \$10.3 million. The third largest program area was administrative at \$4.7 million (10%).

The following chart graphically depicts the government-wide program expenses for governmental activities for the fiscal year ended December 31, 2022:

**Governmental Activities - Expenses by Function  
 For the Year Ended December 31, 2022**



**TOWNSHIP OF ABINGTON  
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MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)  
DECEMBER 31, 2022**

**Business-type Activities**

Revenue Sources

Total business-type activities revenues of \$15.1 million were largely derived from charges for service for sewer rents and refuse collection, accounting for 95% of receipts. Total revenues increased from 2021 primarily due to an increase in grants and contributions and refuse fee collections.

Program Expenses

The total business-type activities expenses of \$14.7 million were \$1.3 million more than the 2021 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 and Business-type Activities  
(in thousands)**

	Total Cost of Services		Net Cost/(Increase) of Services	
	2022	2021	2022	2021
<b>Governmental Activities:</b>				
Administrative	\$ 4,729	\$ 4,219	\$ 4,385	\$ 4,148
Police and emergency services	24,941	17,089	21,943	14,757
Code and engineering	782	385	(1,550)	(1,477)
Health and human services	-	65	-	65
Public works	10,269	9,175	7,516	6,575
Library	3,382	1,632	3,130	1,522
Parks	3,701	3,267	2,570	2,308
Community development	92	314	(9)	(23)
Interest expense	27	62	27	62
<b>Total Governmental Activities</b>	<b>\$ 47,923</b>	<b>\$ 36,208</b>	<b>\$ 38,012</b>	<b>\$ 27,937</b>
<b>Business-type Activities:</b>				
Sewer	\$ 9,175	\$ 8,017	\$ 344	\$ (945)
Refuse	5,490	5,367	(486)	(199)
<b>Total Business-type Activities</b>	<b>\$ 14,665</b>	<b>\$ 13,384</b>	<b>\$ (142)</b>	<b>\$ (1,144)</b>



**TOWNSHIP OF ABINGTON  
ABINGTON, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)  
DECEMBER 31, 2022**

**NET PROGRAM EXPENSES/REVENUES**

Net program expenses/revenues indicate the amount of support required from taxes and other general revenues for the year. The First Class Township Code allows the Township to levy taxes for general purposes in order to support the Township's expenditures. Many services of the Township are supported with the revenues from property taxes.

Total police and emergency services required the largest amount of general revenue support, totaling \$21.9 million in 2022. Within police and emergency services are fire programs supported by a direct levy of real estate tax millage. Police and emergency services require support primarily for personnel costs. Fire services, though largely volunteer, requires support mostly for equipment purchases and maintenance.

Many departmental operations require support for not only personnel, but for the cost of materials. For instance, public works needs to purchase roadway materials, and parks needs to purchase field maintenance equipment and supplies for the pools amongst all of the other operational items needed. The administrative area did require general revenue support as expenditures exceeded revenues by \$4.4 million. Public works required \$7.5 million in general revenues for support, while library required \$3.1 million. Parks needed \$2.6 million, while code and engineering did not require any general revenue support, as revenues exceeded expenses by \$1.6 million primarily because of an increase in fees collected and cost reductions.

For business-type activities, the net cost of services totaled \$.3 million for the Sewer Fund and -\$0.5 million for the Refuse Fund due to revenues exceeding expenditures. The Sewer Fund encompasses personnel who operate and maintain the Township's wastewater equipment, along with allotted expenditures for treatment plant equipment replacements. Refuse has personnel, equipment maintenance, and equipment replacement costs as it provides sanitation services to the Township. A reduction in expenditures for refuse correlates to vehicle supply chain disruptions that has delayed the purchase of refuse trucks.

**FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS**

As the Township completed the year, its governmental funds (as presented in the balance sheet on page 25) reported a combined fund balance of \$32.5 million, which is \$5.5 million more than last year's total of \$27.1 million. Of the \$32.5 million, \$10.3 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 \$11.0 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, \$22.2 million represents the unassigned fund balance, or resources available for appropriation.

**TOWNSHIP OF ABINGTON  
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MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)  
DECEMBER 31, 2022**

Fund balance increased to \$32.5 million due to revenues exceeding budget and expenses staying under budget in 2022. Revenues exceeded budget due to increased revenue collections for property taxes as related to the tax millage increase for general purposes of 1.514. In addition, earned income tax and business tax collections exceeded budget due to the post-pandemic opening of business and subsequent re-employment efforts along with increased consumer spending. Fees, licensing and permits increased as the supply chain returned to a more normal status post-pandemic. Expenses were under budget \$2.2 million primarily due to personnel costs as the Township remained selective in its rehiring of open positions. Finally, the Township did not use \$891,733 of the fund balance that it had anticipated while preparing the FY 2022 budget.

### **General Fund**

The Township's General Fund budget for 2022, \$42,597,990, was not amended for any capital commitments or other project balances. In addition, the Township anticipated using fund balance of \$891,733 to balance projected revenues and expenditures. However, the use of fund balance was not required as expenditures were under budget and revenues exceeded expectations. The Township maintained conservative budget projections for 2022 due to the uncertainty of economic conditions due to the COVID-19 pandemic.

### Expenditures

In total, General Fund expenditures, compared to budget, ended the year under budget by \$2.2 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% of staffing positions. The majority of savings are attributable to salary full-time and part-time positions and benefits. Approximately \$1.5 million, or 4.9% of wage/benefit budget, was unspent at year end as the Township remained selective in its rehiring of open positions as the Township's programs were being re-established, post pandemic.
- Contracted and professional services were under budget by \$.171 million as anticipated service costs came in under expected amounts.
- Machinery and equipment maintenance had savings of \$.045 million, while small tools and minor equipment had savings of \$.068 million as departments continued to assess resources and reduce spending where able.

### Revenues

Revenues exceeded budget by \$5.5 million for 2022, thus reducing the budgeted anticipated use of fund balance.

**TOWNSHIP OF ABINGTON  
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DECEMBER 31, 2022**

Investment interest and rents increased \$.60 million for 2022 as caused by an increase in interest rates related to economic conditions.

Earned income taxes received were greater than budget by \$1.3 million as businesses reopened and employees returned to work.

Mercantile, business privilege, local services, and deed transfer taxes exceeded estimates by \$2.5 million as consumers increased spending.

Fees, licenses, and permits exceeded budget estimates by \$.813 million mainly due to an increase in building, plumbing, and engineering permits as residential construction increased.

#### 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 \$5.3 million and is at 47% of actual General Fund revenues. An analysis, as described above, demonstrates that greater revenue collections and lower than expected expenditures 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 2022, \$2.1 million was spent on various projects. Police and emergency services, which includes fire services, spent \$1.2 million. Street and stormwater projects had expenditures of \$.49 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 \$.12 million was received in 2022. Other financing sources include \$.015 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 2022, on a government-wide basis, the Township had \$178.3 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 \$5.0 million. The governmental activities net capital assets decreased by \$3.4 million, and business-type activities decreased \$1.8 million over the prior year. Depreciation expense exceeded current year addition for governmental and business-type activities.

**TOWNSHIP OF ABINGTON  
ABINGTON, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)  
DECEMBER 31, 2022**

The following reconciliation summarizes the change in capital assets, which is presented in detail on pages 48 through 49 of the notes to the financial statements.

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

	Beginning Balance 12/31/2021	Net Additions/ Deletions	Ending Balance 12/31/2022
<b>GOVERNMENTAL ACTIVITIES</b>			
Non-depreciable Assets:			
Land	\$ 13,104	\$ -	\$ 13,104
Construction in progress	2,027	197	2,224
Other Capital Assets:			
Buildings and improvements	12,417	219	12,636
Machinery and equipment	4,920	412	5,332
Right-to-use lease asset	11	-	11
Vehicles	9,661	319	9,980
Infrastructure	211,304	283	211,587
Accumulated depreciation on capital assets	(113,542)	(4,856)	(118,398)
Totals	<u>139,902</u>	<u>(3,426)</u>	<u>136,476</u>
<b>BUSINESS-TYPE ACTIVITIES</b>			
Non-depreciable Assets:			
Land	282	-	282
Construction in progress	1,238	(1,138)	100
Other Capital Assets:			
Buildings and improvements	38,191	154	38,345
Sewer lines	69,488	1,584	71,072
Equipment/Vehicles	10,050	669	10,719
Accumulated depreciation on capital assets	(75,901)	(2,799)	(78,700)
Totals	<u>43,348</u>	<u>(1,530)</u>	<u>41,818</u>
Total Government-wide	<u>\$ 183,250</u>	<u>\$ (4,956)</u>	<u>\$ 178,294</u>

**TOWNSHIP OF ABINGTON  
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**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 .16% of total debt capacity permitted as non-electoral debt. At year-end, the Township had \$.265 million in bonds and notes outstanding versus \$1.5 million in the prior year.

The following is a summary of the Township's outstanding long-term debt as of December 31, 2022, which is presented in detail in Note 8 of the footnotes to the financial statements.

**Table 5  
Outstanding Debt at Year-End  
2022**

Year of Issue	Original Issue	Average Interest Rate	Final Maturities	Outstanding 1/1/22	New Debt	Refundings/Retirements	Outstanding 12/31/22
2013	\$ 8,325,000	2.00-4.00	2022	\$ 500,000	\$ -	\$ 500,000	\$ -
2017	6,500,000	2.45	2023	1,011,062	-	746,062	265,000
				<u>\$ 4,175,062</u>	<u>\$ -</u>	<u>\$ 1,246,062</u>	<u>\$ 265,000</u>
				Outstanding 1/1/22	Additions	Refundings/Retirements	Outstanding 12/31/22
General Long-term Debt				\$ 530,641	\$ -	\$ 486,062	\$ 44,579
Refuse Enterprise Fund				480,421		260,000	220,421
Sewer Enterprise Fund				500,000	-	500,000	-
				<u>\$ 1,511,062</u>	<u>\$ -</u>	<u>\$ 1,246,062</u>	<u>\$ 265,000</u>

**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 2022, there was a decrease of \$15.9 million in

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the Uniformed Employees' Defined Benefit Pension Plan's net position, \$69.7 million, and the Non-Uniformed Employees' Defined Benefit Pension Plan's net position, \$59.1 million, decreased by \$15.7 million due to investment and economic factors. The Non-Uniformed Employees' Defined Contribution Plan's net position, \$1.5 million, increased \$.139 million.

The plans' latest actuarial valuation of assets reveals the Uniformed Defined Benefit market value of assets at December 31, 2022 reveals the Uniformed Employees Defined Benefit Pension Plan is funded at 75.3% and Non-Uniformed Employees' Pension Plan is funded at 79.9%.

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 2022 of its post-employment benefits other than pensions to determine the Township's liability. In 2022, the Township paid out \$1.3 million for current year retirees' health care benefits and deposited into the health care offset fiduciary fund \$1.9 million in total contributions. As of December 31, 2022, there was a recorded net OPEB asset of \$3.8 million, with a funding level of 116% in the government-wide statements. Net position of the health care offset fiduciary fund at year-end was \$26.9 million. The Township intends to continue to monitor performance and budget resources to be contributed to the health care offset fiduciary fund as needed. 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 2023 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 2022, the county unemployment rate was 3.0%, 1.3% below the state level of 4.3%. More importantly, the unemployment rate for Montgomery County declined from the 2021 rate of 3.3%.

The Township's capital funds include investments in facilities, infrastructure, and equipment. The 2023 final adopted budget for General Fund capital projects is \$3,599,432.

As a recipient of Coronavirus State and Local Fiscal Recovery Funds under the American Rescue Plan Act, the Township budget for 2023 reflects \$5,266,396 of approved expenses to assist in maintaining public services and for investment in projects and purchases for recovery and future growth. In

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addition, the Township approved \$9,978,705 to implement its strategic plan, with projects to be finalized. The Township has received \$19,107,973 and will continue finalizing its spending plan as the year progresses.

Sewer rental rates remained the same as 2022. The capital budget for sewer projects was \$2,054,000 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 2022 to 2021. 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 \$700,000 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. The United States government has allowed the aforementioned federal declaration of (COVID-19 PHE) to expire as of May 11, 2023. As economies continue to recover from the effects of the pandemic, concerns still abound regarding inflation, increased borrowing rates, and labor market issues. 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 or the Office of the Township Manager at Township of Abington, 1176 Old York Road, Abington, PA 19001, or visit the Township's web site at [www.abingtonpa.gov](http://www.abingtonpa.gov).

**TOWNSHIP OF ABINGTON  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 50,522,160	\$ 18,529,626	\$ 69,051,786	\$ 1,187,726
Investments	382,491	825,053	1,207,544	2,565,721
Accounts and other receivables	2,877,277	331,284	3,208,561	56,692
Taxes receivable	631,499	-	631,499	-
Lease receivable	2,180,083	-	2,180,083	-
Prepaid expenses	7,058	-	7,058	-
Net OPEB asset	3,560,665	207,634	3,768,299	-
Notes receivable	-	56,414	56,414	-
Land	13,103,972	281,662	13,385,634	-
Construction-in-progress	2,223,596	99,930	2,323,526	-
Right-to-use lease asset, net	7,241	-	7,241	-
Depreciable capital assets, net	121,140,921	41,436,743	162,577,664	421,705
<b>TOTAL ASSETS</b>	<b>196,636,963</b>	<b>61,768,346</b>	<b>258,405,309</b>	<b>4,231,844</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows relating to pension	17,459,244	2,602,770	20,062,014	-
Deferred outflows relating to OPEB	3,045,043	177,566	3,222,609	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>20,504,287</b>	<b>2,780,336</b>	<b>23,284,623</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 217,141,250</b>	<b>\$ 64,548,682</b>	<b>\$ 281,689,932</b>	<b>\$ 4,231,844</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>				
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	\$ 2,976,037	\$ 1,257,666	\$ 4,233,703	\$ 77,217
Unearned revenue	17,527,965	-	17,527,965	1,490,973
Accrued interest payable	1,266	450	1,716	-
Long-term liabilities:				
Portion due or payable within one year:				
Accumulated compensated absences	253,069	17,560	270,629	-
Claims payable	96,810	17,084	113,894	-
Lease liability	2,290	-	2,290	-
Bonds payable, net	44,579	220,421	265,000	-
Portion due or payable after one year:				
Lease liability	5,234	-	5,234	-
Accumulated compensated absences	759,207	52,681	811,888	-
Net pension liability	33,253,246	4,383,817	37,637,063	-
<b>TOTAL LIABILITIES</b>	<b>54,919,703</b>	<b>5,949,679</b>	<b>60,869,382</b>	<b>1,568,190</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows relating to pension	622,117	64,058	686,175	-
Deferred inflows of lease payments	2,082,343	-	2,082,343	-
Deferred inflows relating to OPEB	21,014,039	1,225,393	22,239,432	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>23,718,499</b>	<b>1,289,451</b>	<b>25,007,950</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	136,423,910	41,597,914	178,021,824	421,705
Restricted for:				
Public safety	2,262,897	-	2,262,897	-
Public works	2,321,284	-	2,321,284	-
Self insurance by statute	644,899	1,463,804	2,108,703	-
Capital projects	-	4,224,127	4,224,127	944,796
Net OPEB asset	3,560,665	207,634	3,768,299	-
Unrestricted (deficit)	(6,710,607)	9,816,073	3,105,466	1,297,153
<b>TOTAL NET POSITION</b>	<b>138,503,048</b>	<b>57,309,552</b>	<b>195,812,600</b>	<b>2,663,654</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$ 217,141,250</b>	<b>\$ 64,548,682</b>	<b>\$ 281,689,932</b>	<b>\$ 4,231,844</b>

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



**TOWNSHIP OF ABINGTON  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	
<b>GOVERNMENTAL ACTIVITIES</b>								
Administrative	\$ 4,729,344	\$ -	\$ 344,149	\$ -	\$ (4,385,195)	\$ -	\$ (4,385,195)	\$ (2,760,747)
Police and emergency services	24,941,531	703,515	2,294,599	-	(21,943,417)	-	(21,943,417)	-
Codes and engineering	781,609	2,273,413	58,682	-	1,550,486	-	1,550,486	-
Public works	10,268,607	-	2,608,584	144,465	(7,515,558)	-	(7,515,558)	-
Library	3,382,369	-	252,099	-	(3,130,270)	-	(3,130,270)	-
Parks	3,700,701	834,944	295,342	-	(2,570,415)	-	(2,570,415)	-
Community development	91,593	-	6,877	94,191	9,475	-	9,475	-
Interest expense	27,423	-	-	-	(27,423)	-	(27,423)	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>47,923,177</b>	<b>3,811,872</b>	<b>5,860,332</b>	<b>238,656</b>	<b>(38,012,317)</b>	<b>-</b>	<b>(38,012,317)</b>	<b>(2,760,747)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>								
Sewer	9,175,074	8,831,349	-	-	-	(343,725)	(343,725)	-
Refuse	5,489,576	5,576,146	399,448	-	-	486,018	486,018	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>14,664,650</b>	<b>14,407,495</b>	<b>399,448</b>	<b>-</b>	<b>-</b>	<b>142,293</b>	<b>142,293</b>	<b>-</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 62,587,827</b>	<b>\$ 18,219,367</b>	<b>\$ 6,259,780</b>	<b>\$ 238,656</b>	<b>(38,012,317)</b>	<b>142,293</b>	<b>(37,870,024)</b>	<b>(2,760,747)</b>
<b>GENERAL REVENUES:</b>								
Taxes:								
					20,613,398	-	20,613,398	-
					2,313,129	-	2,313,129	-
					9,806,351	-	9,806,351	-
					8,979,173	-	8,979,173	-
					1,137,629	-	1,137,629	-
					1,393,590	272,670	1,666,260	(467,415)
					34,933	-	34,933	2,592,300
					60,009	-	60,009	-
					917,696	45,345	963,041	44,070
					<u>45,255,908</u>	<u>318,015</u>	<u>45,573,923</u>	<u>2,168,955</u>
					7,243,591	460,308	7,703,899	(591,792)
					<u>131,259,457</u>	<u>56,849,244</u>	<u>188,108,701</u>	<u>3,255,446</u>
					<u>\$ 138,503,048</u>	<u>\$ 57,309,552</u>	<u>\$ 195,812,600</u>	<u>\$ 2,663,654</u>

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

**TOWNSHIP OF ABINGTON  
BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Permanent Improvement	Grant	CDBG	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 23,099,400	\$ 5,106,141	\$ 17,814,780	\$ 74,513	\$ 4,378,075	\$ 50,472,909
Investments	92,593	113,326	-	-	-	205,919
Accounts receivable, net	2,363,646	10,000	20,635	-	476,541	2,870,822
Taxes receivable	631,499	-	-	-	-	631,499
Prepays	7,058	-	-	-	-	7,058
<b>TOTAL ASSETS</b>	<b>\$ 26,194,196</b>	<b>\$ 5,229,467</b>	<b>\$ 17,835,415</b>	<b>\$ 74,513</b>	<b>\$ 4,854,616</b>	<b>\$ 54,188,207</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>						
<b>LIABILITIES:</b>						
Accounts payable and accrued wages	\$ 1,836,462	\$ -	\$ 360,836	\$ 696	\$ 189,670	\$ 2,387,664
Unearned revenues	54,479	-	17,351,490	37,356	84,640	17,527,965
Cash overdraft	-	-	-	-	512,219	512,219
Other liabilities	-	587,454	-	-	-	587,454
<b>TOTAL LIABILITIES</b>	<b>1,890,941</b>	<b>587,454</b>	<b>17,712,326</b>	<b>38,052</b>	<b>786,529</b>	<b>21,015,302</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Unavailable revenues - delinquent taxes	635,560	-	-	-	-	635,560
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>635,560</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>635,560</b>
<b>FUND BALANCES:</b>						
Nonspendable	7,058	-	-	-	-	7,058
Restricted:						
Public works	-	-	-	-	2,321,284	2,321,284
Public safety	-	-	123,089	-	2,262,897	2,385,986
Community development	-	-	-	36,461	-	36,461
Committed:						
Administrative	1,457,261	390,000	-	-	-	1,847,261
Community development	-	45,000	-	-	-	45,000
Engineering	-	1,200,812	-	-	-	1,200,812
Police	-	702,318	-	-	-	702,318
Public works	-	781,019	-	-	-	781,019
Library	-	25,000	-	-	-	25,000
Parks	-	455,283	-	-	-	455,283
Assigned:						
Capital projects	-	1,042,581	-	-	-	1,042,581
Unassigned	22,203,376	-	-	-	(516,094)	21,687,282
<b>TOTAL FUND BALANCES</b>	<b>23,667,695</b>	<b>4,642,013</b>	<b>123,089</b>	<b>36,461</b>	<b>4,068,087</b>	<b>32,537,345</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 26,194,196</b>	<b>\$ 5,229,467</b>	<b>\$ 17,835,415</b>	<b>\$ 74,513</b>	<b>\$ 4,854,616</b>	<b>\$ 54,188,207</b>

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

**TOWNSHIP OF ABINGTON  
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS  
TO STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

TOTAL GOVERNMENTAL FUND BALANCES \$ 32,537,345

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 136,475,730

Some assets and liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:

Interest payable	\$	(1,266)	
Compensated absences		(1,012,276)	
Lease Liability		(7,524)	
Net OPEB asset		3,768,299	
Net pension liability		(33,253,246)	
Leases receivable		2,180,083	
Bonds payable, net		<u>(44,579)</u>	(28,370,509)

The internal service fund is 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 or business-type activities in the statement of net position. The increase is equal to the internal service net position applicable to governmental activities. 644,899

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. 429,795

Deferred inflows and outflows related to the Township's net pension liability and net OPEB asset 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 - pensions		17,459,244	
Deferred outflows of resources - OPEB		3,045,043	
Deferred inflows of resources - OPEB		(21,014,039)	
Deferred inflows of resources - pensions		(622,117)	(1,131,869)

Deferred inflows related to the lease receivable are revenues that will be recognized over the remaining lease term. (2,082,343)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 138,503,048

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

**TOWNSHIP OF ABINGTON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	General	Permanent Improvement	Grant	CDBG	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes:						
Property (including fire millage)	\$ 17,128,167	\$ -	\$ -	\$ -	\$ 3,083,912	\$ 20,212,079
Transfer	2,313,129	-	-	-	-	2,313,129
Earned income tax	9,806,351	-	-	-	-	9,806,351
Business and mercantile	8,979,173	-	-	-	-	8,979,173
Fees, licenses, and permits	3,843,153	-	-	-	-	3,843,153
Fines, forfeits, and costs	233,515	-	-	-	-	233,515
Interest, dividends, and rents	1,229,608	121,249	1,679	-	34,383	1,386,919
Intergovernmental revenues	2,242,935	-	1,955,044	974,244	1,697,138	6,869,361
Program revenues	834,944	-	-	-	-	834,944
Other	598,894	-	170,078	5,180	63,008	837,160
<b>TOTAL REVENUES</b>	<u>47,209,869</u>	<u>121,249</u>	<u>2,126,801</u>	<u>979,424</u>	<u>4,878,441</u>	<u>55,315,784</u>
<b>EXPENDITURES</b>						
Current:						
General government	4,694,995	247,246	347,160	-	-	5,289,401
Public safety	24,485,331	1,219,914	572,096	-	2,331,104	28,608,445
Highways and roads	4,463,744	340,484	846,260	-	1,339,530	6,990,018
Library	2,503,101	22,523	374,778	974,242	-	3,874,644
Culture and recreation	4,273,734	265,522	-	-	-	4,539,256
Debt service:						
Principal	-	-	-	-	500,310	500,310
Interest	-	-	-	-	11,909	11,909
Capital projects	-	-	-	-	105,691	105,691
<b>TOTAL EXPENDITURES</b>	<u>40,420,905</u>	<u>2,095,689</u>	<u>2,140,294</u>	<u>974,242</u>	<u>4,288,544</u>	<u>49,919,674</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>6,788,964</u>	<u>(1,974,440)</u>	<u>(13,493)</u>	<u>5,182</u>	<u>589,897</u>	<u>5,396,110</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sale of capital assets	-	15,480	-	-	43,680	59,160
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>15,480</u>	<u>-</u>	<u>-</u>	<u>43,680</u>	<u>59,160</u>
<b>NET CHANGE IN FUND BALANCES</b>	6,788,964	(1,958,960)	(13,493)	5,182	633,577	5,455,270
<b>FUND BALANCES, BEGINNING OF YEAR, RESTATED</b>	<u>16,878,731</u>	<u>6,600,973</u>	<u>136,582</u>	<u>31,279</u>	<u>3,434,510</u>	<u>27,082,075</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 23,667,695</u>	<u>\$ 4,642,013</u>	<u>\$ 123,089</u>	<u>\$ 36,461</u>	<u>\$ 4,068,087</u>	<u>\$ 32,537,345</u>

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

**TOWNSHIP OF ABINGTON  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 5,455,270
Amounts reported for governmental activities in the statement of activities are different because:	
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 depreciation/amortization expense. This is the amount by which depreciation and amortization (\$4,973,206) exceeded capital outlays (\$1,546,731) in the current period.	(3,426,475)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	401,319
Gain or loss on capital asset disposals are reported at the fund level only to the extent of any proceeds received from the sale, while governmental activities reflect the economic impact of a gain or loss.	(59,160)
The change in net position of the internal service fund is reported with governmental activities to the extent of services provided to governmental funds.	52,318
In the statement of activities, certain operating expenses - compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	49,438
The issuance of long-term debt 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.	488,277
OPEB expenses in the statement of activities differ from the amount reported in the governmental funds because OPEB expenses are recognized on the statement of activities based on the Township's estimated future benefit payments and related deferred inflows and recognized in the governmental funds when a requirement to pay the benefits or to make contributions to the plan exists.	5,819,284
Pension expenses in the statement of activities differ from the amount reported in the governmental funds because pension expenses are recognized on the statement of activities based on the Township's estimated future benefit payments and related deferred inflows and recognized in the governmental funds when a requirement to pay the benefits or to make contributions to the plan exists.	<u>(1,536,680)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 7,243,591</u>

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

**TOWNSHIP OF ABINGTON  
BUDGETARY COMPARISON STATEMENT - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual (GAAP Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 16,739,661	\$ 16,739,661	\$ 17,128,167	\$ 388,506
Transfer taxes	1,250,000	1,250,000	2,313,129	1,063,129
Earned income taxes	8,500,000	8,500,000	9,806,351	1,306,351
Business and mercantile taxes	7,500,000	7,500,000	8,979,173	1,479,173
Fees, licenses, and permits	3,030,596	3,030,596	3,843,153	812,557
Fines, forfeits, and costs	200,000	200,000	233,515	33,515
Interest, dividends, and rents	625,000	625,000	1,229,608	604,608
Intergovernmental revenues	2,332,000	2,332,000	2,242,935	(89,065)
Program revenues	710,000	710,000	834,944	124,944
Other	819,000	819,000	598,894	(220,106)
<b>TOTAL REVENUES</b>	<u>41,706,257</u>	<u>41,706,257</u>	<u>47,209,869</u>	<u>5,503,612</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,973,266	4,973,266	4,694,995	278,271
Public safety	24,848,340	24,848,340	24,485,331	363,009
Highways and roads	4,772,721	4,772,721	4,463,744	308,977
Library	2,621,202	2,621,202	2,503,101	118,101
Culture and recreation	5,382,461	5,382,461	4,273,734	1,108,727
<b>TOTAL EXPENDITURES</b>	<u>42,597,990</u>	<u>42,597,990</u>	<u>40,420,905</u>	<u>2,177,085</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(891,733)</u>	<u>(891,733)</u>	<u>6,788,964</u>	<u>7,680,697</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriated fund balance	891,733	891,733	-	(891,733)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>891,733</u>	<u>891,733</u>	<u>-</u>	<u>(891,733)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>6,788,964</u>	<u>\$ 6,788,964</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>16,878,731</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 23,667,695</u>	

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

**TOWNSHIP OF ABINGTON  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
DECEMBER 31, 2022**

	Enterprise Funds			Total	Internal Service Fund
	Sewer	Sewer Capital	Refuse		
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 11,067,553	\$ 3,515,011	\$ 2,649,546	\$ 17,232,110	\$ 1,858,986
Investments	1,639	652,702	1,065	655,406	346,219
Accounts receivable, net	187,813	-	137,270	325,083	12,656
Total Current Assets	<u>11,257,005</u>	<u>4,167,713</u>	<u>2,787,881</u>	<u>18,212,599</u>	<u>2,217,861</u>
<b>Noncurrent Assets:</b>					
Notes receivable	-	56,414	-	56,414	-
Net OPEB asset	68,960	-	138,674	207,634	-
Land	281,662	-	-	281,662	-
Construction-in-progress	17,543	82,387	-	99,930	-
Capital assets, net	16,952,528	22,524,915	1,959,300	41,436,743	-
Total Noncurrent Assets	<u>17,320,693</u>	<u>22,663,716</u>	<u>2,097,974</u>	<u>42,082,383</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>28,577,698</u>	<u>26,831,429</u>	<u>4,885,855</u>	<u>60,294,982</u>	<u>2,217,861</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources - pension	923,563	-	1,679,207	2,602,770	-
Deferred outflows of resources - OPEB	58,974	-	118,592	177,566	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>982,537</u>	<u>-</u>	<u>1,797,799</u>	<u>2,780,336</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 29,560,235</u>	<u>\$ 26,831,429</u>	<u>\$ 6,683,654</u>	<u>\$ 63,075,318</u>	<u>\$ 2,217,861</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>					
<b>LIABILITIES:</b>					
<b>Current Liabilities:</b>					
Accounts payable	\$ 1,042,074	\$ -	\$ 152,234	\$ 1,194,308	\$ 1,081
Accrued salaries and benefits	24,127	-	39,069	63,196	-
Unearned revenues	7,686	-	-	7,686	-
Claims payable	-	-	-	-	113,894
Compensated absences	9,427	-	8,133	17,560	-
General obligation bonds payable, net	-	-	220,421	220,421	-
Accrued interest	-	-	450	450	-
Total Current Liabilities	<u>1,083,314</u>	<u>-</u>	<u>420,307</u>	<u>1,503,621</u>	<u>114,975</u>
<b>Noncurrent Liabilities:</b>					
Compensated absences	28,281	-	24,400	52,681	-
Net pension liability	1,555,548	-	2,828,269	4,383,817	-
Total Noncurrent Liabilities	<u>1,583,829</u>	<u>-</u>	<u>2,852,669</u>	<u>4,436,498</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>2,667,143</u>	<u>-</u>	<u>3,272,976</u>	<u>5,940,119</u>	<u>114,975</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources - pension	22,730	-	41,328	64,058	-
Deferred inflows of resources - OPEB	406,982	-	818,411	1,225,393	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>429,712</u>	<u>-</u>	<u>859,739</u>	<u>1,289,451</u>	<u>-</u>
<b>NET POSITION:</b>					
Net investment in capital assets	17,251,733	22,607,302	1,738,879	41,597,914	-
<b>Restricted:</b>					
Net OPEB asset	68,960	-	138,674	207,634	-
Capital projects	-	4,224,127	-	4,224,127	-
Unrestricted	9,142,687	-	673,386	9,816,073	2,102,886
<b>TOTAL NET POSITION</b>	<u>26,463,380</u>	<u>26,831,429</u>	<u>2,550,939</u>	<u>55,845,748</u>	<u>2,102,886</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 29,560,235</u>	<u>\$ 26,831,429</u>	<u>\$ 6,683,654</u>	<u>\$ 63,075,318</u>	<u>\$ 2,217,861</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				1,463,804	
Net position of business-type activities				<u>\$ 57,309,552</u>	

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

**TOWNSHIP OF ABINGTON  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Enterprise Funds			Total	Internal Service Fund
	Sewer Fund	Sewer Capital Fund	Refuse Fund		
<b>OPERATING REVENUES</b>					
User charges	\$ 7,853,677	\$ -	\$ 5,576,146	\$ 13,429,823	\$ -
Assessments	-	36,594	-	36,594	-
Joint sewer agreements	941,078	-	-	941,078	-
Charges for services	-	-	-	-	70,973
Other	17,248	-	8,068	25,316	-
<b>TOTAL OPERATING REVENUES</b>	<u>8,812,003</u>	<u>36,594</u>	<u>5,584,214</u>	<u>14,432,811</u>	<u>70,973</u>
<b>OPERATING EXPENSES</b>					
Personnel	1,748,221	-	3,083,861	4,832,082	-
Payments to other governments	3,994,014	12,224	-	4,006,238	-
Other services	32,897	-	896,500	929,397	-
Insurance	284,910	-	156,915	441,825	30,592
Utilities	332,977	-	21,078	354,055	-
Materials and supplies	121,499	-	-	121,499	-
Chargebacks	169,829	-	298,690	468,519	-
Equipment	179,971	-	668,971	848,942	842
Depreciation	1,229,520	1,164,278	477,457	2,871,255	1,764
Other	21,226	-	21,584	42,810	-
<b>TOTAL OPERATING EXPENSES</b>	<u>8,115,064</u>	<u>1,176,502</u>	<u>5,625,056</u>	<u>14,916,622</u>	<u>33,198</u>
<b>OPERATING INCOME (LOSS)</b>	<u>696,939</u>	<u>(1,139,908)</u>	<u>(40,842)</u>	<u>(483,811)</u>	<u>37,775</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest and investment revenue	165,344	15,384	91,942	272,670	23,775
Grants	-	-	399,448	399,448	-
Gain on sale of property	5,472	-	28,320	33,792	-
Intergovernmental	-	-	28,875	28,875	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>170,816</u>	<u>15,384</u>	<u>548,585</u>	<u>734,785</u>	<u>23,775</u>
<b>CHANGE IN NET POSITION</b>	867,755	(1,124,524)	507,743	250,974	61,550
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>25,595,625</u>	<u>27,955,953</u>	<u>2,043,196</u>		<u>2,041,336</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 26,463,380</u>	<u>\$ 26,831,429</u>	<u>\$ 2,550,939</u>		<u>\$ 2,102,886</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				15,049	
Change in net position of business-type activities				<u>\$ 266,023</u>	

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



**TOWNSHIP OF ABINGTON  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Enterprise Funds			Total	Internal Service Fund
	Sewer Fund	Sewer Capital Fund	Refuse Fund		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash receipts from customers	\$ 8,796,200	\$ 36,594	\$ 5,646,697	\$ 14,479,491	\$ 422,394
Cash payments to employees for services	(2,109,929)	-	(3,201,414)	(5,311,343)	-
Cash payments to vendors for goods and services	(4,692,921)	(12,224)	(2,208,011)	(6,913,156)	(32,117)
Cash provided for employee benefits	-	-	-	-	3,823
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>1,993,350</u>	<u>24,370</u>	<u>237,272</u>	<u>2,254,992</u>	<u>394,100</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Nonoperating grants received	-	-	428,323	428,323	-
Transfers from (repayments to) other funds	-	-	-	-	-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>	<u>428,323</u>	<u>428,323</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Purchases of capital assets	(247,864)	(351,833)	(742,271)	(1,341,968)	-
Bond redemptions	(500,000)	-	(260,000)	(760,000)	-
Sale of capital assets	5,472	-	28,320	33,792	-
Interest paid	(2,740)	-	(1,956)	(4,696)	-
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(745,132)</u>	<u>(351,833)</u>	<u>(975,907)</u>	<u>(2,072,872)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Purchase of investments	(1,639)	(172,421)	(1,065)	(175,125)	(328,062)
Sale of investments	-	258,570	-	258,570	-
Decrease in notes receivable	-	14,785	-	14,785	-
Investment earnings	165,344	15,384	91,942	272,670	23,775
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>163,705</u>	<u>116,318</u>	<u>90,877</u>	<u>370,900</u>	<u>(304,287)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>1,411,923</u>	<u>(211,145)</u>	<u>(219,435)</u>	<u>981,343</u>	<u>89,813</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<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>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 11,067,553</u>	<u>\$ 3,515,011</u>	<u>\$ 2,649,546</u>	<u>\$ 17,232,110</u>	<u>\$ 1,858,986</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 696,939	\$ (1,139,908)	\$ (40,842)	\$ (483,811)	\$ 37,775
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,229,520	1,164,278	477,457	2,871,255	-
Decrease (Increase) in assets:					
Accounts receivable	(15,803)	-	62,483	46,680	351,421
Net pension asset	(68,960)	-	(138,674)	(207,634)	-
Deferred outflows	(908,076)	-	(1,687,714)	(2,595,790)	-
Increase (Decrease) in liabilities:					
Accounts payable	444,402	-	(144,273)	300,129	1,081
Accrued compensated absences	(25,282)	-	(4,359)	(29,641)	-
Deferred inflows	(1,140,442)	-	(1,452,936)	(2,593,378)	-
Net OPEB liability	(131,666)	-	(196,096)	(327,762)	-
Net pension liability	1,888,591	-	3,323,157	5,211,748	-
Accrued expenses and other liabilities	24,127	-	39,069	63,196	3,823
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 1,993,350</u>	<u>\$ 24,370</u>	<u>\$ 237,272</u>	<u>\$ 2,254,992</u>	<u>\$ 394,100</u>

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

**TOWNSHIP OF ABINGTON  
STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
DECEMBER 31, 2022**

	<u>Pension and Other Employee Benefit Trust Plans</u>	<u>Custodial Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,525,512	\$ 1,837,155
Other receivables	185,920	16,904
Investments, at fair value:		
Money market funds	23,622,826	-
Mutual funds	<u>125,994,859</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>157,329,117</u>	<u>1,854,059</u>
 <b>LIABILITIES</b>		
Accounts payable	<u>4,294</u>	<u>24,268</u>
<b>TOTAL LIABILITIES</b>	<u>4,294</u>	<u>24,268</u>
 <b>NET POSITION</b>		
Restricted for developers	-	1,829,791
Restricted for pension and OPEB benefits	<u>157,324,823</u>	<u>-</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 157,324,823</u></u>	<u><u>\$ 1,829,791</u></u>

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

**TOWNSHIP OF ABINGTON**  
**STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Pension and Other Employee Benefit Trust Plans</u>	<u>Custodial Fund</u>
<b>ADDITIONS</b>		
Contributions:		
Member	\$ 1,279,031	\$ -
Employer	4,258,785	-
State aid	1,668,105	-
Escrow receipts	-	1,215,752
Total contributions	<u>7,205,921</u>	<u>1,215,752</u>
Investment income (loss):		
Net depreciation in fair value of investments	(34,791,124)	-
Interest and dividends	3,465,214	-
Investment expense	(86,678)	-
Net investment loss	<u>(31,412,588)</u>	<u>-</u>
<b>TOTAL ADDITIONS</b>	<u>(24,206,667)</u>	<u>1,215,752</u>
<b>DEDUCTIONS</b>		
Benefits paid	10,466,251	-
Administrative expenses	88,609	-
Refund of member contributions	75,215	-
Escrow disbursements	-	3,255,625
<b>TOTAL DEDUCTIONS</b>	<u>10,630,075</u>	<u>3,255,625</u>
<b>CHANGE IN NET POSITION</b>	<u>(34,836,742)</u>	<u>(2,039,873)</u>
<b>NET POSITION RESTRICTED FOR PENSION AND OPEB BENEFITS, AND DEVELOPERS</b>		
<b>BEGINNING OF YEAR</b>	<u>192,161,565</u>	<u>3,869,664</u>
<b>END OF YEAR</b>	<u><u>\$ 157,324,823</u></u>	<u><u>\$ 1,829,791</u></u>

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

## TOWNSHIP OF ABINGTON

### NOTES TO THE FINANCIAL STATEMENTS

#### 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 (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

#### Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, and the ability to significantly influence operations and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the Township is considered to be an independent reporting entity.

#### Discretely Presented Component Unit

The Abington Township Public Library (the Library) provides informational resources to the Township residents in Montgomery County, Pennsylvania. The Library is considered a discretely presented component unit because the Township exercises oversight responsibility and is financially accountable for the Library. The Library is reported in a separate column in the Township's financial statements to emphasize that it is legally separate from the Township. 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 THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 custodial funds). Custodial 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.

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.

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- 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 **Grant Fund** is used to account for various local, state, and federal grants received by the department. The grant budget is used in the fund, and the expenditures are tracked by grant.
- 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 **Fire Tax Fund** is used to account for real estate taxes collected for the purposes of fire services.
- 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.
- 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 nonmajor governmental funds.

In addition, the Township also maintains a nonmajor capital projects fund:

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

TOWNSHIP OF ABINGTON  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

In addition, the Township also maintains a nonmajor capital projects fund:

- The **Debt Service Fund** is used to maintain Township funds for the payment of debt obligations.

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 **Non-Uniformed Pension Fund** and the **Police Pension Fund** account for activities of the Non-Uniformed and Police Pension plans, which accumulate resources for pension benefit payments to qualified employees.
- 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 **Custodial Fund** is used to account for transactions that occur on behalf of other entities: an area corporation and other governments. Custodial funds are reported using the economic resources measurement focus.

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

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

changes 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.

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.

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity**

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% of a bank's total capital surplus or 20% of a



TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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. The investment pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

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, 2022, 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 February 1 and payable under the following terms: a 2% discount February 1 through April 1, face amount April 2 through June 1, and a 10% penalty after June 1. Any unpaid bills at December 31 are subject to lien, and penalties and interest are assessed.

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Inventories and Prepaid Items

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.

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.

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 are recorded at estimated fair market value at the date of donation.

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
Right-to-use lease asset	Life of lease

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 THE FINANCIAL STATEMENTS

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- *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 500 hours. These hours will be compensated for at retirement or resignation. Amounts over 48 hours up to a maximum of 500 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.

#### Deferred Outflows of Resources and Deferred 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has two items that qualify for reporting in this category on the government-wide statements. Certain changes to the net pension liability and net OPEB asset are required to be amortized over a period of years; the unamortized portions of these changes are reflected as deferred outflows of resources on the entity-wide statement of net position.

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

In addition to liabilities, the statement of net 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township has three items that qualify for reporting in this category on the government-wide statements. Certain changes to the net pension liability, net OPEB liability, and payments relating to leases are required to be amortized over a period of years; the unamortized portions of these changes are reflected as deferred inflows of resources on the entity-wide statement of net position. The governmental funds report unavailable revenues from one source: property taxes. These amounts are reflected as deferred inflows of resources on the general fund balance sheet and recognized as an inflow of resources in the period that the amounts become available.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Township or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. 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 for governmental funds 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 Township resolution.

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

*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.

*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.

In all cases, encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

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.

Reclassification of Fund Balance

The Township as elected to report activity in its Fire Tax fund separately from the General Fund. This decreased beginning General Fund balance \$1,456,122. The reclassification did not have any effect on the governmental activities net position.

Implementation of New Accounting Pronouncements

During the year ended December 31, 2022, the Township implemented Governmental Accounting Standards Board (GASB) Statement No. 87, "Leases." The purpose of this statement is to increase the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for all leases, including those that previously were classified as operating leases.

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, Fire Service Fund, and Workers' Compensation Fund. All annual appropriations lapse at fiscal year

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont'd)

end. The General Fund budget is presented in the basic financial statements. 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 balance in 2022.

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 the 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.

NOTE 3 DEPOSITS AND INVESTMENTS

**Deposits**

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. At December 31, 2022, the carrying amount of the Township's deposits was \$69,051,786, and the bank balance was \$69,329,519. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$69,079,519 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.

Non-Uniformed, Police Pension, and OPEB deposits are disclosed separately in Notes 10 and 11.

Discretely Presented Component Unit

At December 31, 2022, the carrying amount of the Abington Township Public Library's deposits was \$1,187,726, and the bank balance was \$1,118,574. Of the bank balance, \$466,859 was covered by federal depository insurance, and \$651,715 was exposed to custodial credit risk because, in

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 DEPOSITS AND INVESTMENTS (cont'd)

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.

**Investments**

As of December 31, 2022, the Township had the following investments and maturities:

Investment Type	Investment Maturities (in years)			
	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years
Government:				
Certificates of deposit	\$ 658,000	\$ -	\$ 561,291	\$ 96,709
Money market funds	549,544	549,544	-	-
<b>TOTAL</b>	<b>\$ 1,207,544</b>	<b>\$ 549,544</b>	<b>\$ 561,291</b>	<b>\$ 96,709</b>

Non-Uniformed, Police Pension, and OPEB investments are disclosed separately in Notes 10 and 11.

Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT acts like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized statistical rating organization, and is subject to an independent annual audit.

**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.

**Custodial Credit Risk** – 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% of the value of the Township's assets at any given time.

**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 5% of the portfolio at

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 DEPOSITS AND INVESTMENTS (cont'd)

market should be invested in the issues of a single issuer. For equities: no single issue should represent more than 5% at cost or 7.5% at market of the portfolio, and no more than 25% of the portfolio at market value should be invested in any one industry as defined by the appropriate benchmark. At December 31, 2022, no investment in any one organization represented 5% or more of net position available for benefits.

Discretely Presented Component Unit

As of December 30, 2022, the Library had the following investments:

	<u>Fair Value</u>	<u>Less Than One Year</u>
Certificate of deposit	\$ 562,829	\$ 562,829
Mutual funds	1,112,731	1,112,731
Exchange-traded funds	397,926	397,926
Preferred securities	45,630	45,630
Corporate bonds	<u>446,605</u>	<u>446,605</u>
<b>TOTAL</b>	<b><u>\$ 2,565,721</u></b>	<b><u>\$ 2,565,721</u></b>

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.

NOTE 4 RECEIVABLES

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

	General	Permanent Improve- ment	Sewer	Sewer Capital	Refuse Fund	Fiduciary Funds	Internal Service	Nonmajor Govern- mental Funds	Total
Receivables:									
Taxes	\$ 631,499	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 631,499
Accounts	2,363,646	10,000	190,218	-	139,729	185,920	12,656	476,541	3,378,710
Notes	-	-	-	56,414	-	-	-	-	56,414
Gross Receivables	<u>2,995,145</u>	<u>10,000</u>	<u>190,218</u>	<u>56,414</u>	<u>139,729</u>	<u>185,920</u>	<u>12,656</u>	<u>476,541</u>	<u>4,066,623</u>
Less: allowance for uncollectibles	-	-	(2,405)	-	(2,026)	-	-	-	(4,431)
Net Total Receivables	<b><u>\$ 2,995,145</u></b>	<b><u>\$ 10,000</u></b>	<b><u>\$ 187,813</u></b>	<b><u>\$ 56,414</u></b>	<b><u>\$ 137,703</u></b>	<b><u>\$ 185,920</u></b>	<b><u>\$ 12,656</u></b>	<b><u>\$ 476,541</u></b>	<b><u>\$ 4,062,192</u></b>



TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

<b>Primary Government</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<i>Governmental activities</i>				
Capital assets not being depreciated/amortized:				
Land	\$ 13,103,972	\$ -	\$ -	\$ 13,103,972
Construction-in-progress	2,026,784	196,812	-	2,223,596
<b>Total Capital Assets Not Being Depreciated/ Amortized</b>	<b>15,130,756</b>	<b>196,812</b>	<b>-</b>	<b>15,327,568</b>
Capital assets being depreciated/amortized:				
Buildings and improvements	12,417,238	218,457	-	12,635,695
Machinery and equipment	4,920,282	412,443	-	5,332,725
Right-to-use lease asset	11,432	-	-	11,432
Vehicles	9,660,560	436,075	117,496	9,979,139
Infrastructure	211,304,366	282,944	-	211,587,310
<b>Total Capital Assets Being Depreciated/ Amortized</b>	<b>238,313,878</b>	<b>1,349,919</b>	<b>117,496</b>	<b>239,546,301</b>
Less accumulated depreciation/amortization for:				
Buildings and improvements	8,097,331	280,615	-	8,377,946
Machinery and equipment	3,978,779	224,005	-	4,202,784
Vehicles	7,344,478	825,208	117,496	8,052,190
Right-to-use lease asset	1,905	2,286	-	4,191
Infrastructure	94,119,936	3,641,092	-	97,761,028
<b>Total Accumulated Depreciation/Amortization</b>	<b>113,542,429</b>	<b>4,973,206</b>	<b>117,496</b>	<b>118,398,139</b>
<b>Total Capital Assets Being Depreciated/ Amortized, Net</b>	<b>124,771,449</b>	<b>(3,623,287)</b>	<b>-</b>	<b>121,148,162</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$139,902,205</b>	<b>\$ (3,426,475)</b>	<b>\$ -</b>	<b>\$136,475,730</b>
<i>Business-type Activities</i>				
Capital assets not being depreciated:				
Land	\$ 281,662	\$ -	\$ -	\$ 281,662
Construction-in-progress	1,238,426	445,528	1,584,024	99,930
<b>Total Capital Assets Not Being Depreciated</b>	<b>1,520,088</b>	<b>445,528</b>	<b>1,584,024</b>	<b>381,592</b>
Capital assets being depreciated:				
Buildings and improvements	38,190,752	154,169	-	38,344,921
Sewer lines	69,487,959	1,584,024	-	71,071,983
Equipment/vehicles	10,050,001	742,271	72,000	10,720,272
<b>Total Capital Assets Being Depreciated</b>	<b>117,728,712</b>	<b>2,480,464</b>	<b>72,000</b>	<b>120,137,176</b>
Less accumulated depreciation for:				
Buildings and improvements	23,410,387	810,971	-	24,221,358
Sewer lines	44,706,523	1,333,708	-	46,040,231
Equipment/vehicles	7,784,268	726,576	72,000	8,438,844
<b>Total Accumulated Depreciation</b>	<b>75,901,178</b>	<b>2,871,255</b>	<b>72,000</b>	<b>78,700,433</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>41,827,534</b>	<b>(390,791)</b>	<b>-</b>	<b>41,436,743</b>
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ 43,347,622</b>	<b>\$ 54,737</b>	<b>\$ 1,584,024</b>	<b>\$ 41,818,335</b>

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 CAPITAL ASSETS (cont'd)

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

Governmental Activities:		
General government		\$ 168,879
Public safety		334,550
Public works		4,233,505
Culture and recreation		<u>236,272</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 4,973,206</u>
Business-type Activities:		
Sewer		\$ 1,229,520
Sewer capital		1,164,278
Refuse		<u>477,457</u>
Total Depreciation Expense - Business-type Activities		<u>\$ 2,871,255</u>

Discretely Presented Component Unit

Activity for the Abington Township Public Library for the year ended December 31, 2022 was as follows:

<u>Library</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Building improvements	\$ 1,049,782	\$ -	\$ -	\$ 1,049,782
Furniture and fixtures	214,510	-	-	214,510
Books and audio material	<u>4,335,713</u>	<u>178,385</u>	-	<u>4,514,098</u>
Total Capital Assets	5,600,005	178,385	-	5,778,390
Less accumulated depreciation	<u>(5,108,979)</u>	<u>(247,706)</u>	-	<u>(5,356,685)</u>
Total Capital Assets, Net	<u>\$ 491,026</u>	<u>\$ (69,321)</u>	<u>\$ -</u>	<u>\$ 421,705</u>

NOTE 6 LEASE AGREEMENTS

Lessee

The Township leases copiers under various long-term operating lease agreements expiring at various dates through 2026. Scheduled minimum rental payments for succeeding years ending December 31 are as follows:

TOWNSHIP OF ABINGTON  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 LEASE AGREEMENTS (cont'd)

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,290	\$ 218	\$ 2,508
2024	2,368	140	2,508
2025	2,449	59	2,508
2026	417	2	419
Total	<u>\$ 7,524</u>	<u>\$ 419</u>	<u>\$ 7,943</u>

Lessor

The Township rents cell tower space to service providers under leases expiring at varying times through 2046. The Township also leases space at Alverthorpe Manor to various organizations under leases expiring at varying times through 2037. The following is a summary of the minimum rental income for the remaining term at December 31, 2022:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 107,504	\$ 6,330	\$ 113,834
2024	98,638	6,015	104,653
2025	98,929	5,723	104,652
2026	99,224	5,429	104,653
2027	100,212	5,136	105,348
2028 - 2032	531,680	21,105	552,785
2033 - 2037	554,739	12,984	567,723
2038 - 2042	421,223	6,009	427,232
2043 - 2046	167,934	827	168,761
	<u>\$ 2,180,083</u>	<u>\$ 69,558</u>	<u>\$ 2,249,641</u>

NOTE 7 GENERAL LONG-TERM 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.

Long-term liability activity for the year ended December 31, 2022 was as follows:

TOWNSHIP OF ABINGTON  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 GENERAL LONG-TERM DEBT (cont'd)

	Beginning Balance	Additions	Retirements	Ending Balance	Due in One Year
<i>Governmental Activities:</i>					
Bonds payable	\$ 530,641	\$ -	\$ 486,062	\$ 44,579	\$ 44,579
Lease payable	9,739	-	2,215	7,524	2,290
Claims payable	110,071	-	13,261	96,810	96,810
Net pension liability	3,815,537	29,437,709	-	33,253,246	-
Net OPEB liability	3,674,218	-	3,674,218	-	-
Compensated absences	1,061,714	-	49,438	1,012,276	253,069
	<u>\$ 9,201,920</u>	<u>\$ 29,437,709</u>	<u>\$ 4,225,194</u>	<u>\$ 34,414,435</u>	<u>\$ 396,748</u>
<i>Business-type Activities:</i>					
Bonds payable	\$ 980,421	\$ -	\$ 760,000	\$ 220,421	\$ 220,421
Claims payable	-	17,084	-	17,084	17,084
Net pension liability	-	4,383,817	-	4,383,817	-
Net OPEB liability	327,762	-	327,762	-	-
Compensated absences	91,749	-	21,508	70,241	17,560
	<u>\$ 1,399,932</u>	<u>\$ 4,400,901</u>	<u>\$ 1,109,270</u>	<u>\$ 4,691,563</u>	<u>\$ 255,065</u>

The Township's long-term 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. \$ 44,579

Business-type Activities:

**General Obligation Bonds**

Series of 2017, maturing through November 2023,  
bearing interest of 2.45%, interest payable annually. 220,421

Grand Total \$ 265,000

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 GENERAL LONG-TERM DEBT (cont'd)

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

	<u>General</u>		<u>Business-type</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 44,579	\$ 1,266	\$ 220,421	\$ 5,401
	<u>\$ 44,579</u>	<u>\$ 1,266</u>	<u>\$ 220,421</u>	<u>\$ 5,401</u>

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 and 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 and Liability Trust – The insurance expense for the year ended December 31, 2022 was \$1,119,322. The pooling agreement permits the pool to make additional assessments to its members. At December 31, 2022, there were no additional assessments due or anticipated; instead, the pool declared a dividend of which the Township's share was \$85,830.
- Delaware Valley Workers' Compensation Trust – The insurance expense for the year ended December 31, 2022 was \$723,711. The Township received \$44,477 as a result from a payroll audit of the 2021 coverage year. There were no additional assessments due or anticipated. An audit of the 2022 payroll will be performed in 2023. At December 31, 2022, the pool declared a dividend of which the Township's share was \$24,366.
- Delaware Valley Health Trust – The insurance expense for the year ended December 31, 2022 was \$6,522,476. There were no additional assessments due or anticipated. At December 31, 2022, 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

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 RISK MANAGEMENT (cont'd)

of the losses incurred. In 2017, the Township stopped self-insuring workers' compensation and moved to the Delaware Worker's Compensation Trust for future claims as noted above.

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 \$113,894 reported in the funds at December 31, 2022 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:

	Year Ended <u>12/31/22</u>
Unpaid claims, beginning of fiscal year	\$ 110,071
Changes in claim estimate	25,387
Claim payments	<u>(21,564)</u>
Unpaid claims, end of fiscal year	<u>\$ 113,894</u>

NOTE 9 CONTINGENCIES AND COMMITMENTS

Amounts received or receivable 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.

TOWNSHIP OF ABINGTON  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 10    OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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 U.S. 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 December 31, 2022. Details below are from the valuation.

As of December 31, 2022, the most recent actuarial valuation, plan membership is as follows:

Retirees and beneficiaries currently receiving benefits	162
Active plan members	<u>245</u>
 Total membership	 <u>407</u>

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

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (cont'd)

*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% 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 each covered individual's eligibility for Medicare. Police who retired after January 1, 1993 receive a prescription plan providing an 80% / 20% basis, which means the insured is responsible for 20% 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% of the cost for prescription drug benefits. Any cost over that is charged to the retiree.

*Salaried employees* – Retirees and their spouses 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.



TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (cont'd)

At December 31, 2022, there were no individual investments that constituted more than 5% 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

Police hired after April 20, 2006 will contribute 1% 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 1% 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 2% 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 1% 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, 2022, the employer contributions totaled \$1,778,306. 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, 2022, the annual money-weighted rate of return on plan investments, net of investment expense was 5.00% 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 THE FINANCIAL STATEMENTS

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (cont'd)

As of December 31, 2022, the OPEB plan had the following investments:

	<u>Fair Value</u>	<u>Less Than One Year</u>
Money market funds	\$ 1,114,695	\$ 1,114,695
Mutual funds - bonds	5,928,006	5,928,006
Mutual funds - equity	<u>12,508,794</u>	<u>12,508,794</u>
<b>TOTAL</b>	<b><u>\$ 19,551,495</u></b>	<b><u>\$ 19,551,495</u></b>

Net OPEB Liability

The Township's net OPEB liability was measured as of December 31, 2022, 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, 2022 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

	<u>OPEB</u>	
Salary Increases	4.5%	(including inflation)
Investment Rate of Return	5.0%	(net of OPEB plan investment expense, including inflation)

Mortality rates were based on the RP-2014 headcount-weighted combined mortality table projection: Mortality rates are projected generationally from the central year using Scale MP-2021.

The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2022. 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, 2022.

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (cont'd)

Asset Class	Target Allocation
U.S. Equity	42.00%
International Equity	23.00%
Core Fixed Income	35.00%

Discount Rate

The discount rate used to measure the total OPEB liability was 7.5%. 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 actuarially determined contribution rates. 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 available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Change in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at December 31, 2021	\$33,691,914	\$29,689,934	\$ 4,001,980
Changes for the year:			
Service Cost	1,072,307	-	1,072,307
Interest	1,713,110	-	1,713,110
Differences between expected and actual experience	(1,234,867)	-	(1,234,867)
Change of assumptions	(11,074,651)	-	(11,074,651)
Benefit Payments	(1,016,443)	(1,016,443)	-
Contributions - employer	-	1,678,224	(1,678,224)
Net investment income	-	(3,429,856)	3,429,856
Administrative expense	-	(2,190)	2,190
Net Changes	(10,540,544)	(2,770,265)	(7,770,279)
Balance at December 31, 2022	\$23,151,370	\$26,919,669	\$(3,768,299)

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (cont'd)

Sensitivity Analysis

The following presents the net OPEB liability (asset) calculated using the discount rate of 7.5%, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Total OPEB liability	\$ 25,411,668	\$ 23,151,370	\$ 21,197,040
Fiduciary net position	<u>(26,919,669)</u>	<u>(26,919,669)</u>	<u>(26,919,669)</u>
Net OPEB liability (asset)	<u>\$ (1,508,001)</u>	<u>\$ (3,768,299)</u>	<u>\$ (5,722,629)</u>

The following presents the net OPEB liability (asset) of the Township, calculated using the valuation trend rate, as well as what the Township's net OPEB liability (asset) 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	Current Healthcare Trend Rate	1% Increase
Total OPEB liability	\$ 20,942,772	\$ 23,151,370	\$ 25,742,189
Fiduciary net position	<u>(26,919,669)</u>	<u>(26,919,669)</u>	<u>(26,919,669)</u>
Net OPEB liability (asset)	<u>\$ (5,976,897)</u>	<u>\$ (3,768,299)</u>	<u>\$ (1,177,480)</u>

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, 2022, the Township recognized an OPEB credit of (\$4,491,736). At December 31, 2022, the Township reported deferred outflows and inflows of resources related to OPEB from the following sources:

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (cont'd)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 622,183	\$ 2,714,314
Changes in assumptions	271,700	19,525,118
Net difference between projected and actual earnings on OPEB plan investments	<u>2,328,726</u>	<u>-</u>
	<u>\$ 3,222,609</u>	<u>\$22,239,432</u>

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Proprietary Activities</u>	<u>Total</u>
2023	\$ (6,508,391)	\$ (379,524)	\$ (6,887,915)
2024	(4,924,846)	(287,183)	(5,212,029)
2025	(2,321,411)	(135,369)	(2,456,780)
2026	(1,512,826)	(88,217)	(1,601,043)
2027	(1,806,809)	(105,361)	(1,912,170)
Thereafter	<u>(894,713)</u>	<u>(52,173)</u>	<u>(946,886)</u>
Total	<u>\$ (17,968,996)</u>	<u>\$ (1,047,827)</u>	<u>\$ (19,016,823)</u>

Payable to the OPEB Plan: For the year ended December 31, 2022, 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 11 with the pension statements.

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Defined Benefit Pension Plan

The Township sponsors two single employer defined benefit pension plans, the Employees' Pension Plan and the Police Pension Plan. All full-time non-uniformed and police employees participate in the plans. Following are details of these two plans. The most recent valuation was as of January 1, 2021.

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (cont'd)

As of December 31, 2022, the Township pension plans consisted of the following:

	<u>Non-Uniformed</u>	<u>Police</u>
Retirees and beneficiaries currently receiving benefits	137	97
Terminated employees entitled to benefits but not yet receiving them	9	1
Active plan members	<u>95</u>	<u>81</u>
Total Membership	<u>241</u>	<u>179</u>

Plan Description

The Township sponsors a public employee retirement system (PERS) to provide pension benefits for employees of the Township.

At January 1, 2021, the Abington Township Pension Plan consisted of the following:

*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% 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 2% of the final average earnings times years and months of credited service. Final average earnings is 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% 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.

An active member who has met the eligibility requirements for normal retirement may elect to participate in the Deferred Retirement Option Program (DROP) for a period of up to 24 months. The monthly pension shall be calculated as of the date of participation in the DROP. The DROP plan account balance is distributed to the member in a lump sum at the termination of DROP.

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (cont'd)

*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% 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% of compensation to the Police Pension Plan.

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.

Neither plan issues a stand-alone financial statement.

Summary of Significant Accounting Policies and Plan Asset Matters

*Basis of Accounting* – 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. On-behalf payments of fringe benefits and salaries for the government's employees are recognized as revenues and expenses during the period.

*Method Used to Value Investments* – Pension plan equity securities are reported at market value. Fixed income securities are reported at market value, investment income is recognized as earned. Gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date. Market-related value of assets is used to determine the indicated contribution.

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (cont'd)

At December 31, 2022, there were no individual investments that constituted more than 5% of plan net position available for benefits that were required to be reported.

Investments in mutual funds and 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.

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.

Investments

As of December 31, 2022, the pension plans had the following investments:

*Non-Uniformed Pension*

	<u>Fair Value</u>	<u>Less Than One Year</u>
Money market funds	\$ 3,756,873	\$ 3,756,873
Mutual funds - bonds	17,011,720	17,011,720
Mutual funds - equity	<u>38,121,898</u>	<u>38,121,898</u>
<b>TOTAL</b>	<b><u>\$ 58,890,491</u></b>	<b><u>\$ 58,890,491</u></b>

*Police Pension*

	<u>Fair Value</u>	<u>Less Than One Year</u>
Money market funds	\$ 4,229,693	\$ 4,229,693
Mutual funds - bonds	19,908,102	19,908,102
Mutual funds - equity	<u>45,596,644</u>	<u>45,596,644</u>
<b>TOTAL</b>	<b><u>\$ 69,734,439</u></b>	<b><u>\$ 69,734,439</u></b>



TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (cont'd)

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.

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, 2022.

*Non-Uniformed Pension*

Asset Class	Target Allocation	Long -term Expected Real Rate of Return
U.S. 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 Investment Grade Corporation	8.75%	1.40%
High yield	4.38%	2.50%
Emerging debt	4.37%	2.40%
Cash	0.00%	(0.30%)

*Police Pension*

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
U.S. 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 Investment Grade Corporation	8.75%	1.40%
High yield	4.38%	2.50%
Emerging debt	4.37%	2.40%
Cash	0.00%	(0.30%)

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (cont'd)

Discount Rate

The discount rate used to measure the total pension liability for the non-uniformed and police pension plans was 7.50%. 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.

Net Pension Liability

The net pension liability was measured as of December 31, 2022, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2021. No significant events or changes in the assumption occurred between the valuation date and the end of the year.

The components of the net pension liability of the pension plans at December 31, 2022 is as follows:

	Non- Uniformed	Police
Total pension liability	\$ 74,023,104	\$ 92,537,944
Fiduciary net position	(59,174,691)	(69,749,294)
Net pension liability	<u>\$ 14,848,413</u>	<u>\$ 22,788,650</u>
Plan fiduciary net position as a percentage of the total pension liability	79.94%	75.37%

*Non-Uniformed Pension*

The changes in the net pension liability for the non-uniformed pension plan are as follows:

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (cont'd)

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balance at December 31, 2021	\$ 71,814,501	\$ 74,837,506	\$ (3,023,005)
Service cost	1,002,725	-	1,002,725
Interest	5,310,164	-	5,310,164
Contributions - employer	-	732,518	(732,518)
Contributions - employee	-	394,216	(394,216)
Net investment loss	-	(12,642,442)	12,642,442
Benefit payments, including refunds of member contributions	(4,104,286)	(4,104,286)	-
Administrative expenses	-	(42,821)	42,821
Net Changes	<u>2,208,603</u>	<u>(15,662,815)</u>	<u>17,871,418</u>
Balance at December 31, 2022	<u>\$ 74,023,104</u>	<u>\$ 59,174,691</u>	<u>\$ 14,848,413</u>

*Police Pension*

The changes in the net pension liability for the police pension plan are as follows:

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at December 31, 2021	\$ 89,420,404	\$ 85,604,867	\$ 3,815,537
Service cost	1,583,862	-	1,583,862
Interest	6,637,391	-	6,637,391
Contributions - employer	-	3,213,603	(3,213,603)
Contributions - employee	-	591,313	(591,313)
Net investment loss	-	(14,510,988)	14,510,988
Benefit payments, including refunds of member contributions	(5,103,713)	(5,103,713)	-
Administrative expenses	-	(45,788)	45,788
Net Changes	<u>3,117,540</u>	<u>(15,855,573)</u>	<u>18,973,113</u>
Balance at December 31, 2022	<u>\$ 92,537,944</u>	<u>\$ 69,749,294</u>	<u>\$ 22,788,650</u>

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%, as well as what the net pension liability would be if it

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (cont'd)

were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

*Non-Uniformed Pension*

	1% Decrease 6.50%	Current Rate Discount Rate 7.50%	1% Increase 8.50%
Net pension liability	\$ 23,005,252	\$ 14,848,413	\$ 7,872,081

*Police Pension*

	1% Decrease 6.50%	Current Rate Discount Rate 7.50%	1% Increase 8.50%
Net pension liability	\$ 34,204,543	\$ 22,788,650	\$ 13,321,050

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

*Non-Uniformed Pension*

For the year ended December 31, 2022, the Township recognized pension expense of \$1,836,730. At December 31, 2022, the Township reported deferred outflows and inflows of resources related to the non-uniformed pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 441,556	\$ 658,526
Changes in assumptions	201,037	-
Difference between actual and projected investment returns	8,614,796	-
Total Deferred Outflows and Inflows	<u>\$ 9,257,389</u>	<u>\$ 658,526</u>

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (cont'd)

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Proprietary Activities</u>	<u>Total</u>
2023	\$ 72,854	\$ 30,520	\$ 103,374
2024	1,331,020	557,589	1,888,609
2025	2,053,333	860,180	2,913,513
2026	<u>2,602,944</u>	<u>1,090,423</u>	<u>3,693,367</u>
Total	<u>\$ 6,060,151</u>	<u>\$ 2,538,712</u>	<u>\$ 8,598,863</u>

*Police Pension*

For the year ended December 31, 2022, the Township recognized pension expense of \$3,991,031. At December 31, 2022, the Township reported deferred outflows of resources related to the police pension plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ 422,302	\$ -
Difference between actual and projected investment returns	10,272,561	-
Change in assumptions	<u>109,762</u>	<u>27,649</u>
Total Deferred Outflows and Inflows	<u>\$ 10,804,625</u>	<u>\$ 27,649</u>

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

<u>Year Ended December 31,</u>	
2023	\$ 997,897
2024	2,355,482
2025	3,247,515
2026	<u>4,176,082</u>
	<u>\$ 10,776,976</u>

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (cont'd)

Money-weighted Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return, net of investment expense was -16.97% for the non-uniformed pension plan investments and -16.95% for the police pension plan investments. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The following actuarial methods and assumptions were used in the January 1, 2021 actuarial valuation.

Actuarial Methods and Significant Assumptions		
	Non-Uniformed	Police
Valuation date	January 1, 2021	January 1, 2021
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Amortization	Level Dollar Amortization
Remaining amortization period	10 years	6 years
Actuarial assumptions:		
Investment rate of return	7.50%	7.50%
Discount rate	7.50%	7.50%
Projected salary increases	4.50%	4.50%
Mortality	Based on the RP-2000 projected to 2021 using Scale MP-2021 with separate rates for males/females and annuitants/non-annuitants	Based on the RP-2000 projected to 2021 using Scale MP-2021 with separate rates for males/females and annuitants/non-annuitants

Pension Financial Statements

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.

	Non-Uniformed Pension	Police Pension	Health Care Offset Fund	Defined Contribution
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 271,225	\$ -	\$ 7,254,287	\$ -
Other receivables	12,975	14,855	118,181	39,909
<b>Investments, at Fair Value:</b>				
Mutual funds	55,133,618	65,504,746	3,915,235	1,441,260
Money market funds	3,756,873	4,229,693	15,636,260	-
<b>TOTAL ASSETS</b>	<b>59,174,691</b>	<b>69,749,294</b>	<b>26,923,963</b>	<b>1,481,169</b>

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (cont'd)

	Non- Uniformed Pension	Police Pension	Health Care Offset Fund	Defined Contribution
(cont'd)				
LIABILITIES				
Accounts payable	-	-	4,294	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>4,294</b>	<b>-</b>
NET POSITION				
Assets held in trust for pensions, OPEB, and other benefits	<u>\$ 59,174,691</u>	<u>\$ 69,749,294</u>	<u>\$ 26,919,669</u>	<u>\$ 14,81,169</u>
ADDITIONS				
Contributions:				
Member contributions	\$ 394,216	\$ 591,313	\$ 91,039	\$ 202,463
Employer contributions	-	2,278,016	1,778,306	202,463
State aid	732,518	935,587	-	-
Total Contributions	<u>1,126,734</u>	<u>3,804,916</u>	<u>1,869,345</u>	<u>404,926</u>
Investment income (loss):				
Net depreciation in fair value of investments	(14,154,695)	(16,269,659)	(4,116,945)	(249,825)
Interest and dividends	1,549,075	1,798,050	118,090	-
Investment expense	(36,821)	(39,379)	-	(10,478)
Net investment income (loss)	<u>(12,642,441)</u>	<u>(14,510,988)</u>	<u>(3,998,855)</u>	<u>(260,303)</u>
<b>TOTAL ADDITIONS</b>	<b><u>(11,515,707)</u></b>	<b><u>(10,706,072)</u></b>	<b><u>(2,129,510)</u></b>	<b><u>144,623</u></b>
DEDUCTIONS				
Benefits paid	4,071,620	5,066,787	1,327,844	-
Administrative expenses	42,821	45,788	-	-
Refund of member contributions	32,667	36,926	-	5,623
<b>TOTAL DEDUCTIONS</b>	<u>4,147,108</u>	<u>5,149,501</u>	<u>1,327,844</u>	<u>5,623</u>
Net Increase (Decrease)	(15,662,815)	(15,855,573)	(3,457,354)	139,000
NET POSITION:				
Beginning of Year	<u>74,837,506</u>	<u>85,604,867</u>	<u>30,377,023</u>	<u>1,342,169</u>
End of Year	<u>\$ 59,174,691</u>	<u>\$ 69,749,294</u>	<u>\$ 26,919,669</u>	<u>\$ 1,481,169</u>

TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (cont'd)

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, 2022, there were 67 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 2022 totaled \$202,463. Participants are required to contribute 5% of their covered compensation to the plan. Employee contributions to the plan for 2022 totaled \$202,463. 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 COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The Township cannot determine the amount, if any, of any claims that may be disallowed by the grantors, although the Township expects such amounts, if any, to be immaterial.

Capital Improvement Commitments

As of December 31, 2022, anticipated construction commitments are as follows:

	<u>Contract Amount</u>	<u>Completed at 12/31/22</u>	<u>Commitment</u>
Capital projects	\$ 3,907,550	\$ 1,584,024	\$ 2,323,526



TOWNSHIP OF ABINGTON

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 PRIOR PERIOD RESTATEMENT

In accordance with the adoption of GASB Statement No. 87, as discussed in Note 1, the Township has restated its December 31, 2021 net position in its governmental activities to record the right-to-use assets and lease liabilities associated with the Township's leasing arrangements. The net result of this change is an increase of \$39,610 in net position in its governmental activities.

NOTE 14 SUBSEQUENT EVENTS

The Township has evaluated all subsequent events through June 28, 2023, the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWNSHIP OF ABINGTON  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY, RELATED RATIOS, AND  
INVESTMENT RETURNS - NON-UNIFORMED PENSION FUND**

**REQUIRED SUPPLEMENTARY INFORMATION**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>TOTAL PENSION LIABILITY</b>									
Service cost	\$ 1,002,725	\$ 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	5,310,164	5,084,384	4,903,749	4,930,457	4,749,817	4,622,097	4,376,524	4,243,608	3,982,642
Difference 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	<u>(4,104,286)</u>	<u>(3,983,093)</u>	<u>(3,664,979)</u>	<u>(3,826,901)</u>	<u>(3,742,507)</u>	<u>(2,596,497)</u>	<u>(2,188,146)</u>	<u>(1,973,120)</u>	<u>(1,965,034)</u>
Net change in total pension liability	2,208,603	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	<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>	<u>52,563,831</u>
Total pension liability, ending (a)	<u><u>\$74,023,104</u></u>	<u><u>\$71,814,501</u></u>	<u><u>\$68,505,546</u></u>	<u><u>\$65,989,230</u></u>	<u><u>\$66,209,457</u></u>	<u><u>\$63,815,277</u></u>	<u><u>\$61,636,099</u></u>	<u><u>\$57,871,782</u></u>	<u><u>\$56,102,009</u></u>
<b>FIDUCIARY NET POSITION</b>									
Employer contributions	\$ 732,518	\$ 589,632	\$ 653,616	\$ 518,168	\$ 552,359	\$ 672,666	\$ 782,023	\$ 1,139,029	\$ 1,069,091
Employee contributions	394,216	407,752	426,975	454,359	467,457	495,738	530,640	472,704	462,059
Net investment income (loss)	(12,642,442)	9,517,931	9,022,939	10,970,091	(2,907,339)	8,407,254	3,281,954	(425,016)	1,810,819
Benefit/refund payments	(4,104,286)	(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 expenses	<u>(42,820)</u>	<u>(57,150)</u>	<u>(61,511)</u>	<u>(36,610)</u>	<u>(25,505)</u>	<u>(32,991)</u>	<u>(33,453)</u>	<u>(55,380)</u>	<u>(23,937)</u>
Net change in fiduciary net position	<u>(15,662,814)</u>	<u>6,475,072</u>	<u>6,377,040</u>	<u>8,079,107</u>	<u>(5,655,535)</u>	<u>6,946,170</u>	<u>2,373,018</u>	<u>(841,783)</u>	<u>1,352,998</u>
Fiduciary net position, beginning	<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>	<u>49,731,419</u>
Fiduciary net position, ending (b)	<u><u>\$59,174,692</u></u>	<u><u>\$74,837,506</u></u>	<u><u>\$68,362,434</u></u>	<u><u>\$61,985,394</u></u>	<u><u>\$53,906,287</u></u>	<u><u>\$59,561,822</u></u>	<u><u>\$52,615,652</u></u>	<u><u>\$50,242,634</u></u>	<u><u>\$51,084,417</u></u>
Net pension liability (asset) [(a) - (b)]	<u><u>\$14,848,412</u></u>	<u><u>\$ (3,023,005)</u></u>	<u><u>\$ 143,112</u></u>	<u><u>\$ 4,003,836</u></u>	<u><u>\$12,303,170</u></u>	<u><u>\$ 4,253,455</u></u>	<u><u>\$ 9,020,447</u></u>	<u><u>\$ 7,629,148</u></u>	<u><u>\$ 5,017,592</u></u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	79.94%	104.21%	99.79%	93.93%	81.42%	93.33%	85.36%	86.82%	91.06%
Covered payroll	\$ 7,860,787	\$ 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 (asset) as a percentage of covered payroll	188.89%	-37.07%	1.74%	43.95%	115.97%	41.90%	74.73%	66.05%	43.67%
Annual money-weighted return, net of investment expenses	7.50%	13.98%	14.60%	20.40%	-4.93%	16.10%	6.53%	-0.84%	3.41%

**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 EMPLOYER CONTRIBUTIONS - NON-UNIFORMED PENSION FUND**

**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>
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	-	12,070,121	9.44%
2016	782,023	782,023	-	12,070,121	6.48%
2017	672,666	672,666	-	10,152,399	6.63%
2018	5,523,359	5,523,359	-	10,609,257	52.06%
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%
2022	732,518	732,518	-	14,848,413	4.93%

\* Not available due to biennially required Act 205 report.

**Notes to Schedule**

Actuarial Methods and Significant Assumptions

Valuation date	January 1, 2022
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Amortization
Remaining amortization period	N/A
Asset valuation method	Asset smoothing

Actuarial assumptions:

Investment rate of return	7.50%
Discount rate	7.50%
Projected salary increases	4.50%
Mortality	Based on RP-2000 projecte to 2021 using Scale MP-2021 with separate rates for males/females and annuitants/nonannuitants

**TOWNSHIP OF ABINGTON**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY, RELATED RATIOS, AND**  
**INVESTMENT RETURNS - POLICE PENSION FUND**

**REQUIRED SUPPLEMENTARY INFORMATION**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>TOTAL PENSION LIABILITY</b>									
Service cost	\$ 1,583,862	\$ 1,418,369	\$ 1,364,163	\$ 1,242,314	\$ 1,222,946	\$ 1,137,624	\$ 1,085,262	\$ 1,009,546	\$ 943,406
Interest	6,637,391	6,344,500	6,104,448	5,766,887	5,544,596	5,191,690	5,013,437	4,831,429	4,675,733
Difference between expected and actual experience	-	491,348	-	1,409,208	-	2,071,939	-	242,467	-
Changes of assumptions	-	200,850	(86,062)	-	-	-	-	-	-
Benefit payments	<u>(5,103,713)</u>	<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	3,117,540	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>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>	<u>63,154,980</u>
Total pension liability, ending (a)	<u><u>\$92,537,944</u></u>	<u><u>\$89,420,404</u></u>	<u><u>\$85,306,120</u></u>	<u><u>\$82,058,643</u></u>	<u><u>\$77,587,433</u></u>	<u><u>\$74,590,101</u></u>	<u><u>\$69,980,959</u></u>	<u><u>\$67,638,875</u></u>	<u><u>\$65,263,569</u></u>
<b>FIDUCIARY NET POSITION</b>									
Employer contributions	\$ 3,213,603	\$ 2,813,000	\$ 2,777,967	\$ 1,907,290	\$ 1,818,362	\$ 1,136,244	\$ 1,139,264	\$ 1,057,363	\$ 1,010,124
Employee contributions	591,313	607,268	550,522	520,887	501,917	471,816	432,237	414,495	409,246
Net investment income (loss)	(14,510,989)	10,623,657	9,870,160	11,702,832	(3,121,277)	8,772,613	3,431,294	(418,029)	2,028,414
Benefit/refund payments	(5,103,713)	(4,340,783)	(4,135,072)	(3,947,199)	(3,770,210)	(3,792,111)	(3,756,615)	(3,708,136)	(3,510,551)
Administrative expenses	<u>(45,788)</u>	<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>
Net change in fiduciary net position	<u>(15,855,574)</u>	<u>9,640,304</u>	<u>9,021,622</u>	<u>10,146,376</u>	<u>(4,596,274)</u>	<u>6,554,658</u>	<u>1,215,983</u>	<u>(2,707,234)</u>	<u>(88,788)</u>
Fiduciary net position, beginning	<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>	<u>56,418,220</u>
Fiduciary net position, ending (b)	<u><u>\$69,749,293</u></u>	<u><u>\$85,604,867</u></u>	<u><u>\$75,964,563</u></u>	<u><u>\$66,942,941</u></u>	<u><u>\$56,796,565</u></u>	<u><u>\$61,392,839</u></u>	<u><u>\$54,838,181</u></u>	<u><u>\$53,622,198</u></u>	<u><u>\$56,329,432</u></u>
Net pension liability [(a) - (b)]	<u><u>\$22,788,651</u></u>	<u><u>\$ 3,815,537</u></u>	<u><u>\$ 9,341,557</u></u>	<u><u>\$15,115,702</u></u>	<u><u>\$20,790,868</u></u>	<u><u>\$13,197,262</u></u>	<u><u>\$15,142,778</u></u>	<u><u>\$14,016,677</u></u>	<u><u>\$ 8,934,137</u></u>
Plan fiduciary net position as a percentage of the total pension liability	75.37%	95.73%	89.05%	81.58%	73.20%	82.31%	78.36%	79.28%	86.31%
Covered payroll	\$11,700,622	\$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	194.76%	31.54%	84.84%	145.10%	227.06%	150.62%	171.18%	165.58%	119.36%
Annual money-weighted return, net of investment expenses	7.50%	13.99%	14.74%	20.60%	-5.09%	16.00%	6.40%	-0.76%	3.68%

**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 EMPLOYER CONTRIBUTIONS - POLICE PENSION FUND**

**REQUIRED SUPPLEMENTARY INFORMATION**

<b>Fiscal Year Ended December 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contribution as a Percentage of Covered Payroll</b>
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	-	7,822,135	13.52%
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%
2022	3,213,603	3,213,603	-	11,700,622	27.47%

**Notes to Schedule**

Actuarial Methods and Significant Assumptions

Valuation date	January 1, 2022
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Amortization
Remaining amortization period	6 years
Asset valuation method	Asset smoothing
Actuarial assumptions:	
Investment rate of return	7.50%
Discount rate	7.50%
Projected salary increases	4.50%
Mortality	Based on the RP-2000 projected to 2021 using Scale MP-2021 with separate rates for males/females and annuitants/non-annuitants

**TOWNSHIP OF ABINGTON  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY, RELATED RATIOS, AND  
INVESTMENT RETURNS - OPEB PLAN**

**REQUIRED SUPPLEMENTARY INFORMATION**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>TOTAL PENSION LIABILITY</b>						
Service cost	\$ 1,072,307	\$ 1,025,056	\$ 1,303,314	\$ 1,368,420	\$ 2,304,988	\$ 2,248,404
Interest	1,713,110	1,644,020	1,932,003	1,802,728	2,353,036	2,276,858
Change in benefit terms	-	-	10,838	-	-	-
Difference between expected and actual experience	(1,234,867)	(301,938)	1,145,023	(106,737)	(5,824,355)	2,006,678
Changes of assumptions	(11,074,651)	62,782	(8,713,170)	(1,957,476)	(19,107,396)	-
Benefit payments	(1,016,443)	(1,172,384)	(1,146,776)	(1,193,852)	(1,403,188)	(1,379,872)
Net change in total OPEB liability	(10,540,544)	1,257,536	(5,468,768)	(86,917)	(21,676,915)	5,152,068
Total OPEB liability, beginning	33,691,914	32,434,378	37,903,146	37,990,063	59,666,978	54,514,910
Total OPEB liability, ending (a)	<u>\$ 23,151,370</u>	<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>
<b>FIDUCIARY NET POSITION</b>						
Employer contributions	\$ 1,678,224	\$ 1,729,377	\$ 1,645,118	\$ 3,273,306	\$ 3,453,309	\$ 3,308,932
Employee contributions	-	-	-	-	194,640	193,672
Net investment income (loss)	(3,429,856)	2,263,825	2,788,252	3,136,048	(837,748)	1,915,965
Benefit/refund payments	(1,016,443)	(1,172,384)	(1,146,776)	(1,193,852)	(1,403,188)	(1,379,872)
Administrative expenses	(2,190)	(3,105)	(7,964)	(9,322)	(5,286)	(4,927)
Net change in fiduciary net position	(2,770,265)	2,817,713	3,278,630	5,206,180	1,401,727	4,033,770
Fiduciary net position, beginning	29,689,934	26,872,221	23,593,591	18,387,411	16,985,684	12,951,914
Fiduciary net position, ending (b)	<u>\$ 26,919,669</u>	<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>
Net OPEB liability (asset) [(a) - (b)]	<u>\$ (3,768,299)</u>	<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 (asset)	116.28%	88.12%	82.85%	62.25%	48.40%	28.47%
Covered payroll	\$ 22,712,884	\$ 22,585,111	\$ 21,639,110	\$ 18,826,140	\$ 19,108,424	\$ 18,477,911
Net OPEB liability (asset) as a percentage of covered payroll	-16.59%	17.72%	25.70%	76.01%	102.59%	230.99%
Annual money-weighted return, net of investment expenses	7.50%	14.28%	15.59%	21.24%	-5.68%	16.73%

**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 - OPEB 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>
2017	\$ -	\$ 3,308,932	\$ -	\$18,477,911	17.91%
2018	-	3,453,309	-	19,108,424	18.07%
2019	-	3,273,306	-	18,826,140	17.39%
2020	-	1,645,118	-	21,639,110	7.60%
2021	-	1,729,377	-	22,585,111	7.66%
2022	-	1,678,224	-	22,712,884	7.39%

**Notes to Schedule**

Actuarial Methods and Significant Assumptions

Valuation date	January 1, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Amortization
Remaining amortization period	0 years
Asset valuation method	Market Value
Actuarial assumptions:	
Inflation	5.0%
Healthcare cost trend rates	5.0%
Projected salary increases	4.5%
Investment rate of return	7.5%

Mortality Based on the RP-2014 headcount-weighted combined mortality table projected to 2021 using Scale MP-2021



**SUPPLEMENTARY INFORMATION**

**TOWNSHIP OF ABINGTON**  
**DETAILED SCHEDULE OF GENERAL FUND REVENUES - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Final Budget	Actual	Variance Positive (Negative)
Taxes:			
Real estate taxes:			
2022 taxes (net)	\$ 16,714,661	\$ 16,980,301	\$ 265,640
Prior years' taxes and penalties	25,000	147,866	122,866
Total Real Estate Taxes	<u>16,739,661</u>	<u>17,128,167</u>	<u>388,506</u>
Earned income taxes	<u>8,500,000</u>	<u>9,806,351</u>	<u>1,306,351</u>
Other taxes:			
Mercantile tax	2,000,000	2,671,212	671,212
Business privilege tax	4,250,000	5,076,558	826,558
Local services tax	1,250,000	1,231,403	(18,597)
Deed transfer tax	1,250,000	2,313,129	1,063,129
Total Other Taxes	<u>8,750,000</u>	<u>11,292,302</u>	<u>2,542,302</u>
Total Taxes	<u>33,989,661</u>	<u>38,226,820</u>	<u>4,237,159</u>
Fees, licenses, and permits:			
Registration fees	11,000	52,465	41,465
Building permits	1,000,000	1,644,547	644,547
Other permits, licenses, and fees	401,041	563,751	162,710
Cable franchise fees	1,125,000	1,137,629	12,629
Public safety	482,505	432,111	(50,394)
Liquor license fees	11,050	12,650	1,600
Total Fees, Licenses, and Permits	<u>3,030,596</u>	<u>3,843,153</u>	<u>812,557</u>
Investment income and rent:			
Interest on investments	250,000	751,612	501,612
Rental revenue	375,000	477,996	102,996
Total Investment Income and Rent	<u>625,000</u>	<u>1,229,608</u>	<u>604,608</u>
Appropriated fund balance	891,733	-	(891,733)
Intergovernmental revenues	2,332,000	2,242,935	(89,065)
Fines and forfeitures	200,000	233,515	33,515
Program revenues	710,000	834,944	124,944
Other	819,000	598,894	(220,106)
Total Revenues	<u>\$ 42,597,990</u>	<u>\$ 47,209,869</u>	<u>\$ 4,611,879</u>

**TOWNSHIP OF ABINGTON**  
**DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Final Budget	Actual	Variance Positive (Negative)
General Government:			
Legislative	\$ 220,738	\$ 189,036	\$ 31,702
Executive	845,538	780,534	65,004
Financial administration	700,697	649,360	51,337
Tax collection	396,367	436,511	(40,144)
Legal services	325,000	371,796	(46,796)
Other government administration	471,447	216,128	255,319
Engineering services	608,209	513,294	94,915
General government buildings and plant	226,475	182,274	44,201
All other government expenses	1,178,795	1,356,062	(177,267)
Total General Government	<u>4,973,266</u>	<u>4,694,995</u>	<u>278,271</u>
Public Safety:			
Police protection:			
Police	23,021,730	22,603,814	417,916
Traffic safety	731,749	746,319	(14,570)
Animal control	111,580	111,978	(398)
Total Police Protection	<u>23,865,059</u>	<u>23,462,111</u>	<u>402,948</u>
Fire services:	-	106,001	(106,001)
Code enforcement	872,425	901,906	(29,481)
Community development and housing	110,856	15,313	95,543
Total Public Safety	<u>24,848,340</u>	<u>24,485,331</u>	<u>469,010</u>
Public Works:			
Highways and roads:			
Administration	4,425,722	4,139,762	285,960
Street lighting	346,999	323,982	23,017
Total Highways and Roads	<u>4,772,721</u>	<u>4,463,744</u>	<u>308,977</u>
Total Public Works	<u>4,772,721</u>	<u>4,463,744</u>	<u>308,977</u>
Library contributions	<u>2,621,202</u>	<u>2,503,101</u>	118,101
Culture and Recreation:			
Administration	3,146,599	2,540,011	606,588
Participant Recreation	1,914,537	1,453,464	461,073
Parks	315,325	274,265	41,060
Shade trees	6,000	5,994	6
Total Culture and Recreation	<u>5,382,461</u>	<u>4,273,734</u>	<u>1,108,727</u>
Total Expenditures by Program	<u>\$ 42,597,990</u>	<u>\$ 40,420,905</u>	<u>\$ 2,283,086</u>

**TOWNSHIP OF ABINGTON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL - PERMANENT IMPROVEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Investment income and rent	\$ -	\$ 121,249	\$ 121,249
TOTAL REVENUES	<u>-</u>	<u>121,249</u>	<u>121,249</u>
EXPENDITURES			
Capital Projects:			
General government	60,000	93,776	(33,776)
Information technology	110,000	-	110,000
Police	830,284	821,082	9,202
Engineering	543,233	153,470	389,763
Public works	1,309,419	340,484	968,935
Library	35,500	22,523	12,977
Culture and recreation	451,045	265,522	185,523
Fire	1,073,521	398,832	674,689
TOTAL EXPENDITURES	<u>4,413,002</u>	<u>2,095,689</u>	<u>2,317,313</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,413,002)</u>	<u>(1,974,440)</u>	<u>2,438,562</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	15,480	15,480
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>15,480</u>	<u>15,480</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (4,413,002)</u></u>	<u>(1,958,960)</u>	<u><u>\$ 2,454,042</u></u>
FUND BALANCE, BEGINNING OF YEAR		<u>6,600,973</u>	
FUND BALANCE, END OF YEAR		<u><u>\$ 4,642,013</u></u>	

**TOWNSHIP OF ABINGTON**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2022**

	Highway Aid	Debt Service Fund	Rental Rehabilitation Fund	Economic Development Fund	Special Investigations Fund	Fire Service Fund	Park Capital Fund	Totals
<b>ASSETS</b>								
Cash and cash equivalents	\$ 2,273,501	\$ -	\$ 10,490	\$ 3,710	\$ 6,182	\$ 1,984,302	\$ 99,890	\$ 4,378,075
Receivables	-	-	-	-	-	476,541	-	476,541
<b>TOTAL ASSETS</b>	<b><u>\$ 2,273,501</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 10,490</u></b>	<b><u>\$ 3,710</u></b>	<b><u>\$ 6,182</u></b>	<b><u>\$ 2,460,843</u></b>	<b><u>\$ 99,890</u></b>	<b><u>\$ 4,854,616</u></b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts payable and accrued wages	\$ 52,107	\$ -	\$ 14,365	\$ 1,324	\$ -	\$ 121,874	\$ -	\$ 189,670
Unearned revenue	-	-	-	2,386	-	82,254	-	84,640
Cash overdraft	-	512,219	-	-	-	-	-	512,219
<b>TOTAL LIABILITIES</b>	<b><u>52,107</u></b>	<b><u>512,219</u></b>	<b><u>14,365</u></b>	<b><u>3,710</u></b>	<b><u>-</u></b>	<b><u>204,128</u></b>	<b><u>-</u></b>	<b><u>786,529</u></b>
<b>FUND BALANCES</b>								
Restricted:								
Public works	2,221,394	-	-	-	-	-	99,890	2,321,284
Public safety	-	-	-	-	6,182	2,256,715	-	2,262,897
Unrestricted (deficit)	-	(512,219)	(3,875)	-	-	-	-	(516,094)
<b>TOTAL FUND BALANCES</b>	<b><u>2,221,394</u></b>	<b><u>(512,219)</u></b>	<b><u>(3,875)</u></b>	<b><u>-</u></b>	<b><u>6,182</u></b>	<b><u>2,256,715</u></b>	<b><u>99,890</u></b>	<b><u>4,068,087</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 2,273,501</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 10,490</u></b>	<b><u>\$ 3,710</u></b>	<b><u>\$ 6,182</u></b>	<b><u>\$ 2,460,843</u></b>	<b><u>\$ 99,890</u></b>	<b><u>\$ 4,854,616</u></b>

**TOWNSHIP OF ABINGTON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Highway Aid	Debt Service Fund	Rental Rehabilitation Fund	Economic Development Fund	Special Investigations Fund	Fire Service Fund	Park Capital Fund	Totals
<b>REVENUES</b>								
Property (including fire millage)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,083,912	\$ -	\$ 3,083,912
Interest, dividends, and rents	34,383	-	-	-	-	-	-	34,383
Intergovernmental revenue	1,602,947	-	94,191	-	-	-	-	1,697,138
Other	9,023	-	-	-	-	47,385	6,600	63,008
<b>TOTAL REVENUES</b>	<u>1,646,353</u>	<u>-</u>	<u>94,191</u>	<u>-</u>	<u>-</u>	<u>3,131,297</u>	<u>6,600</u>	<u>4,878,441</u>
<b>EXPENDITURES</b>								
Current:								
Public safety	-	-	-	-	400	2,330,704	-	2,331,104
Highways and roads	1,339,530	-	-	-	-	-	-	1,339,530
Capital projects	-	-	105,691	-	-	-	-	105,691
Debt Service:								
Principal	-	500,310	-	-	-	-	-	500,310
Interest	-	11,909	-	-	-	-	-	11,909
<b>TOTAL EXPENDITURES</b>	<u>1,339,530</u>	<u>512,219</u>	<u>105,691</u>	<u>-</u>	<u>400</u>	<u>2,330,704</u>	<u>-</u>	<u>4,288,544</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>306,823</u>	<u>(512,219)</u>	<u>(11,500)</u>	<u>-</u>	<u>(400)</u>	<u>800,593</u>	<u>6,600</u>	<u>589,897</u>
<b>OTHER FINANCING SOURCES</b>								
Proceeds from sale of capital assets	43,680	-	-	-	-	-	-	43,680
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>43,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,680</u>
<b>NET CHANGE IN FUND BALANCES</b>	350,503	(512,219)	(11,500)	-	(400)	800,593	6,600	633,577
<b>FUND BALANCES, BEGINNING OF YEAR, RESTATED</b>	<u>1,870,891</u>	<u>-</u>	<u>7,625</u>	<u>-</u>	<u>6,582</u>	<u>1,456,122</u>	<u>93,290</u>	<u>3,434,510</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$2,221,394</u>	<u>\$ (512,219)</u>	<u>\$ (3,875)</u>	<u>\$ -</u>	<u>\$ 6,182</u>	<u>\$ 2,256,715</u>	<u>\$ 99,890</u>	<u>\$ 4,068,087</u>

**TOWNSHIP OF ABINGTON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET TO ACTUAL - HIGHWAY AID FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Interest, dividends, and rents	\$ 16,000	\$ 34,383	\$ 18,383
Grants	1,499,500	1,602,947	103,447
Miscellaneous revenue	<u>15,000</u>	<u>9,023</u>	<u>(5,977)</u>
<b>TOTAL REVENUES</b>	<u>1,530,500</u>	<u>1,646,353</u>	<u>115,853</u>
 <b>EXPENDITURES</b>			
Highways and roads	<u>2,012,283</u>	<u>1,339,530</u>	<u>672,753</u>
<b>TOTAL EXPENDITURES</b>	<u>2,012,283</u>	<u>1,339,530</u>	<u>672,753</u>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	 <u>(481,783)</u>	 <u>306,823</u>	 <u>788,606</u>
 <b>OTHER FINANCING SOURCES</b>			
Appropriated fund balance	481,783	-	(481,783)
Proceeds from sale of property	<u>-</u>	<u>43,680</u>	<u>43,680</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>481,783</u>	<u>43,680</u>	<u>(438,103)</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 <u>\$ -</u>	 350,503	 <u>\$ 350,503</u>
 <b>FUND BALANCE, BEGINNING OF YEAR</b>		 <u>1,870,891</u>	
 <b>FUND BALANCE, END OF YEAR</b>		 <u>\$ 2,221,394</u>	

**TOWNSHIP OF ABINGTON  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET TO ACTUAL - FIRE SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 3,110,287	\$ 3,083,912	\$ (26,375)
Fees, licenses, and permits	65,000	47,385	(17,615)
TOTAL REVENUES	<u>3,175,287</u>	<u>3,131,297</u>	<u>(43,990)</u>
EXPENDITURES			
Capital	23,000	22,794	206
Chargebacks	68,575	65,615	2,960
Equipment	103,524	100,017	3,507
Insurance	406,467	292,301	114,166
Personnel	523,616	600,711	(77,095)
Services	1,124,768	992,127	132,641
Travel, training, and dues	13,740	14,373	(633)
Utilities	227,060	242,766	(15,706)
TOTAL EXPENDITURES	<u>2,490,750</u>	<u>2,330,704</u>	<u>206</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>684,537</u>	<u>800,593</u>	<u>(43,784)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	(663,521)	-	663,521
TOTAL OTHER FINANCING SOURCES (USES)	<u>(663,521)</u>	<u>-</u>	<u>663,521</u>
NET CHANGE IN FUND BALANCE	<u>\$ 21,016</u>	800,593	<u>\$ 619,737</u>
FUND BALANCE, BEGINNING OF YEAR		<u>1,456,122</u>	
FUND BALANCE, END OF YEAR		<u>\$ 2,256,715</u>	



**TOWNSHIP OF ABINGTON  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET  
POSITION - BUDGET TO ACTUAL - SEWER FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Sewer charges	\$ 7,697,000	\$ 7,853,677	\$ 156,677
Joint sewer agreements	970,000	941,078	(28,922)
Other	41,000	17,248	(23,752)
<b>TOTAL REVENUES</b>	<u>8,708,000</u>	<u>8,812,003</u>	<u>104,003</u>
<b>EXPENSES</b>			
Personnel	1,879,874	1,748,221	131,653
Payments to other governments	3,050,000	3,994,014	(944,014)
Other services	384,100	32,897	351,203
Insurance	725,195	284,910	440,285
Utilities	316,900	332,977	(16,077)
Materials and supplies	213,000	121,499	91,501
Chargebacks	174,480	169,829	4,651
Equipment	135,400	179,971	(44,571)
Depreciation	-	1,229,520	(1,229,520)
Other	187,500	21,226	166,274
<b>TOTAL EXPENSES</b>	<u>7,066,449</u>	<u>8,115,064</u>	<u>54,551</u>
<b>OPERATING INCOME</b>	<u>1,641,551</u>	<u>696,939</u>	<u>158,554</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest and investment revenue	68,000	165,344	97,344
Principal payments	(500,000)	-	500,000
Interest expense	(5,750)	-	5,750
Gain on sale of property	-	5,472	5,472
<b>TOTAL NONOPERATING EXPENSES</b>	<u>(437,750)</u>	<u>170,816</u>	<u>608,566</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 1,203,801</u>	<u>867,755</u>	<u>\$ 767,120</u>
<b>NET POSITION, BEGINNING OF YEAR</b>		<u>25,595,625</u>	
<b>NET POSITION, END OF YEAR</b>		<u>\$ 26,463,380</u>	

**TOWNSHIP OF ABINGTON  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET  
POSITION - BUDGET TO ACTUAL - REFUSE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Refuse charges	\$ 5,287,000	\$ 5,576,146	\$ 289,146
Miscellaneous	5,000	8,068	3,068
TOTAL REVENUES	<u>5,292,000</u>	<u>5,584,214</u>	<u>292,214</u>
EXPENSES			
Personnel	2,659,314	3,083,861	(424,547)
Services	1,601,425	896,500	704,925
Insurance	846,327	156,915	689,412
Chargebacks	299,536	298,690	846
Equipment	84,000	668,971	(584,971)
Utilities	25,000	21,078	3,922
Other	9,000	21,584	(12,584)
Depreciation	-	477,457	(477,457)
TOTAL EXPENSES	<u>5,524,602</u>	<u>5,625,056</u>	<u>(100,454)</u>
OPERATING INCOME (LOSS)	<u>(232,602)</u>	<u>(40,842)</u>	<u>191,760</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and investment revenue	32,000	91,942	59,942
State grants	556,015	399,448	(156,567)
Intergovernmental	130,000	28,875	(101,125)
Fees, licenses, and permits	26,000	-	(26,000)
Gain on sale of property	2,500	28,320	25,820
Capital purchases	(46,200)	-	46,200
Principal payments	(260,000)	-	260,000
Interest expense	(12,863)	-	12,863
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>427,452</u>	<u>548,585</u>	<u>121,133</u>
CHANGE IN NET POSITION	<u>\$ 194,850</u>	507,743	<u>\$ 312,893</u>
NET POSITION, BEGINNING OF YEAR		<u>2,043,196</u>	
NET POSITION, END OF YEAR		<u>\$ 2,550,939</u>	

**TOWNSHIP OF ABINGTON**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -**  
**BUDGET TO ACTUAL - WORKERS' COMPENSATION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 59,000	\$ 70,973	\$ (11,973)
TOTAL REVENUES	<u>59,000</u>	<u>70,973</u>	<u>(11,973)</u>
EXPENSES			
Benefits payments	55,000	30,592	(24,408)
Insurance expense	4,000	842	(3,158)
Miscellaneous expenses	5,000	1,764	(3,236)
TOTAL EXPENSES	<u>64,000</u>	<u>33,198</u>	<u>(30,802)</u>
OPERATING LOSS	<u>(5,000)</u>	<u>37,775</u>	<u>(42,775)</u>
NONOPERATING REVENUES			
Interest and investment revenue	<u>5,000</u>	<u>23,775</u>	<u>18,775</u>
TOTAL NONOPERATING REVENUES	<u>5,000</u>	<u>23,775</u>	<u>18,775</u>
CHANGE IN NET POSITION	<u>\$ -</u>	61,550	<u>\$ 61,550</u>
NET POSITION, BEGINNING OF YEAR		<u>2,041,336</u>	
NET POSITION, END OF YEAR		<u>\$ 2,102,886</u>	

**TOWNSHIP OF ABINGTON**  
**COMBINING STATEMENT OF NET POSITION - FIDUCIARY FUNDS**  
**DECEMBER 31, 2022**

	Non-Uniformed Pension			Health Care Offset Fund	Total	
	Police Pension	Defined Contribution	Defined Benefit			Total Non-Uniformed
<b>ASSETS:</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 271,225	\$ 271,225	\$ 7,254,287	\$ 7,525,512
Other receivables	14,855	39,909	12,975	52,884	118,181	185,920
Investments, at fair value:						
Money market funds	4,229,693	-	3,756,873	3,756,873	15,636,260	23,622,826
Mutual funds	65,504,746	1,441,260	55,133,618	56,574,878	3,915,235	125,994,859
<b>TOTAL ASSETS</b>	<b><u>\$ 69,749,294</u></b>	<b><u>\$ 1,481,169</u></b>	<b><u>\$ 59,174,691</u></b>	<b><u>\$ 60,655,860</u></b>	<b><u>\$ 26,923,963</u></b>	<b><u>\$ 157,329,117</u></b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 4,294	\$ 4,294
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>4,294</u></b>	<b><u>4,294</u></b>
<b>NET POSITION</b>						
Restricted for pension and OPEB, benefits	<b><u>\$ 69,749,294</u></b>	<b><u>\$ 1,481,169</u></b>	<b><u>\$ 59,174,691</u></b>	<b><u>\$ 60,655,860</u></b>	<b><u>\$ 26,919,669</u></b>	<b><u>\$ 157,324,823</u></b>

**TOWNSHIP OF ABINGTON**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Police Pension	Non-Uniformed Pension			Health Care Offset Fund	Totals
		Defined Contribution	Defined Benefit	Total Non-Uniformed		
<b>ADDITIONS</b>						
Contributions:						
Member contributions	\$ 591,313	\$ 202,463	\$ 394,216	\$ 596,679	\$ 91,039	\$ 1,279,031
Employer	2,278,016	202,463	-	202,463	1,778,306	4,258,785
State aid	935,587	-	732,518	732,518	-	1,668,105
Total Contributions	<u>3,804,916</u>	<u>404,926</u>	<u>1,126,734</u>	<u>1,531,660</u>	<u>1,869,345</u>	<u>7,205,921</u>
Investment income (loss):						
Net depreciation in fair value investments	(16,269,659)	(249,825)	(14,154,695)	(14,404,520)	(4,116,945)	(34,791,124)
Interest and dividends	1,798,050	-	1,549,074	1,549,074	118,090	3,465,214
Investment expense	(39,379)	(10,478)	(36,821)	(47,299)	-	(86,678)
Net Investment Income (loss)	<u>(14,510,988)</u>	<u>(260,303)</u>	<u>(12,642,442)</u>	<u>(12,902,745)</u>	<u>(3,998,855)</u>	<u>(31,412,588)</u>
<b>TOTAL ADDITIONS</b>	<u>(10,706,072)</u>	<u>144,623</u>	<u>(11,515,708)</u>	<u>(11,371,085)</u>	<u>(2,129,510)</u>	<u>(24,206,667)</u>
<b>DEDUCTIONS</b>						
Benefits paid	5,066,787	-	4,071,620	4,071,620	1,327,844	10,466,251
Administrative expenses	45,788	-	42,821	42,821	-	88,609
Refund of member contributions	36,926	5,623	32,666	38,289	-	75,215
<b>TOTAL DEDUCTIONS</b>	<u>5,149,501</u>	<u>5,623</u>	<u>4,147,107</u>	<u>4,152,730</u>	<u>1,327,844</u>	<u>10,630,075</u>
<b>CHANGE IN NET POSITION</b>	(15,855,573)	139,000	(15,662,815)	(15,523,815)	(3,457,354)	(34,836,742)
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>85,604,867</u>	<u>1,342,169</u>	<u>74,837,506</u>	<u>76,179,675</u>	<u>30,377,023</u>	<u>192,161,565</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 69,749,294</u>	<u>\$ 1,481,169</u>	<u>\$ 59,174,691</u>	<u>\$ 60,655,860</u>	<u>\$ 26,919,669</u>	<u>\$ 157,324,823</u>



*STATISTICAL SECTION*

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

	<u>2022</u>	<u>2021<sup>1</sup></u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016<sup>2</sup></u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities										
Net Investment in Capital Assets	\$ 136,424	\$ 139,322	\$ 140,417	\$ 132,148	\$ 131,444	\$ 132,498	\$ 129,121	\$ 126,904	\$ 125,935	\$ 129,729
Restricted	8,790	2,933	2,236	4,580	4,665	5,456	1,174	2,110	1,053	1,439
Unrestricted	(6,711)	(11,089)	(23,231)	(33,244)	(43,714)	(39,028)	(34,100)	(4,444)	14,092	12,935
Total governmental activities net position	<u>\$ 138,503</u>	<u>\$ 131,166</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>
Business-type activities										
Net Investment in Capital Assets	\$ 41,598	\$ 42,649	\$ 44,788	\$ 45,093	\$ 45,897	\$ 45,014	\$ 44,069	\$ 43,231	\$ 43,058	\$ 42,545
Restricted	5,896	5,509	5,803	6,461	6,948	8,124	8,516	9,938	10,359	10,348
Unrestricted	9,816	8,691	3,260	622	481	640	560	3,331	4,751	5,406
Total business-type activities net position	<u>\$ 57,310</u>	<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>
Primary government										
Net Investment in Capital Assets	\$ 178,022	\$ 181,971	\$ 185,205	\$ 177,241	\$ 177,341	\$ 177,512	\$ 173,190	\$ 170,135	\$ 168,993	\$ 172,274
Restricted	14,686	8,442	8,039	11,041	11,613	13,580	9,690	12,048	11,412	11,787
Unrestricted	3,105	(2,398)	(19,971)	(32,622)	(43,233)	(38,388)	(33,540)	(1,113)	18,843	18,342
Total primary government net position	<u>\$ 195,813</u>	<u>\$ 188,015</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>

<sup>1</sup>GASB #87 was implemented in 2022, net position was restated for 2021

<sup>2</sup>GASB #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)**

	<u>2022</u>	<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>
<b>Expenses</b>										
Governmental Activities:										
Administration	\$ 4,729	\$ 4,219	\$ 5,036	\$ 306	\$ 1,047	\$ 5,123	\$ 5,107	\$ 1,201	\$ 1,374	\$ 1,174
Codes and Engineering	782	385	502	879	925	1,021	1,039	1,051	998	955
Health and Human Services	-	64	-	-	-	-	-	-	-	-
Police and Emergency Services	24,941	17,089	20,727	18,108	32,296	22,909	23,628	23,650	21,452	20,208
Public Works	10,269	9,175	7,698	7,621	9,919	6,728	10,054	11,116	10,671	9,866
Library	3,382	1,632	1,751	2,818	2,761	2,626	2,777	2,866	2,641	2,641
Parks	3,701	3,267	2,662	4,469	3,742	3,461	4,181	4,905	4,446	4,376
Community Development	92	314	154	386	919	1,489	802	711	809	1,318
Miscellaneous	-	-	-	-	-	-	-	-	-	22
Interest on debt	27	62	71	113	106	135	174	219	264	215
Total governmental activities expenses	<u>47,923</u>	<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>
Business-type activities:										
Sewer	9,175	8,017	7,941	10,118	9,486	8,902	10,070	9,506	9,285	10,706
Refuse	5,490	5,367	5,016	6,256	6,187	6,165	6,417	6,325	5,821	5,844
Total business-type activities expenses	<u>14,665</u>	<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>
Total primary government expenses	<u>\$ 62,588</u>	<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>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services:										
Administration	\$ -	\$ -	\$ -	\$ 550	\$ 500	\$ 682	\$ 628	\$ -	\$ -	\$ -
Codes and Engineering	2,273	1,705	1,383	2,074	1,652	1,043	1,512	1,938	1,132	1,096
Police and Emergency Services	704	910	657	682	758	759	701	738	922	397
Parks	835	653	379	765	792	797	848	933	902	894
Operating grants and contributions:										
Administration	344	71	70	66	423	182	81	22	23	31
Codes and engineering	59	156	205	79	42	51	58	33	34	37
Police and Emergency Services	2,295	1,423	1,235	1,612	1,199	1,056	1,066	1,171	903	782
Public Works	2,609	2,600	2,193	1,909	1,898	1,813	1,983	1,924	1,552	1,742
Library	252	110	112	85	83	102	139	88	90	103
Parks	295	305	132	118	126	159	147	155	154	174
Community Development	7	-	-	-	-	-	-	22	27	51
Capital grants and contributions:										
Public Works	144	-	-	-	391	530	1,044	642	122	155
Parks	-	1	-	-	-	-	-	-	-	-
Community Development	94	337	84	225	754	1,342	655	584	682	1,100
Total governmental activities program revenues	<u>9,911</u>	<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>
Business-type activities:										
Charges for services:										
Sewer	8,831	8,962	8,920	9,073	9,030	9,381	8,892	9,040	9,027	9,178
Refuse	5,576	5,271	5,215	5,204	5,188	5,175	5,158	5,432	5,109	4,879
Operating grants and contributions	399	347	-	1,223	386	613	357	305	497	263
Total business-type activities program revenues	<u>14,806</u>	<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>
Total primary government program revenues	<u>\$ 24,717</u>	<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>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ 38,012	\$ 27,936	\$ 32,151	\$ 26,535	\$ 43,097	\$ 34,976	\$ 38,448	\$ 37,467	\$ 36,112	\$ (34,213)
Business-type activities	(141)	(1,196)	(1,178)	874	1,069	(102)	2,080	1,054	474	(2,230)
Total primary government net expense	<u>\$ 37,871</u>	<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>



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

	<u>2022</u>	<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>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Real Estate taxes	\$ 20,613	\$ 17,197	\$ 17,315	\$ 15,221	\$ 14,552	\$ 14,811	\$ 14,167	\$ 13,316	\$ 13,303	\$ 13,173
Transfer tax	2,313	2,215	1,643	1,417	1,499	1,407	1,291	1,104	1,342	1,153
Earned income tax	9,806	9,683	8,645	8,521	8,223	7,957	7,953	7,918	7,329	7,969
Business, Mercantile, and LST	8,979	7,485	8,042	7,824	8,034	9,092	8,342	7,804	7,382	7,338
Unrestricted grants and contributions	35	35	32	30	34	33	34	34	38	36
Investment earnings	1,394	305	511	724	455	334	247	907	757	739
Miscellaneous	2,116	2,801	2,610	3,888	3,768	4,073	3,969	2,886	2,938	3,321
Total governmental activities	<u>45,256</u>	<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>
Business-type activities:										
Unrestricted grants and contributions		-	-	-	-	-	-	-	-	-
Investment earnings	273	132	227	466	191	204	224	289	255	343
Miscellaneous	45	1,670	270	301	426	327	381	536	87	171
Total business-type activities	<u>318</u>	<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>
Total primary government	<u>\$ 45,574</u>	<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>
<b>Change in Net Position</b>										
Governmental activities	\$ 7,244	\$ 11,784	\$ 6,647	\$ 11,089	\$ (6,531)	\$ 2,731	\$ (2,444)	\$ (3,499)	\$ (3,023)	\$ (484)
Business-type activities	460	2,998	1,675	(106)	(452)	633	(1,475)	(228)	(131)	(1,717)
Total primary government	<u>\$ 7,704</u>	<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>

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Deed Transfer Tax</u>	<u>Earned Income Tax</u>	<u>Business Mercantile and Local Services Tax</u>	<u>Total</u>
2013	13,173 <sup>5</sup>	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 <sup>6</sup>	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
2022	20,613 <sup>7</sup>	2,313	9,806	8,979	41,711

<sup>5</sup>Increase due to .052 millage increase for property (fire) tax.

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

<sup>7</sup>Increase due to 1.514 millage increase for property (.443 reallocate from debt and 1.071 inc for general purpose).

**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>2022</u>	<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>
General Fund										
Nonspendable-prepaid items	\$ 7	\$ -	\$ 357	\$ 5	\$ 9	\$ -	\$ 19	\$ 5	\$ 23	\$ 19
Committed	1,457	1,457	1,401	1,312	1,381	1,598	2,234	3,666	4,062	4,062
Unassigned	22,203	16,878	14,798	13,687	12,899	14,437	14,399	12,746	10,700	15,157
<i>Total general fund</i>	<u>23,667</u>	<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>
All Other Governmental Funds										
Restricted	4,743	2,146	1,659	4,055	4,467	5,169	865	1,298	302	1,072
Committed	3,599	4,471	5,255	1,486	1,913	1,326	1,145	1,189	1,128	1,128
Assigned	1,043	2,130	2,607	4,763	4,407	2,170	4,595	3,931	6,907	1,258
Unassigned (deficit)	(516)	-	(132)	(190)	(42)	(108)	(10)	-	-	-
<i>Total all other governmental funds</i>	<u>\$ 8,869</u>	<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>
<i>Total Government Funds</i>	<u>\$ 32,536</u>	<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>

**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>2022</u>	<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>
<b>Revenues</b>										
Real estate taxes	\$ 20,212	\$ 17,219	\$ 17,266	\$ 15,231	\$ 14,557	\$ 14,835	\$ 14,214	\$ 13,296	\$ 13,324	\$ 13,236
Transfer taxes	2,313	2,216	1,643	1,417	1,499	1,407	1,292	1,104	1,342	1,153
Earned income taxes	9,806	9,683	8,645	8,521	8,223	7,957	7,953	7,918	7,329	7,969
Business, Mercantile taxes and LST	8,979	7,485	8,042	7,824	8,034	9,092	8,342	7,840	7,382	7,338
Fees, licenses and permits	3,843	3,627	3,069	4,423	4,070	3,524	3,936	4,322	3,656	3,275
Investment income and rent	1,387	708	810	1,463	1,230	1,046	912	907	757	729
Grants	6,869	4,939	4,019	4,005	4,910	5,190	5,537	4,675	3,625	4,212
Fines and forfeitures	234	122	128	183	196	202	199	226	239	252
Program revenues	835	653	379	765	792	797	847	933	902	894
Other	837	1,145	1,055	1,352	1,103	1,465	1,444	916	1,029	1,254
Total Revenues	<u>55,315</u>	<u>47,797</u>	<u>45,056</u>	<u>45,184</u>	<u>44,614</u>	<u>45,515</u>	<u>44,676</u>	<u>42,137</u>	<u>39,585</u>	<u>40,312</u>
<b>Expenditures</b>										
General government	5,289	2,455	2,573	407	824	1,067	620	829	682	730
Public safety	28,608	25,440	24,382	24,025	23,474	21,300	21,328	20,194	19,677	18,852
Health and human services	-	65	-	-	-	-	-	-	-	-
Highways and roads	6,990	6,258	5,973	6,752	6,269	5,699	5,920	8,364	7,559	6,813
Culture and recreation	8,414	6,597	5,476	6,720	7,156	6,998	6,562	6,668	6,423	6,082
Miscellaneous	-	1,383	1,552	2,803	2,874	4,509	3,716	3,321	5,180	2,769
Debt Service:										
Principal	500	1,927	1,927	1,839	1,895	1,865	1,665	1,585	1,075	1,570
Interest	12	71	122	199	194	231	270	333	160	219
Capital projects	106	2,467	3,384	2,964	2,525	3,291	5,119	1,192	778	1,263
Total Expenditures	<u>49,919</u>	<u>46,663</u>	<u>45,389</u>	<u>45,709</u>	<u>45,211</u>	<u>44,960</u>	<u>45,200</u>	<u>42,486</u>	<u>41,534</u>	<u>38,298</u>
Excess (Deficiency) of revenues over expenditures	5,396	1,134	(333)	(525)	(597)	361	(524)	(349)	(1,949)	2,014
<b>Other Financing Sources (uses)</b>										
Issuance of debt	-	-	1,081	600	1,000	718	363	-	4,150	-
Payment to refund bond escrow agent	-	-	-	-	-	-	-	-	588	-
Proceeds from sale of fixed assets	59	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
Transfers out	-	(664)	(664)	(664)	(2,715)	(2,553)	(1,303)	(467)	(6,996)	(500)
Unrealized loss on investments	-	-	-	-	-	-	-	-	-	(22)
Total other financing sources (uses)	<u>59</u>	<u>2</u>	<u>1,161</u>	<u>609</u>	<u>1,038</u>	<u>789</u>	<u>422</u>	<u>47</u>	<u>2,905</u>	<u>43</u>
Net Change in Fund Balances	<u>\$ 5,455</u>	<u>\$ 1,136</u>	<u>\$ 828</u>	<u>\$ 84</u>	<u>\$ 441</u>	<u>\$ 1,344</u>	<u>\$ (102)</u>	<u>\$ (302)</u>	<u>\$ 956</u>	<u>\$ 2,057</u>
Debt service as a percentage of noncapital expenditures	1.06%	4.48%	4.85%	4.61%	4.97%	5.12%	4.74%	4.95%	3.16%	4.95%

**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)

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Deed Transfer Tax</b>	<b>Earned Income Tax</b>	<b>Business, Mercantile and Local Service Tax</b>
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
2022	20,212	2,313	9,806	8,979

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

<b>Fiscal Year</b>	<b>Real Property Residential Property<sup>3</sup></b>	<b>Commercial Property<sup>3</sup></b>	<b>Total Assessed Value<sup>1</sup></b>	<b>Exempted Real Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value<sup>2</sup></b>	<b>Ratio of Total Taxable Assessed Value to Total Estimated Actual Value<sup>2</sup></b>
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	8,686,497	39.6%
2022	N/A	N/A	4,058,499	624,750	3,433,749	5.922	N/A <sup>4</sup>	N/A <sup>4</sup>

Data sources

<sup>1</sup>Source: County assessment tax duplicate.

<sup>2</sup>Source: State Tax Equalization Board Common Level Ratio.

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

<sup>4</sup>State 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**

Fiscal Year	Township of Abington			Montgomery County			Abington School District			Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	Total Township Millage	Operating Millage	Debt Service Millage <sup>1</sup>	Total County Millage	Operating Millage	Debt Service Millage <sup>2</sup>	Total School Millage	
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
2022	5.767	0.155	5.922	4.313	-	4.313	33.830	-	33.830	44.065

Data sources

<sup>1</sup>Montgomery County Finance Office

<sup>2</sup>Abington 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 Nine Years Ago  
(amounts expressed in thousands)**

Taxpayer	Type of Business	2022			2013		
		Taxable Assessed Valuation <sup>1</sup>	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation <sup>2</sup>	Rank	Percentage of Total Assessed Valuation
14236404	WG Park L P <sup>3</sup>	\$ 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 <sup>4</sup>	20,016	4	0.58%	12,312	10	0.36%
49664004	Pavilion Unit Acquisition LP <sup>5</sup>	18,434	5	0.54%	19,140	4	0.57%
49232004	Old York LLC <sup>6</sup>	14,861	6	0.43%			
49660008	Plaza Unit Acquisition LP	14,618	7	0.43%	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 <sup>7</sup>	13,507	9	0.39%			
28936005	Abington Hospital	12,822	10	0.37%	12,822	8	0.38%
14236008	WG Park LP <sup>8</sup>				13,554	7	0.40%
49808004	Abington Hospital				12,797	9	0.38%
Total:	Totals	<u>\$ 263,361</u>		<u>7.67%</u>	<u>\$ 201,456</u>		<u>5.96%</u>

Data sources

<sup>1</sup>Abington Township Tax Duplicate/Montgomery County Property Records

<sup>2</sup>2012 Township of Abington Annual Comprehensive Financial Report

<sup>3</sup>Reassessment effective 1/1/2017

<sup>4</sup>Assessed value in 2013 was 12,312,080

<sup>5</sup>Assessment appeal effective 8/1/2015

<sup>6</sup>Reassessment effective 1/1/2018 from 11,663,620

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

<sup>8</sup>Reassessment 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)**

<b>Fiscal Year Ended December 31</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2013	13,429	13,250	98.7%	174	13,424	100.0%
2014	13,433	13,302	99.0%	131	13,433	100.0%
2015	13,476	13,330	98.9%	142	13,472	100.0%
2016	14,267	14,133	99.1%	134	14,267	100.0%
2017	14,315	14,185	99.1%	131	14,316	100.0%
2018	14,588	14,439	99.0%	142	14,581	100.0%
2019	15,356	15,230	99.2%	120	15,350	100.0%
2020	16,752	16,619	99.2%	121	16,740	99.9%
2021	16,687	16,566	99.3%	69	16,635	99.7%
2022	20,335	20,195	99.3%			

**Township of Abington**  
**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 <sup>2</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds <sup>3</sup>	Leases	Notes Payable	General Obligation Bonds <sup>3</sup>				
2013	8,290	-	-	16,800		25,090	1.17%	456
2014	9,454	-	-	14,435		23,889	1.09%	434
2015	8,817	-	-	12,584		21,401	0.94%	389
2016	6,660	-	290	9,782		16,732	0.68%	304
2017	5,422	-	289	8,792		14,503	0.60%	264
2018	4,580	-	145	6,351		11,076	0.44%	201
2019	3,323	-	72	3,685		7,080	0.27%	129
2020	2,458	-	-	1,717		4,175	0.15%	76
2021	531	-	-	980		1,511	0.05%	27
2022	45	8	-	220		273	0.01%	5

<sup>1</sup>Population information is only available each 10 years from the U.S. Census

<sup>2</sup>See the Schedule of Demographic and Economic Statistics on page 106 for personal income and population data. 2021 and 2022 Personal Income Data not available therefore percentage is an estimate.

<sup>3</sup>Presented net of debt issuance premiums

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Estimated Actual Taxable Value<sup>1</sup> of Property</b>	<b>Per Capita<sup>2</sup></b>
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	0.02%	27
2022	265	N/A <sup>3</sup>	

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

<sup>1</sup>See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 98 for property value data.

<sup>2</sup>Population data can be found in the Schedule of Demographic and Economic Statistics on page 106.

<sup>3</sup>State Tax Equalization Board's Common Level Ratio is not available until after July 1.

**Township of Abington**  
**Montgomery County, Pennsylvania**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2022**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>1</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct:</b>			
Township of Abington	\$ 44,579	100.00%	\$ 44,579
<b>Overlapping:</b>			
Montgomery County <sup>2</sup>	585,102,775	5.80%	33,935,961
Abington School District <sup>3</sup>	<u>145,630,000</u>	96.75%	<u>140,897,025</u>
Sub Total Overlapping Debt			<u>174,832,986</u>
 Total Direct and Overlapping	 <u>\$ 730,777,354</u>		 <u>\$ 174,877,565</u>

Data sources:

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

<sup>2</sup>Montgomery County Finance Director

<sup>3</sup>Abington School District Period Ending June 30, 2022 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>2022</u>	<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	\$ 161,136	\$ 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>265</u>	<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>\$ 160,871</u>	<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	0.16%	0.98%	2.75%	4.57%	7.25%	9.34%	11.24%	14.17%	17.13%	18.77%

**Debt Limit Formula for Fiscal Year 2022**

Total net revenues (2020-2022)	\$193,363,209
Three year average (borrowing base)	\$ 64,454,403
Multiplier	250%
Total nonelectoral debt limit	\$161,136,007

Note: The Local Government Unit Debt Act (Act 52 of 1978, reenacting and amending Act 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**

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup> (in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Median Age<sup>1</sup></b>	<b>School Enrollment<sup>3</sup></b>	<b>Unemployment Rate<sup>4</sup></b>
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	2,797,881	50,585	42.8	8,364	6.1%
2021	58,502	N/A	N/A	42.4	8,292	3.3%
2022	58,502	N/A	N/A	42.4	8,540	3.0%

Data Sources:

<sup>1</sup>2000, 2010 and 2020 Official U.S. Census

<sup>2</sup>Pennsylvania 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. 2021 and 2022 data not yet available.

<sup>3</sup>Abington School District

<sup>4</sup>Pennsylvania 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 Nine Years Ago**

<b>Employer</b>	<b>2022</b>			<b>2013</b>		
	<b>Employees<sup>1</sup></b>	<b>Rank</b>	<b>Percentage of Total Township Employment</b>	<b>Employees<sup>2</sup></b>	<b>Rank</b>	<b>Percentage of Total Township Employment</b>
Abington Memorial Hospital (Hospital)	4,129	1	18.26%	4,053	1	17.63%
Holy Redeemer Health System (Hospital)	2,084	2	8.14%	2,062	2	8.97%
Willow Grove Mall	1,797	3	7.02%	2,037	3	8.86%
Sarah Care (Adult Day Care Services Center)	1,149	4	4.49%			
Abington School District (Public School District)	1,140	5	4.45%	1,078	4	4.69%
The Pennsylvania State University (College)	696	6	2.72%	681	7	2.96%
SPS Technologies (Manufacturer)	574	7	2.24%	793	5	3.45%
Abington Township (Municipal Government)	538	8	2.10%	621	8	2.70%
Giant (Food Market-2)	469	9	1.83%	388	9	1.69%
Philadelphia Presbyterian Home	369	10	1.44%			
Federated Department Stores (Macy's & Bloomingdale's)				721	6	3.14%
Target (Department Store)				352	10	1.53%
<b>Totals</b>	<b>12,945</b>		<b>52.68%</b>	<b>12,786</b>		<b>55.63%</b>

Data Sources:

<sup>1</sup>2021- Local Service Tax Records

<sup>2</sup>2012 Township of Abington ACFR

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

<b>Function</b>	<u>2022</u>	<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>
Administration	12	11	11	12	12	15	16	16	16	16
Code Enforcement	7	7	5	7	7	7	7	7	7	6
Engineering	4	3	4	3	3	3	3	4	4	4
Sanitation	27	25	25	26	25	25	26	26	26	28
Highways and Streets	31	30	31	31	31	31	30	30	30	30
Vehicle Maintenance	6	6	6	6	6	7	7	7	7	7
Parks and Recreation	25	23	19	23	25	25	25	25	25	26
Public Safety										
Police										
Officers	92	92	92	92	92	92	92	92	92	92
Civilians	18	18	18	20	20	20	21	23	23	22
Fire	5	5	4	3	3	4	4	4	4	4
Library	22	23	20	22	23	23	23	23	23	23
WasteWater	17	17	15	16	17	16	16	16	16	18
<b>Total</b>	<u>266</u>	<u>260</u>	<u>250</u>	<u>261</u>	<u>264</u>	<u>268</u>	<u>270</u>	<u>273</u>	<u>273</u>	<u>276</u>

Source: Township payroll department



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

<b>Function<sup>1</sup></b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Code Enforcement										
Permits Issued (Building, Electrical and Fire)	3,877	3,786	3,483	3,759	3,218	3,034	3,299	3,276	3,326	2,439
Police										
Physical Arrests	1,204	723	1,062	1,499	1,909	2,280	1,685	1,681	1,986	1,722
Total Crimes (Part I and II)	3,032	2,624	2,510	3,112	3,004	3,501	3,464	3,383	3,416	3,212
Traffic and Parking Citations	4,211	4,161	3,381	8,399	8,880	9,799	9,602	10,458	10,718	9,772
Highways and Streets										
Street resurfacing (miles)	22.50	4.10	4.00	17.00	22.00	22.00	18.00	15.30	14.20	8.06
Sanitation										
Tons of Commingled Recyclables	2,296	3,259	3,415	2,628	2,891	3,292	2,815	2,927	3,211	3,040
Tons of Single-Stream Recyclables	535									
Tons of Paper	3,271	3,157	3,354	3,136	3,287	3,392	3,435	3,543	3,756	4,198
Tons of Refuse	18,141	18,587	19,217	16,534	16,992	17,900	17,155	17,208	17,575	17,583
Parks and Recreation										
Park Attendance	182,277	98,591	50,734	192,637	192,587	186,402	184,073	208,800	208,809	204,964
Pool Memberships	5,433	4,033	1,117	4,877	4,547	5,831	5,068	5,288	5,241	5,789
Wastewater										
Miles of sanitary sewers	260	260	260	260	260	216	216	216	216	216
Miles of storm sewers	125.1	124.5	124.1	123.6	120	119	119	119	119	119
Number of equivalent dwelling units connected	12,083	12,079	12,072	12,063	12,055	12,046	12,006	12,002	12,001	11,988
Daily average treatment in gallons (millions)	3.12	3.27	3.45	3.76	3.48	2.72	2.71	2.50	2.90	2.66
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 and services not included in primary government:										
Library <sup>2</sup>										
Circulation					474,907	441,939	458,109	459,806	472,830	491,824
Physical Items	361,016	136,957	147,268	454,619						
Digital Items <sup>4</sup>	178,930	116,000	162,564	27,719						
Volumes					150,787	153,686	157,063	160,074	172,689	172,843
Physical Items	141,520	148,523	129,108	143,326						
Digital Items <sup>3,4</sup>	79,959	47,679	67,530	376,047						
Fire										
Calls	1,703	1,713	1,712	1,663	1,683	1,576	1,581	1,823	1,846	1,498
Inspections	857	862	1,576	1,608	723	451	910	1,349	1,127	1,138
Second Alarmers Rescue Squad										
Emergency Rescue Calls	6,567	6,062	5,249	5,701	5,391	5,646	5,466	5,493	5,407	5,476

Data Sources:

<sup>1</sup>Various Township Departments

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

<sup>3</sup>In 2020, the Library increased its digital circulation; however, total volumes decreased due to the changes in the State instituted to count digital volumes.

<sup>4</sup>The 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**

<b>Function<sup>1</sup></b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Highways and streets										
Streets (miles)										
County	3	3	3	3	3	3	3	3	3	3
Municipal	184	184	184	184	184	184	184	184	184	184
State	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	28	27	27	27	27	27	27	27	27
Community Centers	3	3	3	3	2	2	2	2	2	2
Golf Courses (Par-3 and Mini)	2	2	2	2	2	2	2	2	2	2
Parks (17 Active, 14 Passive)	31	29	29	29	28	28	28	28	28	28
Swimming pools	3	3	3	3	3	3	3	3	3	3
Tennis Courts	13	13	13	10	10	10	10	10	10	10
Basketball Courts <sup>2</sup>	11									
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	23	25	24	24	24	24	23
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 and 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	239	230	230	218	218	220	233	222	229	241

<sup>1</sup>Source: Various Township Departments

<sup>2</sup>Not reported prior to 2022