

# UPPER UWCHLAN TOWNSHIP,

*Pennsylvania*



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2024

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*Pennsylvania*



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**FOR THE YEAR ENDED  
DECEMBER 31, 2024**

**Prepared by:  
Jill Bukata, CPA, Treasurer**

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## **INTRODUCTORY SECTION**



## Upper Uwchlan Township

June 26, 2025

Citizens of Upper Uwchlan Township,  
Members, and Board of Supervisors

On behalf of the Finance Department and all Township staff, we are pleased to present the Annual Comprehensive Financial Report ("ACFR") for the year ended December 31, 2024. The purpose of the ACFR is to convey a detailed and transparent representation of the financial position of the governmental, proprietary, and fiduciary funds of the Township. Township management is responsible for the preparation and fair representation of the financial statements in accordance with generally accepted accounting procedures and takes full responsibility for the preparation and presentation of said information. As part of this preparation, the Township has designed and implemented a comprehensive system of internal controls over financial reporting that assist in providing reasonable assurance that the financial statements are fairly presented. In developing this system of internal controls, consideration was given to ensure that the controls provided reasonable, but not absolute assurance that Township assets are safely guarded from loss or unauthorized use, that the accounting records used to prepare the financial statements are reliable, and that accountability for the records is maintained. The concept of reasonable assurance recognizes that the costs and benefits of implementing these controls require estimates and judgments by management.

The financial statements have been audited by Barbacane, Thornton & Company LLP, Wilmington, Delaware who have issued unmodified opinions on the financial statements. The ACFR contains an independent auditor's report, management's discussion and analysis, a series of basic financial statements, supplementary information, and statistics. The ACFR, in its entirety, as a supplemental document to the annual Township budget clearly communicates the priorities, goals, and objectives of the Township as they relate to services provided to our community. We would encourage readers of this report to take the time to review all available sections in order to obtain a clear understanding of Township operations and both the short-term and long-term financial position of the Township.

# Upper Uwchlan Township

## Township Profile

Upper Uwchlan, originally incorporated as a municipality in 1858, is a township of the second class located in central Chester County, approximately 30 miles west of Philadelphia, Pennsylvania and 25 miles north of the City of Wilmington, Delaware. Upper Uwchlan Township is one of 73 municipalities that make up Chester County, Pennsylvania, one of the three original Pennsylvania Counties created by William Penn in 1682 (Philadelphia and Bucks being the other two). Upper Uwchlan Township is approximately 12.12 square miles in size with an estimated population of 13,612. In 2024, there were 4,544 residential parcels in the Township with a median value of \$578,700 and a total assessed valuation of \$1,014,392,235. This compares to a median value in Chester County of \$461,800 and \$240,500 in the Commonwealth of Pennsylvania. The median family income in Upper Uwchlan Township in 2024 was \$188,464 compared to \$123,041 and \$76,081 for Chester County and the Commonwealth of Pennsylvania, respectively. Township residents are well educated. The majority (98.0 percent) of Township residents are high school graduates and 74.8 percent have a Bachelor's degree or higher.

The ten largest employers in Upper Uwchlan Township provide approximately 1,800 jobs. Most businesses within the Township are small retail or professional offices.

Marsh Creek State Park is located in Upper Uwchlan and Wallace Townships. It is the location of the 535-acre man-made Marsh Creek Lake, which was created when Marsh Creek was dammed in the early 1970s. It has an average depth of 40 feet (73 feet at its deepest); it is stocked with fish and is a stop for migrating waterfowl. Fishing and non-powered or electric powered boats are permitted. A portion of the park is open to hunting. There are about 12 miles of trails available for equestrian use, hiking, and mountain biking around the lake.

The Township owns over 116 acres of passive and active recreational land in four parks – Upland Farms (56 acres), Hickory Park (32 acres), Fellowship Fields (17 acres), Larkins Field (7.2 acres), Eagle Crossroads Park (approximately 1 acre), and the newly acquired open space on Little Conestoga Road and Byers Road (13 acres each).

Upper Uwchlan Township has its own full-time police department, which received Pennsylvania Chiefs of Police Association Accreditation in July, 2016. Accreditation communicates a commitment to best management practices in law enforcement, community relations, and communications and reduces exposure to lawsuits and liability. The awarding of accreditation status was the culmination of four years of hard work and commitment by the leadership team within our police department and all of our police officers; we are very proud of their accomplishments. The Township is served by four volunteer fire companies from surrounding Townships and three EMS organizations, all staffed by committed, well-trained personnel.

## 2024 In Review

Overall financial results were much better than budgeted. The net change in the General Fund's fund balance was \$231,176 vs. the 2024 budget of (\$289,016), a positive variance of \$520,192. One of the major factors, which are discussed in the Management's Discussion and Analysis, were higher than budgeted revenues. Total revenues were higher than planned by \$2,057,123 mainly due to the use of the remaining ARPA funds during 2024. In accordance with GAAP, ARPA funds were recorded as deferred revenue when received and then recorded as revenue as they were expended. Approximately \$868,000 in ARPA funds were expended during 2024. Earned income tax revenues were the other factor, exceeding budget by \$555,386 in 2024.

# Upper Uwchlan Township

The Township continues to make prudent planning for the efficient and effective delivery of quality municipal services a critically important objective. The Township has, and will continue, to concentrate on the delivery of core services such as police, public works, building/codes, solid waste and recycling services, fire/emergency medical services, storm water management, traffic management, parks and recreation, and planning and zoning. The Township continues to be prudent in the development of its annual budgets.

Legal budgetary control is maintained at the department level under the direction of the Township Manager. During 2024, the Township purchased two properties for public use. One property, located at 640 Little Conestoga Road will be open space with the potential of being used as a park in the future and the second, located at 511 Byers Road will be open space. The Township also started the Eagle Village Gateway and Mobility Plan which will be partially funded by a grant from DVRCP. The Township also continued its road paving program by paving approximately 2.2 miles of township roadways. The Township strives to obtain grant funding for projects whenever they are available.

In an effort to continue to improve vehicular and pedestrian mobility and safety, the Township has constructed several roadways, pedestrian trails, and traffic signals in the recent past. The Township will continue to apply for available transportation funding to be used to construct additional transportation-related projects. These planning and construction efforts are coordinated with a number of outside agencies such as the Pennsylvania Turnpike Commission and PennDOT so as to maximize both opportunity for meaningful improvements and return on investment.

Upper Uwchlan Township continues to grow, and growth translates to additional service delivery. Our elected officials understand the needs of our community and, at the same time, continue to emphasize cautious and prudent planning and responsible spending based on clearly identified needs of the community. The Township will continue to evaluate all of our municipal services and balance the resources needed to deliver those services with prudent and responsible financial practices.

Please read the Management's Discussion and Analysis on pages 12 to 20 for more information on the Township's 2024 results.

## **Awards**

For the twelfth consecutive year, Upper Uwchlan Township has been awarded the Government Finance Officers Association ("GFOA") Distinguished Budget Presentation Award (2024). The award reflects a significant organizational achievement and reflects the commitment and dedication of the Board of Supervisors and staff to meeting the highest principles and well-recognized governmental best practices in the area of governmental budgeting. In order to receive the budget award, the Township had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as a policy document, a financial plan, an operations guide, and a communications device. Thank you to all of the Department Heads involved in the budget process for their ongoing efforts.

Upper Uwchlan Township was also awarded a GFOA Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report ("ACFR") issued for the year ended December 31, 2023; the ninth consecutive year the Township received this award.

# Upper Uwchlan Township

## Acknowledgements

With the continued guidance and direction of our elected officials, and with the dedication of all of our volunteers and staff, the Township has, is, and continues to deliver municipal services, with the utmost professionalism, in a prudent and responsible manner, assuring long-term financial stability. The Township's success is a direct result of dedicated elected officials, volunteers, and staff. We thank everyone involved in the organization for the hard work and dedication, it is greatly appreciated!

*Tony Scheivert*

Tony Scheivert  
Township Manager

*Jill Bukata*

Jill Bukata  
Treasurer



Government Finance Officers Association

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

Presented to

**Upper Uwchlan Township  
Pennsylvania**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2023

*Christopher P. Morill*

Executive Director/CEO

**Upper Uwchlan Township  
Chester County, Pennsylvania  
List of Elected and Appointed Officials  
December 31, 2024**

**Elected Officials**

|                           |                   |
|---------------------------|-------------------|
| Township Chairperson      | Jenn F. Baxter    |
| Township Vice-Chairperson | Andrew Durkin     |
| Township Supervisor       | Sandra M. D'Amico |

**Appointed Officials**

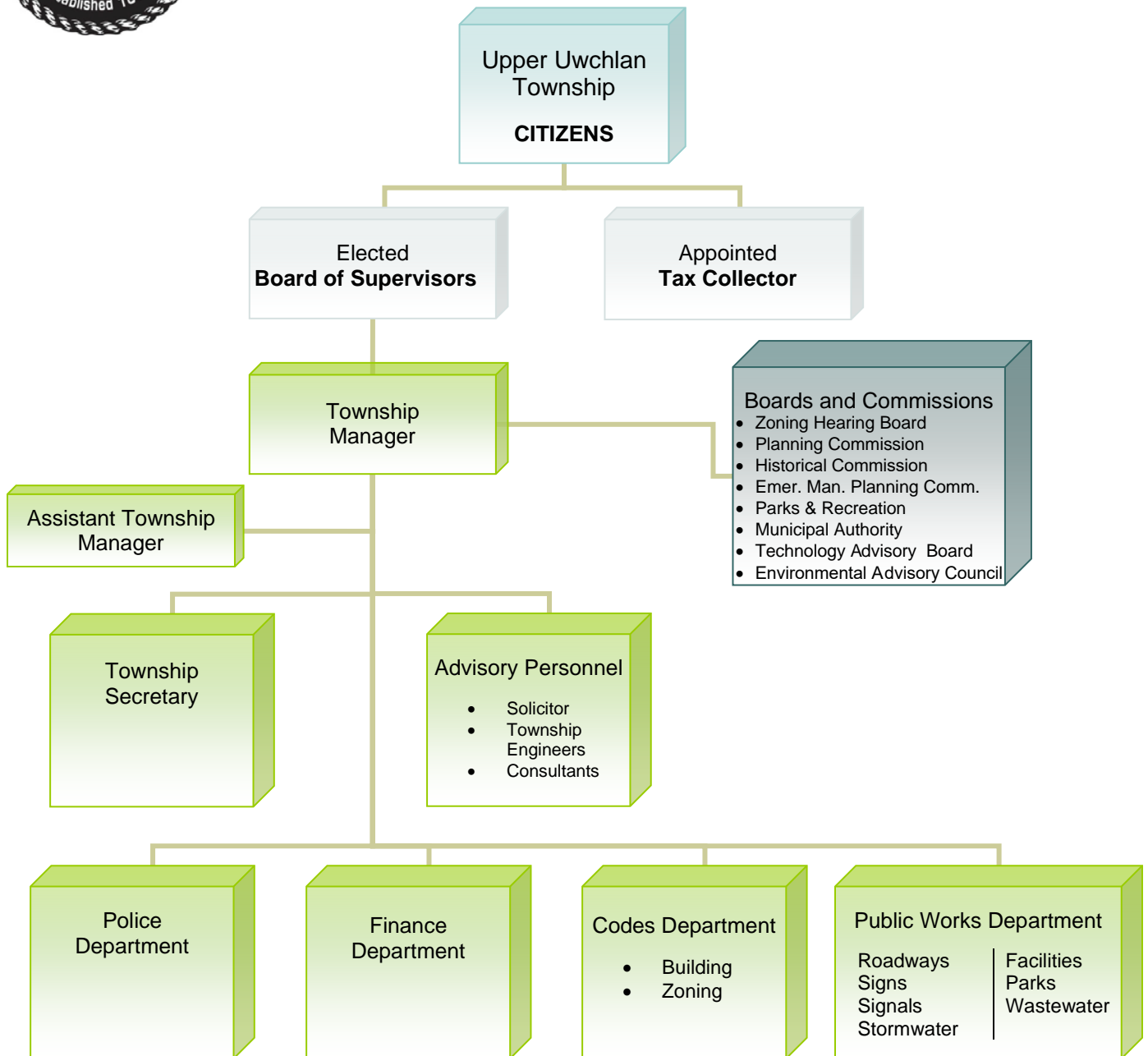
|                            |                                    |
|----------------------------|------------------------------------|
| Township Manager           | Tony Scheivert                     |
| Assistant Township Manager | Lindsay Yeager                     |
| Township Secretary         | Gwen Jonik                         |
| Township Treasurer         | Jill Bukata, CPA                   |
| Chief of Police            | Thomas Jones                       |
| Township Codes Official    | Rhys Lloyd                         |
| Public Works Director      | Michael Esterlis                   |
| Township Engineer          | Gilmore & Associates               |
| Solicitor                  | Buckley Brion McGuire & Morris LLP |

**Volunteer Boards**

Planning Commission  
Zoning Hearing Board  
Historical Commission  
Park and Recreation Commission  
Emergency Management Planning Commission  
Technology Advisory Board  
Environmental Advisory Council  
Municipal Authority



# UPPER UWCHLAN TOWNSHIP ORGANIZATIONAL CHART



EMS and Fire services are provided by the following agencies: Uwchlan Ambulance (Station 87), Lionville Fire Department (Station 47), Ludwig's Corner Fire Department (Station 73), East Brandywine Fire Department (Station 49), and the Glenmoore Fire Department (Station 48)

## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

June 26, 2025

To the Board of Supervisors  
Upper Uwchlan Township  
Chester Springs, 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 Upper Uwchlan Township, Chester Springs, Pennsylvania, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Upper Uwchlan Township's basic financial statements as listed in the table of contents.

In our opinion, 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 Upper Uwchlan Township as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

To the Board of Supervisors  
Upper Uwchlan Township

### Responsibilities of Management for the Financial Statements

Upper Uwchlan 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 Upper Uwchlan Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Upper Uwchlan Township's ability to continue as a going concern for a reasonable period of time.

To the Board of Supervisors  
Upper Uwchlan Township

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.

#### Report on Summarized Comparative Information

We have previously audited Upper Uwchlan Township's 2023 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information in our report dated June 27, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 20; schedules of changes in the net pension liability (asset), related ratios, and investment returns on pages 66 through 67; and schedules of employer contributions and notes to required supplementary information on pages 68 through 69 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Upper Uwchlan Township's basic financial statements. The combining nonmajor governmental fund financial statements and combining fiduciary fund financial statements on pages 70 through 73 and schedule of expenditures of federal awards on page 97 are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and are not a required part of the basic financial statements.

The combining nonmajor governmental fund financial statements, combining fiduciary fund financial statements and schedule of expenditures of federal awards 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

To the Board of Supervisors  
Upper Uwchlan Township

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 governmental fund financial statements, the combining fiduciary fund financial statements and schedule of expenditures of federal awards 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 financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 26, 2025, on our consideration of Upper Uwchlan 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 Upper Uwchlan Township's internal control over financial reporting and compliance.

*Barbacane, Thornton & Company LLP*  
BARBACANE, THORNTON & COMPANY LLP

## UPPER UWCHLAN TOWNSHIP

### MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

This discussion and analysis of Upper Uwchlan Township ("the Township"), Chester Springs, Pennsylvania, provides an overview of the Township's financial performance for the year ended December 31, 2024. Please read it in conjunction with the Township's financial statements, which begin on page 21.

#### FINANCIAL HIGHLIGHTS

- **Net Position** – The assets and deferred outflows of resources of the Township exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$40,110,483 (representing its net position).
- **Cash and Investments** – Total Township assets (excluding assets held in fiduciary funds) included \$10,908,815 in cash and cash equivalents and investments.
- **Governmental Fund Balances** – As of December 31, 2024, the Township's governmental funds combined ending fund balances of \$10,954,070, which was \$69,026 less than the prior year. Fund balance decreased primarily due to increased public works – highways and streets expenditures. Of this total, \$7,325,118 is unassigned (available for spending at the Township's discretion) in the General Fund.

#### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities on pages 21 and 22 provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements start on page 23 and include governmental, proprietary, and fiduciary funds. For governmental activities, these statements explain how services were financed in the short term as well as what remains for future spending. The governmental and proprietary fund financial statements also report the Township's operations in more detail than the entity-wide statements by providing information about the Township's most significant funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

#### Reporting the Township as a Whole

##### Statement of Net Position and Statement of Activities

The analysis of the Township as a whole begins on pages 21 and 22 with the Statement of Net Position and the Statement of Activities.

These statements provide information that will help the reader to determine if the Township is financially better or worse off as a result of the year's activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid. The reader can think of the Township's net position as one way to measure the Township's financial health or financial position. Over

## UPPER UWCHLAN TOWNSHIP

### MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)

time, increases or decreases in the Township's net position are one indicator of whether its financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors, however, such as changes in the Township's property base and employment and the condition of the Township's assets, to assess the overall health of the Township.

In the Statement of Net Position and the Statement of Activities, the Township is divided into two kinds of activities:

- **Governmental Activities** – Most of the Township's basic services are reported here, including the police, fire, general administration, public works, parks, and recreation. Earned income taxes, local services taxes, property taxes, intergovernmental revenues, and permit fees finance most of these activities.
- **Business-type Activities** – The Township charges a fee to customers to cover the cost of certain services it provides. The Township's sewer activities are reported here.

#### Reporting the Township's Most Significant Funds

##### **Fund Financial Statements**

Our analysis of the Township's major funds provides detailed information about the most significant funds – not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for money designated for special use (e.g., Capital Projects Fund). The Township's three kinds of funds – **governmental, proprietary, and fiduciary** – use different accounting approaches.

**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 the modified accrual accounting method, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Township's general governmental operations and the basic services it provides. Governmental fund information helps the reader 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 reconciliations which follow the fund financial statements.

**Proprietary Funds** – When the Township charges customers for the sewer services it provides, these services are reported in the proprietary fund. The proprietary fund is reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Township's enterprise fund (a component of the proprietary fund) is the same as the business-type activities reported in the entity-wide statements but provides more detail and additional information, such as cash flows for the proprietary fund.

## UPPER UWCHLAN TOWNSHIP

### MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)

#### The Township as Trustee

#### Reporting the Township's Fiduciary Responsibilities

The Township is the trustee, or fiduciary, responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiaries. All of the Township's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. These activities are excluded from the Township's other financial statements because the Township cannot use these assets to finance its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

#### THE TOWNSHIP AS A WHOLE

#### Entity-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets and deferred outflows of resources totaling \$55,246,961 exceeded liabilities and deferred inflows of resources by \$40,110,483 at the close of 2024, as reflected in the Statement of Net Position, an increase of \$150,070 from the prior year.

Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the Township's governmental and business-type activities.

| <b>Table 1</b><br><b>STATEMENT OF NET POSITION</b><br><b>December 31, 2024 and 2023</b> |                         |                      |                          |                      |                     |                      |
|---|-------------------------|----------------------|--------------------------|----------------------|---------------------|----------------------|
|   | Governmental Activities |                      | Business-type Activities |                      | Totals              |                      |
|   | 2024                    | 2023                 | 2024                     | 2023                 | 2024                | 2023                 |
| ASSETS AND DEFERRED<br>OUTFLOWS OF RESOURCES  |                         |                      |                          |                      |                     |                      |
| Assets:   |                         |                      |                          |                      |                     |                      |
| Current and other assets  | \$ 11,374,112           | \$ 12,353,732        | \$ 5,318,435             | \$ 5,314,711         | \$ 16,692,547       | \$ 17,668,443        |
| Capital and related assets  | 17,715,042              | 17,533,450           | 20,203,509               | 20,615,083           | 37,918,551          | 38,148,533           |
| Total Assets  | <u>29,089,154</u>       | <u>29,887,182</u>    | <u>25,521,944</u>        | <u>25,929,794</u>    | <u>54,611,098</u>   | <u>55,816,976</u>    |
| Deferred Outflows of Resources:   |                         |                      |                          |                      |                     |                      |
| Deferred pensions   | 635,863                 | 1,091,486            | -                        | -                    | 635,863             | 1,091,486            |
| Total Deferred Outflows<br>of Resources   | <u>635,863</u>          | <u>1,091,486</u>     | <u>-</u>                 | <u>-</u>             | <u>635,863</u>      | <u>1,091,486</u>     |
| TOTAL ASSETS AND<br>DEFERRED OUTFLOWS<br>OF RESOURCES                                   | <u>\$ 29,725,017</u>    | <u>\$ 30,978,668</u> | <u>\$ 25,521,944</u>     | <u>\$ 25,929,794</u> | <u>\$55,246,961</u> | <u>\$ 56,908,462</u> |

# UPPER UWCHLAN TOWNSHIP

## MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)

| <b>Table 1</b><br><b>STATEMENT OF NET POSITION</b><br><b>December 31, 2024 and 2023</b> |                         |               |                          |               |               |               |
|---|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
| (cont'd)  | Governmental Activities |               | Business-type Activities |               | Totals        |               |
|   | 2024                    | 2023          | 2024                     | 2023          | 2024          | 2023          |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION                            |                         |               |                          |               |               |               |
| Liabilities:  |                         |               |                          |               |               |               |
| Current liabilities   | \$ 685,379              | \$ 1,589,361  | \$ 287,661               | \$ 287,661    | \$ 973,040    | \$ 1,877,022  |
| Non-current liabilities   | 4,296,077               | 5,089,873     | 8,965,424                | 9,211,425     | 13,261,501    | 14,301,298    |
| Total Liabilities   | 4,981,456               | 6,679,234     | 9,253,085                | 9,499,086     | 14,234,541    | 16,178,320    |
| Deferred Inflows of Resources:  |                         |               |                          |               |               |               |
| Deferred gain on refunding  | -                       | -             | 71,596                   | 76,706        | 71,596        | 76,706        |
| Deferred pensions   | 830,341                 | 693,023       | -                        | -             | 830,341       | 693,023       |
| Total Deferred Inflows of Resources   | 830,341                 | 693,023       | 71,596                   | 76,706        | 901,937       | 769,729       |
| Net Position:   |                         |               |                          |               |               |               |
| Net investment in capital assets  | 12,909,840              | 12,745,757    | 10,905,397               | 11,065,860    | 23,815,237    | 23,811,617    |
| Restricted  | 3,566,708               | 3,882,689     | 112,879                  | 109,155       | 3,679,587     | 3,991,844     |
| Unrestricted  | 7,436,672               | 6,977,965     | 5,178,987                | 5,178,987     | 12,615,659    | 12,156,952    |
| Total Net Position  | 23,913,220              | 23,606,411    | 16,197,263               | 16,354,002    | 40,110,483    | 39,960,413    |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION                      | \$ 29,725,017           | \$ 30,978,668 | \$ 25,521,944            | \$ 25,929,794 | \$ 55,246,961 | \$ 56,908,462 |

Township capital assets include infrastructure assets, incorporating approximately 59 miles of road, 41 miles of sewer pipeline, and traffic signals at 11 highway intersections. Total liabilities include \$13,770,901 in outstanding debt. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Township's unrestricted governmental activities net position of \$7,436,672 may be used to meet the Township's ongoing obligations to citizens and creditors. This compares with last year's total unrestricted net position of \$6,977,965. Unrestricted governmental activities net position increased \$458,707 from the prior year primarily due to the change in the net pension liability.

At the end of the current fiscal year, the Township is able to report positive balances in net position, both for the government as a whole and for its business-type activities.

# UPPER UWCHLAN TOWNSHIP

## MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)

### Governmental Activities

As reported in Table 2, the increase in net position from the Township's governmental activities was \$306,809 for the year ended December 31, 2024.

| <b>Table 2</b><br><b>STATEMENT OF CHANGES IN NET POSITION</b><br><b>For the Years Ended December 31, 2024 and 2021</b> |                         |                      |                          |                     |                     |                     |
|--|-------------------------|----------------------|--------------------------|---------------------|---------------------|---------------------|
|  | Governmental Activities |                      | Business-type Activities |                     | Totals              |                     |
|  | 2024                    | 2023                 | 2024                     | 2023                | 2024                | 2023                |
| <b>REVENUES</b>  |                         |                      |                          |                     |                     |                     |
| Program revenues:  |                         |                      |                          |                     |                     |                     |
| Charges for services   | \$ 2,303,345            | \$ 2,354,448         | \$ 573,512               | \$ 582,942          | \$ 2,276,857        | \$ 2,937,390        |
| Operating and capital grants and contributions   | 1,156,338               | 969,354              | -                        | -                   | 1,156,338           | 969,354             |
| General revenues:  |                         |                      |                          |                     |                     |                     |
| Earned income taxes  | 5,092,826               | 4,907,438            | -                        | -                   | 5,092,826           | 4,907,438           |
| Real estate taxes  | 1,487,861               | 1,499,484            | -                        | -                   | 1,487,861           | 1,499,484           |
| Real estate transfer taxes   | 704,389                 | 708,427              | -                        | -                   | 704,389             | 708,427             |
| Franchise fees   | 197,181                 | 194,638              | -                        | -                   | 197,181             | 194,638             |
| Other  | 535,493                 | 460,537              | 4,790                    | 4,292               | 540,283             | 464,829             |
| <b>TOTAL REVENUES</b>  | <b>11,477,433</b>       | <b>11,094,326</b>    | <b>578,302</b>           | <b>587,234</b>      | <b>12,055,735</b>   | <b>11,681,560</b>   |
| <b>EXPENSES</b>  |                         |                      |                          |                     |                     |                     |
| General government   | 1,655,921               | 1,447,503            | -                        | -                   | 1,655,921           | 1,447,503           |
| Public safety  | 3,814,575               | 4,694,127            | -                        | -                   | 3,814,575           | 4,694,127           |
| Public works - highways and streets  | 2,907,197               | 2,434,023            | -                        | -                   | 2,907,197           | 2,434,023           |
| Public works - sanitation  | 1,308,520               | 1,156,159            | -                        | -                   | 1,308,520           | 1,156,159           |
| Culture and recreation   | 1,036,457               | 800,702              | -                        | -                   | 1,036,457           | 800,702             |
| Health and welfare   | 34,704                  | 30,697               | -                        | -                   | 34,704              | 30,697              |
| Interest expense   | 413,250                 | 199,854              | -                        | -                   | 413,250             | 199,854             |
| Sewer operations   | -                       | -                    | 735,041                  | 818,519             | 735,041             | 818,519             |
| <b>TOTAL EXPENSES</b>  | <b>11,170,624</b>       | <b>10,763,065</b>    | <b>735,041</b>           | <b>818,519</b>      | <b>11,905,665</b>   | <b>11,581,584</b>   |
| <b>INCREASE (DECREASE) IN NET POSITION</b>   | <b>306,809</b>          | <b>331,261</b>       | <b>(156,739)</b>         | <b>(231,285)</b>    | <b>150,070</b>      | <b>99,976</b>       |
| <b>NET POSITION, BEGINNING OF YEAR</b>   | <b>23,606,411</b>       | <b>23,275,150</b>    | <b>16,354,002</b>        | <b>16,585,287</b>   | <b>39,960,413</b>   | <b>39,860,437</b>   |
| <b>NET POSITION, END OF YEAR</b>   | <b>\$ 23,913,220</b>    | <b>\$ 23,606,411</b> | <b>\$16,197,263</b>      | <b>\$16,354,002</b> | <b>\$40,110,483</b> | <b>\$39,960,413</b> |

The cost of all governmental activities in 2024 was \$11,170,624, including \$1,090,597 in depreciation. This cost was funded primarily by tax revenue of \$7,285,076, including the earned income tax, real

## UPPER UWCHLAN TOWNSHIP

### MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)

estate taxes, and real estate transfer taxes. Charges for services, including permits, accounted for an additional \$2,303,345 in revenue, and intergovernmental revenue accounted for another \$1,156,338.

As indicated by governmental activities expenses, public safety programs account for \$3,814,575, or approximately thirty-eight percent (33%) of the total expenses of the Township's governmental activities. Public safety includes the police department, the Township's emergency management services, and contributions to the local fire departments which provide services to the Township. General administration and highways and streets services account for approximately fourteen percent (15%) and twenty-four percent (26%), respectively, of the total governmental activities expenses for 2024.

Real estate taxes, earned income taxes, and other general revenues not designated for specific programs provide the major revenue sources for governmental activities. The earned income tax is the largest revenue source for governmental activities and accounted for \$5,092,826, or forty-four percent (44%) of all governmental activity revenue in 2024. Operating grants, real estate taxes and real estate transfer taxes provided nine percent (9%), thirteen percent (13%), and six percent (6%), respectively, of total governmental activity revenue.

Revenues for governmental activities in 2024 were \$383,107 higher than in 2023. This net increase was due primarily to an increase in operating grants, earned income tax, and interest and rental income in 2024.

#### **Business-type (Proprietary Funds) Activities**

The Township's sewer system includes 15 sewer pumping stations and approximately 41 miles of pipeline. The Township accepts flows from a residential development that is partially in West Vincent Township and collects sewer rental fees from these properties. As reflected in Table 2, sewer expenses totaled \$735,041 for 2024. Operating expenses included \$411,575 in depreciation expense in 2024.

As also reflected in the Statement of Net Position, total assets for the business-type activities as of December 31, 2024 were \$25,521,944. This included \$5,318,435 in cash and other current accounts, and \$20,203,509 of equipment and infrastructure assets.

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

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** – The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As shown on pages 23 and 25, as of December 31, 2024, the Township's governmental funds reported combined ending fund balances of \$10,954,070, a decrease of \$69,026 from the prior year. The

## UPPER UWCHLAN TOWNSHIP

### MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)

Capital Projects Fund incurred a decrease in fund balance of \$65,328, primarily due to ongoing renovation and construction projects, partially offset by the General Fund's transfer of \$1,588,809 during 2024. The Solid Waste Fund incurred a decrease of \$26,697, and the non-major governmental fund decreased by \$208,177.

Approximately sixty-four percent (67%), or \$7,325,118, is an unassigned fund balance in the General Fund, which means that it is available for spending at the Township's discretion. The remainder of the fund balance is either nonspendable or restricted, which means that it is not available for new spending because it has been restricted for capital improvements, park development, or other special purposes.

Major funds maintained by the Township include the following:

The **General Fund** is the chief operating fund of the Township. As of December 31, 2024, the total fund balance of the General Fund was \$7,354,083, a \$231,176 increase from 2023 due to operating revenues exceeding expenditures and transfers to other funds. As stated above, almost all (99%) of the General Fund's fund balance is "unassigned."

The **Capital Projects Fund** provides funding for capital improvements or other unique expenditures which are not normal operating or maintenance-type expenditures reportable within the General Fund or other governmental funds. The total fund balance as of December 31, 2024 was \$134,660 a decrease of \$65,328 from 2023 due primarily to transfers in the current year being exceeded by capital outlays.

Historically, the major revenue and other financing sources for the Capital Projects Fund usually are transfers from the General Fund, interest earnings, and contributions from developers for specific infrastructure improvements. The General Fund also may transfer monies to the Capital Projects Fund to reserve for capital expenditures associated with the general operation of the Township.

The **Solid Waste Fund** provides funding for solid waste collection services provided to residents. The total fund balance as of December 31, 2024 was \$696,288, a decrease of \$26,697 from 2023 due to expenditures exceeding charges for services for sanitation and transfers to other funds.

**Proprietary Funds** – The Township's proprietary funds provide the same type of information found in the entity-wide financial statements, but in more detail.

The unrestricted net position of the proprietary funds at the end of the year, as reported on page 29, amounted to \$5,178,987.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

The statement comparing the Township's General Fund budget and actual results can be found on pages 27 and 28 of the financial statements.

The conservative 2024 budget for the General Fund anticipated that revenues and other financing sources would exceed expenditures and other financing uses by \$289,016; however, the Township

## UPPER UWCHLAN TOWNSHIP

### MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)

ended the year with actual revenues and other financing sources exceeding expenditures and other financing uses by \$231,176, or \$520,192 better than the original budget.

This positive budget variance was due primarily to:

- Charges for services and fees (primarily from building permits) was \$211,918 better than budget.
- Public safety expenditures were \$10,754 greater than budget.
- Interfund transfers to other funds was \$1,261,138 higher than budget.
- Intergovernmental revenues were \$1,059,499 higher than budget
- Earned income tax revenues were \$555,386 higher than budget

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

As of December 31, 2024, the Township's investment in capital assets for its governmental and business-type activities, as shown on page 21, amounted to \$37,657,734, net of accumulated depreciation. This investment in capital assets includes land, construction-in-progress, buildings and improvements, machinery and equipment, infrastructure, vehicles, and land improvements. The total decrease in the Township's investment in capital assets for the current fiscal year was \$220,799, net of accumulated depreciation.

Additional information about the Township's capital assets can be found in Note 5 to the financial statements.

#### Long-term Debt

The Township issued two series of bonds in 2019. General Obligation Bonds - Series of 2019 was issued in January 2019 in the amount of \$10,750,000. The proceeds were used to finance the expansion and renovation of the Township building as well as for other capital projects, including some for the Municipal Authority. The carrying amount of the debt, including unamortized discounts and premiums, is \$9,646,116.

During the summer of 2019, interest rates for municipal bonds became very favorable, allowing the Township the opportunity to do a current refunding of the General Obligation Bonds of 2014. The General Obligation Bonds (Series A of 2019) were issued in the amount of \$5,105,000. The carrying amount at December 31, 2024, including premiums, is \$4,124,785.

## UPPER UWCHLAN TOWNSHIP

### MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)

Additional information about the Township's current long-term debt can be found in Note 6 to the financial statements.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

- Because of favorable demographics – the level of education, median household income, and advantageous location (proximity to employment centers such as Philadelphia, King of Prussia, and Wilmington), the Township continues to rely on the earned income tax (EIT) for a large portion (44% in 2024) of its revenue in the General Fund. It also should be noted that the EIT rate of 0.5% is relatively low compared to neighboring municipalities which also have an EIT.
- The Township real estate tax rate of 1.034 mills is also relatively low compared to neighboring municipalities. The rate has not been increased since 2005.
- Township real estate transfer tax revenues decreased during 2024. While revenues from real estate transfers have decreased in 2024, they are expected to exceed the budget of \$675,000 in 2024.
- The Township maintains approximately \$8,030,533 in (insured or collateralized) cash accounts.
- The Township adopted a 2025 General Fund budget in which revenues are expected to exceed expenses by \$137 (before transfers). The Township ended 2024 in a strong position, with a General Fund balance of over \$7 million. The 2024 budget includes a transfer of \$860,000 from the General Fund to the Capital Projects Fund.
- The costs for solid waste and recycling collection have increased substantially in the three years since the last contract was signed. The Township signed a new contract that is effective August 1, 2024 for three years, with costs increasing by 55% in the first year. The Township has determined that the fees charged for residential solid waste and recycling collection will increase to \$425.00 annually in 2025, the first increase since 2008, due to the increased cost of providing this service to residents.

This financial report is designed to provide a general overview of Upper Uwchlan Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Treasurer, Upper Uwchlan Township, 140 Pottstown Pike, Chester Springs, PA 19425.

General information relating to the Township can be found on its website, <http://www.upperuwchlan-pa.gov>.

**UPPER UWCHLAN TOWNSHIP**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2024**  
**(With Summarized Comparative Data for December 31, 2023)**

|   | Governmental<br>Activities | Business-type<br>Activities | Primary Government<br>Totals |                      | Component Unit<br>Totals |                      |
|---|----------------------------|-----------------------------|------------------------------|----------------------|--------------------------|----------------------|
|   |                            |                             | 2024                         | 2023                 | 2024                     | 2023                 |
| <b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>                          |                            |                             |                              |                      |                          |                      |
| Current Assets:   |                            |                             |                              |                      |                          |                      |
| Cash and cash equivalents   | \$ 8,305,123               | \$ -                        | \$ 8,305,123                 | \$ 8,399,690         | \$ 5,331,779             | \$ 6,963,670         |
| Restricted cash   | 40,511                     | 112,879                     | 153,390                      | 148,693              | 1,615,490                | 1,533,072            |
| Investments   | 2,450,302                  | -                           | 2,450,302                    | 3,366,111            | -                        | -                    |
| Accounts receivable   | 206,373                    | -                           | 206,373                      | 193,291              | 312,014                  | 326,508              |
| Due from other governments  | 214,629                    | 5,205,556                   | 5,420,185                    | 5,412,190            | -                        | -                    |
| Taxes receivable  | 94,929                     | -                           | 94,929                       | 83,180               | -                        | -                    |
| Internal activity   | -                          | -                           | -                            | 7,902                | -                        | -                    |
| Prepaid expenses  | 62,245                     | -                           | 62,245                       | 50,188               | 12,116                   | 11,562               |
| Total Current Assets  | <u>11,374,112</u>          | <u>5,318,435</u>            | <u>16,692,547</u>            | <u>17,668,443</u>    | <u>7,271,399</u>         | <u>8,834,812</u>     |
| Noncurrent Assets:  |                            |                             |                              |                      |                          |                      |
| Land  | 915,922                    | -                           | 915,922                      | 400,863              | -                        | -                    |
| Construction-in-progress  | 158,650                    | 116,593                     | 275,243                      | 219,349              | 2,386,593                | -                    |
| Depreciable capital assets, net   | 16,379,653                 | 20,086,916                  | 36,466,569                   | 37,258,321           | 3,441,127                | 3,672,893            |
| Net pension asset   | 260,817                    | -                           | 260,817                      | -                    | -                        | -                    |
| Total Noncurrent Assets   | <u>17,715,042</u>          | <u>20,203,509</u>           | <u>37,918,551</u>            | <u>38,148,533</u>    | <u>5,827,720</u>         | <u>6,372,893</u>     |
| <b>TOTAL ASSETS</b>   | <u>29,089,154</u>          | <u>25,521,944</u>           | <u>54,611,098</u>            | <u>55,816,976</u>    | <u>13,099,119</u>        | <u>12,507,705</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                     |                            |                             |                              |                      |                          |                      |
| Deferred pensions   | 635,863                    | -                           | 635,863                      | 1,091,486            | -                        | -                    |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>                               | <u>635,863</u>             | <u>-</u>                    | <u>635,863</u>               | <u>1,091,486</u>     | <u>-</u>                 | <u>-</u>             |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>                    | <u>\$ 29,725,017</u>       | <u>\$ 25,521,944</u>        | <u>\$ 55,246,961</u>         | <u>\$ 56,908,462</u> | <u>\$ 13,099,119</u>     | <u>\$ 12,507,705</u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>       |                            |                             |                              |                      |                          |                      |
| <b>LIABILITIES</b>  |                            |                             |                              |                      |                          |                      |
| Current Liabilities:  |                            |                             |                              |                      |                          |                      |
| Accounts payable  | \$ -                       | \$ -                        | \$ -                         | \$ -                 | \$ 62,731                | \$ 17,772            |
| Accrued payroll and withholdings  | 139,929                    | -                           | 139,929                      | 119,292              | -                        | -                    |
| Accrued expenses  | 202,445                    | -                           | 202,445                      | 241,542              | -                        | -                    |
| Unearned revenues   | 77,668                     | -                           | 77,668                       | 968,927              | -                        | -                    |
| Interest payable  | 17,029                     | 26,569                      | 43,598                       | 41,986               | -                        | -                    |
| Due to other governments  | -                          | -                           | -                            | 875                  | 5,420,184                | 5,448,510            |
| Current portion of bonds payable, net                                     | 248,308                    | 261,092                     | 509,400                      | 504,400              | -                        | -                    |
| Total Current Liabilities   | <u>685,379</u>             | <u>287,661</u>              | <u>973,040</u>               | <u>1,877,022</u>     | <u>5,482,915</u>         | <u>5,466,282</u>     |
| Noncurrent Liabilities:   |                            |                             |                              |                      |                          |                      |
| Bonds payable, net  | 4,296,077                  | 8,965,424                   | 13,261,501                   | 13,755,810           | -                        | -                    |
| Net pension liability   | -                          | -                           | -                            | 545,488              | -                        | -                    |
| Total Noncurrent Liabilities  | <u>4,296,077</u>           | <u>8,965,424</u>            | <u>13,261,501</u>            | <u>14,301,298</u>    | <u>-</u>                 | <u>-</u>             |
| <b>TOTAL LIABILITIES</b>  | <u>4,981,456</u>           | <u>9,253,085</u>            | <u>14,234,541</u>            | <u>16,178,320</u>    | <u>5,482,915</u>         | <u>5,534,099</u>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                      |                            |                             |                              |                      |                          |                      |
| Deferred gain on refunding  | -                          | 71,596                      | 71,596                       | 76,706               | -                        | -                    |
| Deferred pensions   | 830,341                    | -                           | 830,341                      | 693,023              | -                        | -                    |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                | <u>830,341</u>             | <u>71,596</u>               | <u>901,937</u>               | <u>769,729</u>       | <u>-</u>                 | <u>-</u>             |
| <b>NET POSITION</b>   |                            |                             |                              |                      |                          |                      |
| Net investment in capital assets  | 12,909,840                 | 10,905,397                  | 23,815,237                   | 23,811,617           | 5,827,720                | 3,672,893            |
| Restricted:   |                            |                             |                              |                      |                          |                      |
| Capital projects  | 101,380                    | 112,879                     | 214,259                      | 291,643              | 1,615,490                | 1,533,072            |
| Highways and streets  | 2,244,770                  | -                           | 2,244,770                    | 2,299,478            | -                        | -                    |
| Solid waste   | 696,288                    | -                           | 696,288                      | 722,985              | -                        | -                    |
| Water resource protection   | 524,270                    | -                           | 524,270                      | 677,738              | -                        | -                    |
| Unrestricted  | 7,436,672                  | 5,178,987                   | 12,615,659                   | 12,156,952           | 172,994                  | 1,835,458            |
| <b>TOTAL NET POSITION</b>   | <u>23,913,220</u>          | <u>16,197,263</u>           | <u>40,110,483</u>            | <u>39,960,413</u>    | <u>7,616,204</u>         | <u>7,041,423</u>     |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b> | <u>\$ 29,725,017</u>       | <u>\$ 25,521,944</u>        | <u>\$ 55,246,961</u>         | <u>\$ 56,908,462</u> | <u>\$ 13,099,119</u>     | <u>\$ 12,507,705</u> |

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

**UPPER UWCHLAN TOWNSHIP**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(With Summarized Comparative Data for the Year Ended December 31, 2023)**

|                                     | Program Revenues     |                      |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |                     |                     |                     |                     |
|-------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|---------------------|---------------------|---------------------|---------------------|
|                                     | Expenses             | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business-type Activities | Primary Government  |                     | Component Unit      |                     |
|                                     |                      |                      |                                    |                                  |   |                          | Totals              |                     | Totals              |                     |
|                                     |                      |                      |                                    |                                  |   |                          | 2024                | 2023                | 2024                | 2023                |
| PRIMARY GOVERNMENT                  |                      |                      |                                    |                                  |   |                          |                     |                     |                     |                     |
| GOVERNMENTAL ACTIVITIES:            |                      |                      |                                    |                                  |   |                          |                     |                     |                     |                     |
| General government                  | \$ 1,655,921         | \$ 373,543           | \$ 99,429                          | \$ -                             | \$ (1,182,949)                                    | \$ -                     | \$ (1,182,949)      | \$ (1,008,972)      | \$ -                | \$ -                |
| Public safety                       | 3,814,575            | 584,243              | 352,615                            | -                                | (2,877,717)                                       | -                        | (2,877,717)         | (3,692,685)         | -                   | -                   |
| Public works - highways and streets | 2,907,197            | -                    | 637,860                            | -                                | (2,269,337)                                       | -                        | (2,269,337)         | (1,893,995)         | -                   | -                   |
| Public works - sanitation           | 1,308,520            | 1,208,709            | 25,443                             | -                                | (74,368)  | -                        | (74,368)            | 66,046              | -                   | -                   |
| Culture and recreation              | 1,036,457            | 136,850              | 29,941                             | 11,050                           | (858,616)   | -                        | (858,616)           | (679,106)           | -                   | -                   |
| Health and welfare                  | 34,704               | -                    | -                                  | -                                | (34,704)  | -                        | (34,704)            | (30,697)            | -                   | -                   |
| Interest expense                    | 413,250              | -                    | -                                  | -                                | (413,250)   | -                        | (413,250)           | (199,854)           | -                   | -                   |
| TOTAL GOVERNMENTAL ACTIVITIES       | 11,170,624           | 2,303,345            | 1,145,288                          | 11,050                           | (7,710,941)                                       | -                        | (7,710,941)         | (7,439,263)         | -                   | -                   |
| BUSINESS-TYPE ACTIVITIES:           |                      |                      |                                    |                                  |   |                          |                     |                     |                     |                     |
| Sewer operations                    | 735,041              | 573,512              | -                                  | -                                | -   | (161,529)                | (161,529)           | (235,577)           | -                   | -                   |
| TOTAL BUSINESS-TYPE ACTIVITIES      | 735,041              | 573,512              | -                                  | -                                | -   | (161,529)                | (161,529)           | (235,577)           | -                   | -                   |
| TOTAL PRIMARY GOVERNMENT            | <u>\$ 11,905,665</u> | <u>\$ 2,876,857</u>  | <u>\$ 1,145,288</u>                | <u>\$ 11,050</u>                 | <u>(7,710,941)</u>                                | <u>(161,529)</u>         | <u>(7,872,470)</u>  | <u>(7,674,840)</u>  | <u>-</u>            | <u>-</u>            |
| COMPONENT UNIT                      |                      |                      |                                    |                                  |   |                          |                     |                     |                     |                     |
| Sewer Authority                     | \$ 2,405,570         | \$ 2,716,974         | \$ 5,850                           | \$ -                             | -   | -                        | -                   | -                   | 317,254             | 946,814             |
| TOTAL COMPONENT UNIT                | <u>\$ 2,405,570</u>  | <u>\$ 2,716,974</u>  | <u>\$ -</u>                        | <u>\$ -</u>                      | <u>-</u>  | <u>-</u>                 | <u>-</u>            | <u>-</u>            | <u>317,254</u>      | <u>946,814</u>      |
| GENERAL REVENUES                    |                      |                      |                                    |                                  |   |                          |                     |                     |                     |                     |
| Taxes:                              |                      |                      |                                    |                                  |   |                          |                     |                     |                     |                     |
| Real estate taxes                   |                      |                      |                                    |                                  | 1,487,861   | -                        | 1,487,861           | 1,499,484           | -                   | -                   |
| Real estate transfer taxes          |                      |                      |                                    |                                  | 704,389   | -                        | 704,389             | 708,427             | -                   | -                   |
| Earned income taxes                 |                      |                      |                                    |                                  | 5,092,826   | -                        | 5,092,826           | 4,907,438           | -                   | -                   |
| Franchise fees                      |                      |                      |                                    |                                  | 197,181   | -                        | 197,181             | 194,638             | -                   | -                   |
| Interest and rental income          |                      |                      |                                    |                                  | 434,433   | 4,790                    | 439,223             | 264,826             | 257,527             | 147,667             |
| Other revenues                      |                      |                      |                                    |                                  | 56,715  | -                        | 56,715              | 173,177             | -                   | -                   |
| Gain on disposal of capital assets  |                      |                      |                                    |                                  | 44,345  | -                        | 44,345              | 26,826              | -                   | -                   |
| TOTAL GENERAL REVENUES              |                      |                      |                                    |                                  | 8,017,750   | 4,790                    | 8,022,540           | 7,774,816           | 257,527             | 147,667             |
| CHANGE IN NET POSITION              |                      |                      |                                    |                                  | 306,809   | (156,739)                | 150,070             | 99,976              | 574,781             | 1,094,481           |
| NET POSITION, BEGINNING OF YEAR     |                      |                      |                                    |                                  | 23,606,411  | 16,354,002               | 39,960,413          | 39,860,437          | 7,041,423           | 5,946,942           |
| NET POSITION, END OF YEAR           |                      |                      |                                    |                                  | <u>\$ 23,913,220</u>                              | <u>\$ 16,197,263</u>     | <u>\$40,110,483</u> | <u>\$39,960,413</u> | <u>\$ 7,616,204</u> | <u>\$ 7,041,423</u> |

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

**UPPER UWCHLAN TOWNSHIP**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2024**  
**(With Summarized Comparative Data for December 31, 2023)**

|   | General<br>Fund     | Capital<br>Projects<br>Fund | Solid<br>Waste<br>Fund | Other<br>Nonmajor<br>Governmental<br>Funds | Totals               |                      |
|---|---------------------|-----------------------------|------------------------|--|----------------------|----------------------|
|   |                     |                             |                        |  | 2024                 | 2023                 |
| <b>ASSETS</b>                                   |                     |                             |                        |  |                      |                      |
| Cash and cash equivalents                       | \$ 6,333,267        | \$ 113,968                  | \$ 732,658             | \$ 1,165,741                               | \$ 8,345,634         | \$ 8,439,228         |
| Investments                                     | 833,722             | -                           | -                      | 1,616,580                                  | 2,450,302            | 3,366,111            |
| Accounts receivable                             | 101,788             | -                           | 104,585                | -  | 206,373              | 208,391              |
| Taxes receivable                                | 94,929              | -                           | -                      | -  | 94,929               | 83,180               |
| Due from other governments                      | 195,373             | 1                           | 19,255                 | -  | 214,629              | 206,634              |
| Due from other funds                            | 9,207               | 50,000                      | -                      | -  | 59,207               | 70,053               |
| Prepaid expenditures                            | 28,965              | 33,280                      | -                      | -  | 62,245               | 50,188               |
| <b>TOTAL ASSETS</b>                             | <b>\$ 7,597,251</b> | <b>\$ 197,249</b>           | <b>\$ 856,498</b>      | <b>\$ 2,782,321</b>                        | <b>\$ 11,433,319</b> | <b>\$ 12,423,785</b> |
| <b>LIABILITIES AND FUND BALANCES</b>            |                     |                             |                        |  |                      |                      |
| <b>LIABILITIES:</b>                             |                     |                             |                        |  |                      |                      |
| Accrued payroll and withholdings                | \$ 139,929          | \$ -                        | \$ -                   | \$ -                                       | \$ 139,929           | \$ 119,292           |
| Accrued expenses                                | 103,239             | 60,089                      | 25,835                 | 13,281                                     | 202,444              | 241,542              |
| Due to other governments                        | -                   | -                           | -                      | -  | -                    | 875                  |
| Due to other funds                              | -                   | 2,500                       | 56,707                 | -  | 59,207               | 70,053               |
| Unearned revenues - engineering fees            | -                   | -                           | -                      | -  | -                    | 878,609              |
| Unearned revenues - solid waste collection fees | -                   | -                           | 77,668                 | -  | 77,668               | 90,318               |
| <b>TOTAL LIABILITIES</b>                        | <b>243,168</b>      | <b>62,589</b>               | <b>160,210</b>         | <b>13,281</b>                              | <b>479,248</b>       | <b>1,400,689</b>     |
| <b>FUND BALANCES:</b>                           |                     |                             |                        |  |                      |                      |
| Nonspendable - prepaid expenditures             | 28,965              | 33,280                      | -                      | -  | 62,245               | 50,188               |
| Restricted:                                     |                     |                             |                        |  |                      |                      |
| Capital projects                                | -                   | 101,380                     | -                      | -  | 101,380              | 182,488              |
| Highways and streets                            | -                   | -                           | -                      | 2,244,770                                  | 2,244,770            | 2,299,478            |
| Solid waste                                     | -                   | -                           | 696,288                | -  | 696,288              | 722,985              |
| Water resource protection                       | -                   | -                           | -                      | 524,270                                    | 524,270              | 677,738              |
| Unassigned                                      | 7,325,118           | -                           | -                      | -  | 7,325,118            | 7,090,219            |
| <b>TOTAL FUND BALANCES</b>                      | <b>7,354,083</b>    | <b>134,660</b>              | <b>696,288</b>         | <b>2,769,040</b>                           | <b>10,954,071</b>    | <b>11,023,096</b>    |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b>      | <b>\$ 7,597,251</b> | <b>\$ 197,249</b>           | <b>\$ 856,498</b>      | <b>\$ 2,782,321</b>                        | <b>\$ 11,433,319</b> | <b>\$ 12,423,785</b> |

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

**UPPER UWCHLAN TOWNSHIP  
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS  
TO STATEMENT OF NET POSITION  
DECEMBER 31, 2024**

|                                  |    |            |
|----------------------------------|----|------------|
| TOTAL GOVERNMENTAL FUND BALANCES | \$ | 10,954,071 |
|----------------------------------|----|------------|

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. Capital assets net of accumulated depreciation as detailed in the footnotes are included in the statement of net position. |  | 17,454,225 |
|--|--|------------|

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

|   |  |           |
|---|--|-----------|
| Deferred outflows of resources - pensions |  | 635,863   |
| Deferred inflows of resources - pensions  |  | (830,341) |

Certain long-term assets and liabilities applicable to the governmental activities are not receivable or due and payable in the current period and, therefore, are not reported in the funds. Those assets and liabilities consist of:

|                    |  |             |
|--------------------|--|-------------|
| Bonds payable, net |  | (4,544,385) |
| Interest payable   |  | (17,029)    |
| Net pension asset  |  | 260,817     |

|   |    |            |
|---|----|------------|
| NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ | 23,913,221 |
|---|----|------------|

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

**UPPER UWCHLAN TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(With Summarized Comparative Data for the Year Ended December 31, 2023)**

|  | General<br>Fund     | Capital<br>Projects<br>Fund | Solid<br>Waste<br>Fund | Nonmajor<br>Governmental<br>Funds | Totals               |                      |
|--|---------------------|-----------------------------|------------------------|-----------------------------------|----------------------|----------------------|
|  |                     |                             |                        |                                   | 2024                 | 2023                 |
| REVENUES   |                     |                             |                        |                                   |                      |                      |
| Taxes  | \$ 7,033,043        | \$ -                        | \$ -                   | \$ -                              | \$ 7,033,043         | \$ 6,845,589         |
| Licenses and permits   | 214,291             | -                           | -                      | -                                 | 214,291              | 210,843              |
| Fines, forfeits, and costs                                   | 93,358              | -                           | -                      | -                                 | 93,358               | 84,943               |
| Interest, dividends, and rents                               | 259,771             | 7,012                       | 32,799                 | 134,850                           | 434,432              | 260,533              |
| Intergovernmental revenues                                   | 1,358,799           | 11,050                      | 25,443                 | 637,860                           | 2,033,152            | 969,354              |
| Charges for services/fees                                    | 985,468             | -                           | 1,212,326              | -                                 | 2,197,794            | 2,253,300            |
| Miscellaneous revenue/other                                  | 53,098              | -                           | -                      | -                                 | 53,098               | 173,177              |
| TOTAL REVENUES   | <u>9,997,828</u>    | <u>18,062</u>               | <u>1,270,568</u>       | <u>772,710</u>                    | <u>12,059,168</u>    | <u>10,797,739</u>    |
| EXPENDITURES   |                     |                             |                        |                                   |                      |                      |
| Current:   |                     |                             |                        |                                   |                      |                      |
| General government   | 1,621,226           | 598,286                     | 6,487                  | -                                 | 2,225,999            | 1,532,501            |
| Public safety  | 4,582,397           | 193,539                     | -                      | -                                 | 4,775,936            | 4,688,721            |
| Health and welfare   | 34,704              | -                           | -                      | -                                 | 34,704               | 30,697               |
| Public works - highways and streets                          | 1,241,684           | 259,921                     | -                      | 1,153,215                         | 2,654,820            | 2,416,274            |
| Public works - sanitation                                    | -                   | -                           | 1,240,778              | -                                 | 1,240,778            | 1,145,132            |
| Culture and recreation                                       | 575,503             | 251,548                     | -                      | -                                 | 827,051              | 945,120              |
| Debt service:  |                     |                             |                        |                                   |                      |                      |
| Principal  | -                   | 235,000                     | -                      | -                                 | 235,000              | 220,000              |
| Interest   | -                   | 178,250                     | -                      | -                                 | 178,250              | 184,437              |
| TOTAL EXPENDITURES   | <u>8,055,514</u>    | <u>1,716,544</u>            | <u>1,247,265</u>       | <u>1,153,215</u>                  | <u>12,172,538</u>    | <u>11,162,882</u>    |
| EXCESS (DEFICIENCY) OF REVENUES OVER<br>(UNDER) EXPENDITURES | <u>1,942,314</u>    | <u>(1,698,482)</u>          | <u>23,303</u>          | <u>(380,505)</u>                  | <u>(113,370)</u>     | <u>(365,143)</u>     |
| OTHER FINANCING SOURCES (USES)                               |                     |                             |                        |                                   |                      |                      |
| Proceeds of general capital asset disposition                | -                   | 44,345                      | -                      | -                                 | 44,345               | 48,200               |
| Transfers in   | -                   | 1,588,809                   | -                      | 172,329                           | 1,761,138            | 1,269,064            |
| Transfers out  | (1,711,138)         | -                           | (50,000)               | -                                 | (1,761,138)          | (1,269,064)          |
| TOTAL OTHER FINANCING SOURCES (USES)                         | <u>(1,711,138)</u>  | <u>1,633,154</u>            | <u>(50,000)</u>        | <u>172,329</u>                    | <u>44,345</u>        | <u>48,200</u>        |
| NET CHANGE IN FUND BALANCES                                  | 231,176             | (65,328)                    | (26,697)               | (208,176)                         | (69,025)             | (198,399)            |
| FUND BALANCES, BEGINNING OF YEAR                             | <u>7,122,907</u>    | <u>199,988</u>              | <u>722,985</u>         | <u>2,977,216</u>                  | <u>11,023,096</u>    | <u>11,221,495</u>    |
| FUND BALANCES, END OF YEAR                                   | <u>\$ 7,354,083</u> | <u>\$ 134,660</u>           | <u>\$ 696,288</u>      | <u>\$ 2,769,040</u>               | <u>\$ 10,954,071</u> | <u>\$ 11,023,096</u> |

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

**UPPER UWCHLAN TOWNSHIP**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES - GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

|  |             |
|--|-------------|
| NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS | \$ (69,025) |
|--|-------------|

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 as depreciation expense. This is the amount by which capital outlays (\$1,031,146) was exceeded by depreciation (\$1,090,597) and disposals of capital assets (\$19,774) in the current period. | (79,225) |
|---|----------|

|  |         |
|--|---------|
| The issuance of long-term debt (e.g. leases, notes) provides current resources to governmental funds, while repayment of the principal of long-term debt, including changes in accrued interest, consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. | 260,337 |
|--|---------|

|  |  |
|--|--|
| In the statement of activities, pension expense reflects the change in the net pension liability, net of deferrals. In the governmental funds, however, pension expenditures reflect payments made to fund the pension plan. This is the amount by which the change in the net pension liability and related deferrals exceeded pension contributions during the year. | <div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">194,722</div> |
|--|--|

|   |   |
|---|---|
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">\$ 306,809</div> |
|---|---|

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

**UPPER UWCHLAN TOWNSHIP  
BUDGETARY COMPARISON STATEMENT - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024**

|                                | Original<br>Appropriated<br>Budget | Final<br>Appropriated<br>Budget | Actual<br>Amounts<br>(Budgetary<br>Basis) | Variance<br>Positive<br>(Negative) |
|--------------------------------|------------------------------------|---------------------------------|---|------------------------------------|
| <b>REVENUES</b>                |                                    |                                 |   |                                    |
| Taxes:                         |                                    |                                 |   |                                    |
| Real estate                    | \$ 1,219,500                       | \$ 1,219,500                    | \$ 1,235,828                              | \$ 16,328                          |
| Real estate - transfer         | 675,000                            | 675,000                         | 704,389                                   | 29,389                             |
| Earned income tax              | 4,537,440                          | 4,537,440                       | 5,092,826                                 | 555,386                            |
| Licenses and permits           | 209,100                            | 209,100                         | 214,291                                   | 5,191                              |
| Fines, forfeits, and costs     | 82,500                             | 82,500                          | 93,358                                    | 10,858                             |
| Interest, dividends, and rents | 114,000                            | 114,000                         | 259,771                                   | 145,771                            |
| Intergovernmental revenues     | 299,300                            | 299,300                         | 1,358,799                                 | 1,059,499                          |
| Charges for services/fees      | 773,550                            | 773,550                         | 985,468                                   | 211,918                            |
| Miscellaneous revenue          | 30,000                             | 30,000                          | 53,098                                    | 23,098                             |
| <b>TOTAL REVENUES</b>          | <b>7,940,390</b>                   | <b>7,940,390</b>                | <b>9,997,828</b>                          | <b>2,057,438</b>                   |
| <b>EXPENDITURES</b>            |                                    |                                 |   |                                    |
| Current:                       |                                    |                                 |   |                                    |
| General government:            |                                    |                                 |   |                                    |
| General operations             | 86,993                             | 86,993                          | 87,861                                    | (868)                              |
| Administration                 | 889,082                            | 889,082                         | 912,065                                   | (22,983)                           |
| Audit services                 | 27,100                             | 27,100                          | 24,300                                    | 2,800                              |
| Tax collection                 | 11,000                             | 11,000                          | 13,193                                    | (2,193)                            |
| Legal services                 | 55,000                             | 55,000                          | 36,963                                    | 18,037                             |
| IT and data processing         | 174,748                            | 174,748                         | 143,313                                   | 31,435                             |
| Engineering                    | 169,500                            | 169,500                         | 203,856                                   | (34,356)                           |
| Building and grounds           | 241,472                            | 241,472                         | 199,675                                   | 41,797                             |
| Total General Government       | <b>1,654,895</b>                   | <b>1,654,895</b>                | <b>1,621,226</b>                          | <b>33,669</b>                      |
| Public safety:                 |                                    |                                 |   |                                    |
| Police                         | 3,453,424                          | 3,453,424                       | 3,582,245                                 | (128,821)                          |
| Fire protection                | 507,870                            | 507,870                         | 434,551                                   | 73,319                             |
| Ambulance                      | 58,000                             | 58,000                          | 90,000                                    | (32,000)                           |
| Code enforcement               | 427,501                            | 427,501                         | 423,047                                   | 4,454                              |
| Planning and zoning            | 64,300                             | 64,300                          | 45,568                                    | 18,732                             |
| Emergency management           | 60,548                             | 60,548                          | 6,986                                     | 53,562                             |
| Total Public Safety            | <b>4,571,643</b>                   | <b>4,571,643</b>                | <b>4,582,397</b>                          | <b>(10,754)</b>                    |
| Health and welfare             | 41,598                             | 41,598                          | 34,704                                    | 6,894                              |

Continued on next page.

**UPPER UWCHLAN TOWNSHIP**  
**BUDGETARY COMPARISON STATEMENT - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

|  | Original<br>and Final<br>Appropriated<br>Budget | Original<br>and Final<br>Appropriated<br>Budget | Actual<br>Amounts<br>(Budgetary<br>Basis) | Variance<br>Positive<br>(Negative) |
|--|---|---|---|------------------------------------|
| EXPENDITURES (cont'd)  |   |   |   |                                    |
| Current:   |   |   |   |                                    |
| Public works:  |   |   |   |                                    |
| Highway general services                                     | 1,009,145                                       | 1,009,145                                       | 1,053,058                                 | (43,913)                           |
| Facilities maintenance                                       | 176,539   | 176,539   | 174,021                                   | 2,518                              |
| Signs, signals, and street lights                            | 44,200  | 44,200  | 14,605                                    | 29,595                             |
| Total Public Works   | <u>1,229,884</u>                                | <u>1,229,884</u>                                | <u>1,241,684</u>                          | <u>(11,800)</u>                    |
| Culture and parks:   |   |   |   |                                    |
| Parks  | 542,041   | 542,041   | 568,017                                   | (25,976)                           |
| Library  | -   | -   | 5,000                                     | (5,000)                            |
| Historical commissions                                       | 15,000  | 15,000  | 2,486                                     | 12,514                             |
| Total Culture and Parks                                      | <u>557,041</u>                                  | <u>557,041</u>                                  | <u>575,503</u>                            | <u>(18,462)</u>                    |
| TOTAL EXPENDITURES   | <u>8,055,061</u>                                | <u>8,055,061</u>                                | <u>8,055,514</u>                          | <u>(453)</u>                       |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES | <u>(114,671)</u>                                | <u>(114,671)</u>                                | <u>1,942,314</u>                          | <u>2,056,985</u>                   |
| OTHER FINANCING SOURCES (USES)                               |   |   |   |                                    |
| Interfund transfers out                                      | (450,000)                                       | (450,000)                                       | (1,711,138)                               | (1,261,138)                        |
| Interfund transfers in                                       | 275,655   | 275,655   | -   | (275,655)                          |
| Refund of prior year expenditures                            | -   | -   | -   | -                                  |
| TOTAL OTHER FINANCING USES                                   | <u>(174,345)</u>                                | <u>(174,345)</u>                                | <u>(1,711,138)</u>                        | <u>(1,536,793)</u>                 |
| NET CHANGE IN FUND BALANCE                                   | <u>\$ (289,016)</u>                             | <u>\$ (289,016)</u>                             | 231,176                                   | <u>\$ 520,192</u>                  |
| FUND BALANCE, BEGINNING OF YEAR                              |   |   | <u>7,122,907</u>                          |                                    |
| FUND BALANCE, END OF YEAR                                    |   |   | <u>\$ 7,354,083</u>                       |                                    |

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

**UPPER UWCHLAN TOWNSHIP**  
**STATEMENTS OF NET POSITION - PROPRIETARY FUND**  
**DECEMBER 31, 2024 AND 2023**

|   | Sewer Fund                  |                             |
|---|-----------------------------|-----------------------------|
|   | 2024                        | 2023                        |
| <b>ASSETS</b>   |                             |                             |
| Current Assets:   |                             |                             |
| Cash - restricted   | \$ 112,879                  | \$ 109,155                  |
| Due from other governments  | 5,205,556                   | 5,205,556                   |
| Total Current Assets  | <u>5,318,435</u>            | <u>5,314,711</u>            |
| Noncurrent Assets:  |                             |                             |
| Construction-in-progress  | 116,593                     | 74,706                      |
| Infrastructure and improvements   | 26,452,252                  | 26,494,139                  |
| Less: Accumulated depreciation  | <u>(6,365,336)</u>          | <u>(5,953,762)</u>          |
| Total Noncurrent Assets   | <u>20,203,509</u>           | <u>20,615,083</u>           |
| <b>TOTAL ASSETS</b>   | <u><u>\$ 25,521,944</u></u> | <u><u>\$ 25,929,794</u></u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES,<br/>AND NET POSITION</b>       |                             |                             |
| <b>LIABILITIES</b>  |                             |                             |
| Current Liabilities:  |                             |                             |
| Accrued interest  | \$ 26,569                   | \$ 26,569                   |
| Bonds payable, net  | 261,092                     | 261,092                     |
| Total Current Liabilities   | <u>287,661</u>              | <u>287,661</u>              |
| Noncurrent Liabilities:   |                             |                             |
| Bonds payable, net  | 8,965,424                   | 9,211,425                   |
| Total Noncurrent Liabilities  | <u>8,965,424</u>            | <u>9,211,425</u>            |
| <b>TOTAL LIABILITIES</b>  | <u>9,253,085</u>            | <u>9,499,086</u>            |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                             |                             |
| Deferred gain on refunding  | 71,596                      | 76,706                      |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                    | <u>71,596</u>               | <u>76,706</u>               |
| <b>NET POSITION</b>   |                             |                             |
| Net investment in capital assets  | 10,905,397                  | 11,065,860                  |
| Restricted - capital projects   | 112,879                     | 109,155                     |
| Unrestricted  | 5,178,987                   | 5,178,987                   |
| <b>TOTAL NET POSITION</b>   | <u>16,197,263</u>           | <u>16,354,002</u>           |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND NET POSITION</b> | <u><u>\$ 25,521,944</u></u> | <u><u>\$ 25,929,794</u></u> |

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

**UPPER UWCHLAN TOWNSHIP**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES**  
**IN NET POSITION - PROPRIETARY FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

|                                  | Sewer Fund           |                      |
|----------------------------------|----------------------|----------------------|
|                                  | 2024                 | 2023                 |
| OPERATING REVENUES               |                      |                      |
| Charges for services             | \$ 573,512           | \$ 582,942           |
| TOTAL OPERATING REVENUES         | <u>573,512</u>       | <u>582,942</u>       |
| OPERATING EXPENSES               |                      |                      |
| Depreciation                     | 411,575              | 501,042              |
| Miscellaneous                    | 10,770               | 1,000                |
| TOTAL OPERATING EXPENSES         | <u>422,345</u>       | <u>502,042</u>       |
| OPERATING INCOME (LOSS)          | <u>151,167</u>       | <u>80,900</u>        |
| NONOPERATING REVENUES (EXPENSES) |                      |                      |
| Interest income                  | 4,790                | 4,292                |
| Interest expense                 | (312,696)            | (316,477)            |
| TOTAL NONOPERATING EXPENSES      | <u>(307,906)</u>     | <u>(312,185)</u>     |
| CHANGE IN NET POSITION           | (156,739)            | (231,285)            |
| NET POSITION, BEGINNING OF YEAR  | <u>16,354,002</u>    | <u>16,585,287</u>    |
| NET POSITION, END OF YEAR        | <u>\$ 16,197,263</u> | <u>\$ 16,354,002</u> |

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

**UPPER UWCHLAN TOWNSHIP**  
**STATEMENTS OF CASH FLOWS - PROPRIETARY FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

|  | <u>2024</u>              | <u>2023</u>              |
|--|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:  |                          |                          |
| Receipts from customers and users  | \$ 573,512               | \$ 582,942               |
| Payments to suppliers for goods and services   | <u>(10,770)</u>          | <u>(1,000)</u>           |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES   | <u>562,742</u>           | <u>581,942</u>           |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:                                      |                          |                          |
| Interest paid  | (312,696)                | (333,395)                |
| Bond principal payments  | <u>(255,000)</u>         | <u>(250,000)</u>         |
| NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES                           | <u>(567,696)</u>         | <u>(579,627)</u>         |
| CASH FLOWS FROM INVESTING ACTIVITIES:  |                          |                          |
| Interest income  | 8,678                    | 4,292                    |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES   | <u>8,678</u>             | <u>4,292</u>             |
| NET CHANGE IN CASH AND CASH EQUIVALENTS  | 3,724                    | 2,839                    |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR   | <u>109,155</u>           | <u>106,316</u>           |
| CASH AND CASH EQUIVALENTS, END OF YEAR   | <u><u>\$ 112,879</u></u> | <u><u>\$ 109,155</u></u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:        |                          |                          |
| Operating income   | \$ 151,167               | \$ 80,900                |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: |                          |                          |
| Depreciation expense   | 411,575                  | 501,042                  |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES   | <u><u>\$ 562,742</u></u> | <u><u>\$ 581,942</u></u> |

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

**UPPER UWCHLAN TOWNSHIP**  
**STATEMENTS OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**DECEMBER 31, 2024 AND 2023**

|   | Custodial Fund<br>Escrow Fund |                   | Trust Funds          |                      |
|---|-------------------------------|-------------------|----------------------|----------------------|
|   | 2024                          | 2023              | 2024                 | 2023                 |
| <b>ASSETS</b>                             |                               |                   |                      |                      |
| Cash and cash equivalents                 | \$ 211,666                    | \$ 307,165        | \$ 477,664           | \$ 363,184           |
| Prepaid benefits                          | -                             | -                 | 24,048               | 23,837               |
| Investments, at fair value:               |                               |                   |                      |                      |
| Exchange traded funds                     | -                             | -                 | 12,543,357           | 10,893,315           |
| <b>TOTAL ASSETS</b>                       | <u>\$ 211,666</u>             | <u>\$ 307,165</u> | <u>\$ 13,045,069</u> | <u>\$ 11,280,336</u> |
| <br><b>LIABILITIES AND NET POSITION</b>   |                               |                   |                      |                      |
| <b>LIABILITIES</b>                        |                               |                   |                      |                      |
| Accounts payable                          | \$ -                          | \$ 4,028          | \$ -                 | \$ -                 |
| <b>TOTAL LIABILITIES</b>                  | <u>-</u>                      | <u>4,028</u>      | <u>-</u>             | <u>-</u>             |
| <br><b>NET POSITION</b>                   |                               |                   |                      |                      |
| Restricted for developers                 | 211,666                       | 303,137           | -                    | -                    |
| Restricted for pension benefits           | -                             | -                 | 13,045,069           | 11,280,336           |
| <b>TOTAL LIABILITIES AND NET POSITION</b> | <u>\$ 211,666</u>             | <u>\$ 307,165</u> | <u>\$ 13,045,069</u> | <u>\$ 11,280,336</u> |

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

**UPPER UWCHLAN TOWNSHIP**  
**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

|  | Custodial Fund |            | Trust Funds   |               |
|--|----------------|------------|---------------|---------------|
|  | Escrow Fund    |            |               |               |
|  | 2024           | 2023       | 2024          | 2023          |
| ADDITIONS  |                |            |               |               |
| Contributions:                                     |                |            |               |               |
| State aid  | \$ -           | \$ -       | \$ 332,810    | \$ 285,567    |
| Developer contribution                             | -              | 607,501    | -             | -             |
| Employer contribution                              | -              | -          | 157,976       | 27,948        |
| Employee contribution                              | -              | -          | 136,916       | 127,938       |
| Total Contributions                                | -              | 607,501    | 627,702       | 441,453       |
| Investment income (loss):                          |                |            |               |               |
| Net realized/unrealized gain (loss) on investments | -              | -          | 1,198,864     | 1,441,453     |
| Interest and dividends                             | -              | -          | 247,970       | 213,573       |
| Net Investment Income (Loss)                       | -              | -          | 1,446,834     | 1,655,026     |
| TOTAL ADDITIONS                                    | -              | 607,501    | 2,074,536     | 2,096,479     |
| DEDUCTIONS   |                |            |               |               |
| Benefits paid                                      | -              | -          | 286,054       | 249,640       |
| Return of developer contributions                  | 91,302         | 485,545    | -             | -             |
| Administrative expenses                            | 169            | -          | 23,750        | 20,650        |
| TOTAL DEDUCTIONS                                   | 91,471         | 485,545    | 309,804       | 278,540       |
| CHANGE IN FIDUCIARY NET POSITION                   | (91,471)       | 121,955    | 1,764,732     | 1,817,939     |
| NET POSITION, BEGINNING OF YEAR                    | 303,137        | 181,182    | 11,280,337    | 9,462,397     |
| NET POSITION, END OF YEAR                          | \$ 211,666     | \$ 303,137 | \$ 13,045,069 | \$ 11,280,336 |

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

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Upper Uwchlan Township ("the Township") complies with generally accepted accounting principles generally accepted in the United States of America ("GAAP"). GAAP includes all relevant Governmental Accounting Standards Board ("GASB") pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

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 decision to include and how to report a component unit in the Township's reporting entity is based on several criteria, including legal standing, debt responsibility, fiscal dependency, and financial accountability. The Township is financially accountable for legally separate organizations if it appoints a voting majority of the organization's board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Township.

The Upper Uwchlan Township Municipal Authority ("the Authority") is a public authority, which exists to provide sewer operations using the assets of the Township Sewer Fund. The Township Sewer Fund records both the capital infrastructure used to provide services to the public, and the long-term debt related to the acquisition and construction of this infrastructure. The Authority is considered a discrete component unit based on the criteria noted in the preceding paragraph. The Township is able to impose its will over the Authority through appointment of a voting majority of the board of the Authority, and the Authority has the potential to impose financial burdens on the Township. The Authority is audited by Barbacane, Thornton &

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

Company LLP, whose report dated June 26, 2025 is publicly available through the offices of the Township.

Basis of Presentation

***Entity-wide Financial Statements***

The statement of net position and the statement of activities display information about the Township as a whole. These statements distinguish between activities that are governmental and those that are considered business-type. These statements exclude fiduciary activities such as pension and custodial funds.

The entity-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting as further defined under proprietary funds below. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the entity-wide statements and the statements of governmental funds.

The entity-wide statement of activities presents a comparison between expenses and program revenues for each different identifiable activity of the business-type activities of the Township and for each governmental program. Expenses are those that are specifically associated with a service or program and are, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each function is self-financing or draws from the general revenues of the Township.

Internal activity is limited to interfund transfers which are eliminated to avoid "doubling up" revenues and expenses. Net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes results from special revenue and capital projects funds, and the restrictions on their net position use.

***Fund Financial Statements***

Fund financial statements report detailed information about the Township. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The three major

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

governmental funds are each presented in a single column on the governmental fund financial statements.

The Township reports the following major governmental funds:

- The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Capital Projects Fund** accounts for the resources accumulated for future capital projects.
- The **Solid Waste Fund** accounts for the resources accumulated for contracted solid waste collection services.

Nonmajor 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 **Liquid Fuels Fund** accounts for state revenues used primarily for building, improving, and maintaining the Township's streets and bridges.
- The **Act 209 Fund** accounts for revenues received from transportation impact fees and similar revenues. Expenditures consist of improvements to the Township's roadways either by major capital installations or minor repairs.
- The **Water Resource Protection Fund** accounts for grants and other revenues received for stormwater management projects. Expenditures consist of betterments which improve stormwater management within the Township.

The Township reports the following major proprietary funds:

- The **Sewer Fund** accumulates resources necessary for the operations of the Upper Uwchlan Municipal Authority ("the Authority").

The Township's fiduciary funds consist of escrow funds held on behalf of third parties and pension funds held in trust.

***Governmental Funds***

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

Revenue Recognition

In applying the "susceptible to accrual concept" under the modified accrual basis, 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 Township considers property and earned income tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenues for state and federally funded projects are recognized at the time all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Township must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Township on a reimbursement basis.

Property tax receivables collected after 60 days from year end, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax receivables are recorded as deferred inflows of resources until they become available.

Other revenues, including certain other charges for services and miscellaneous revenues, are recorded as revenue when received in cash because they generally are not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt which has not matured are recognized when paid. Further, as provided in GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements," certain governmental fund liabilities and expenditures, such as for compensated absences, are recognized to the extent the liabilities mature (come due for payment) each period. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

***Proprietary Funds***

Proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are financed primarily by user charges. The economic resources measurement focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Allocations of certain costs, such as depreciation, are recorded in proprietary funds. The Township's only proprietary funds are enterprise funds.

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

These funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Township's enterprise funds are sewer fees. Operating expenses for the Township's enterprise funds include sewer disposal, supplies and administrative costs, and depreciation. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budgets

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the General Fund. All annual appropriations lapse at fiscal year end.

Cash and Cash Equivalents and Restricted Cash

The Township's cash and cash equivalents are cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Restricted cash represents tapping fees paid for future connection to the sewer system.

Investments

Investments are recorded at fair value.

In establishing the fair value of investments, the Township uses the following hierarchy. The lowest level of valuation available is used for all investments.

*Level 1* – Valuations based on quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access.

*Level 2* – Valuations based on quoted prices of similar products in active markets or identical products in markets that are not active or for which all significant inputs are observable, directly or indirectly.

*Level 3* – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

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 entity-wide financial statements as "internal balances."

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

Deferred Inflows and Deferred Outflows of Resources

In addition to assets and liabilities, the statement of net position and fund statements report separate sections for deferred inflows and deferred outflows of resources. These separate financial statement elements represent acquisition or use of net assets/fund balance that applies to a future period(s) and so will not be recognized as an inflow or outflow of resources (revenue or expense/expenditure) until that time. Certain changes made to the net pension liability/asset, including differences between actual and expected experience of pension activities, changes in assumptions, and differences between actual and projected investment returns are required to be amortized over a period of years; the unamortized portions of these changes are reflected as deferred outflows or inflows of resources on the statement of net position, as applicable.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the entity-wide financial statements as well as in the proprietary fund financial statements. Capital assets, other than infrastructure, are defined by the Township as assets with an initial, individual cost of more than \$5,000 (\$10,000 for infrastructure assets) and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The Township reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the entity-wide financial statements regardless of their amount.

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, inclusive of ancillary costs.

Property, plant, and equipment of the Township are depreciated using the straight-line method over the following estimated useful lives:

|                            |               |
|----------------------------|---------------|
| Machinery and equipment    | 5 - 20 years  |
| Vehicles                   | 5 - 18 years  |
| Land improvements          | 10 - 30 years |
| Buildings and improvements | 7 - 40 years  |
| Infrastructure             | 50 years      |

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

The half-year convention is used to record depreciation. Under this convention, half of the normal depreciation is recorded in the first and last year of an asset's estimated useful life.

Long-term Obligations

In the entity-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

Fund Balances

Fund balances of the governmental funds are classified, if applicable, as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributions, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by formal action of the Board of Township Supervisors. The Board is the highest level of decision-making authority for the Township. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board has designated the Township Manager and Treasurer the authority to assign amounts for specific purposes.

Unassigned – all other spendable amounts.

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. Administrative expenses are paid with the use of unrestricted resources. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Township considers amounts to have been spent first out of committed funds, then assigned funds and, finally, unassigned funds, as needed, unless the Board has provided otherwise in its actions. The General Fund is the only fund which reports positive unassigned fund balance.

Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

and operations. Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation. However, presentation of prior year totals by fund and activity type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Summarized comparative information should be read in conjunction with the Township's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Use of Estimates in the Preparation of Financial Statements

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

NOTE 2      DEPOSITS AND INVESTMENTS

***Deposits***

Custodial Credit Risk - Primary Government

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. The Township is required by statute to deposit funds in depositories that are either banks, banking institutions, or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral obligations of the United States of America, the Commonwealth of Pennsylvania, or any political subdivision of the Commonwealth. Under Act 72 of 1971, as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit excluding the pension funds. At December 31, 2024, the carrying amount of the Township's deposits (excluding cash held in pension trust funds) was \$8,670,179, and the bank balance was \$8,699,008. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$8,198,797 was collateralized by pooled securities in accordance with Act 72. The deposits collateralized in accordance with Act 72 were exposed to custodial credit risk because they were uninsured, and the collateral held by the depository's agent was not in the Township's name. The remaining balance of \$211 was held in the Pennsylvania School District Liquid Asset Fund ("PSDLAF").

Although not registered with the Securities Exchange Commission and not subject to regulatory oversight, PSDLAF acts like money market mutual funds 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. Cash and cash equivalents held by the pension funds are disclosed in the plans' separate audited financial statements as discussed in Notes 10 and 11, and are excluded from the balances above.

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 2      DEPOSITS AND INVESTMENTS (cont'd)

Custodial Credit Risk – Component Unit

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority does not have a policy for custodial credit risk on deposits. At December 31, 2024, the carrying amount of the Authority's deposits was \$6,947,269, and the bank balance was \$6,975,222. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$6,475,031 was subject to custodial credit risk because it was fully collateralized by the banks holding the funds but not in the Authority's name. The remaining bank balance of \$191 was held in the Pennsylvania School District Liquid Asset Fund ("PSDLAF"). Although not registered with the Securities Exchange Commission and not subject to regulatory oversight, PSDLAF acts like money market mutual funds 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. As of December 31, 2024, PSDLAF was rated AAAM by a nationally recognized statistical rating organization.

***Investments***

Statutes authorize the Township to invest in obligations of the U.S. Treasury; agencies and instrumentalities; deposits in savings accounts or time deposits; or share accounts of institutions insured by the Federal Deposit Insurance Corporation ("FDIC"), the Federal Savings and Loan Insurance Corporation ("FSLIC"), or the National Credit Union Share Insurance Fund ("NCUSIF"). The Township also is authorized to invest in obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America or the Commonwealth of Pennsylvania or any of its agencies or instrumentalities.

The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Township has the following recurring fair value measurements (excluding investments held in pension trust funds) as of December 31, 2024:

| <u>Investment Type</u>  | <u>Fair Value</u>   | <u>Level 2</u>      | <u>Matures in<br/>Less Than<br/>One Year</u> |
|-------------------------|---------------------|---------------------|--|
| Certificates of deposit | <u>\$ 2,450,302</u> | <u>\$ 2,450,302</u> | <u>\$ 2,450,302</u>                          |
| TOTAL                   | <u>\$ 2,450,302</u> | <u>\$ 2,450,302</u> | <u>\$ 2,450,302</u>                          |

The Township's Level 2 investments in certificates of deposit are valued based on the value at which the investment could be redeemed as of the report date.

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 2      DEPOSITS AND INVESTMENTS (cont'd)

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. As of December 31, 2024, none of Township's investments were subject to custodial credit risk.

Interest Rate Risk

The Township has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At December 31, 2024, all of the Township's investments had maturity dates of less than one year.

Credit Risk

The Township has no investment policy that would limit its investment choices to those with certain credit ratings.

Pension Plans

Investments held by the pension funds are disclosed in the plans' separate audited financial statements, as described in Notes 10 and 11, and are excluded from the balances above.

NOTE 3      INTERFUND ACTIVITY

The composition of interfund balances as of December 31, 2024 is as follows:

| <u>Receivable To:</u> | <u>Amount</u> | <u>Payable From:</u> | <u>Amount</u> |
|-----------------------|---------------|----------------------|---------------|
| General Fund          | \$ 9,207      | Capital Project Fund | \$ 2,500      |
| Capital Project Fund  | \$ 50,000     | Solid Waste Fund     | \$ 56,707     |

Interfund balances represent temporary loans which will be repaid shortly after year end.

Interfund transfers:

| <u>Transfers Out:</u> | <u>Amount</u> | <u>Transfers In:</u>                           | <u>Amount</u> |
|-----------------------|---------------|--|---------------|
| General Fund          | \$ 1,711,138  | Capital Project Fund                           | \$ 1,588,809  |
| Solid Waste Fund      | \$ 50,000     | Water Resource Protection Fund (nonmajor fund) | \$ 172,329    |

UPPER UWCHLAN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 3 INTERFUND ACTIVITY (cont'd)

General Fund and Solid Waste Fund transfers to the Capital Projects Fund and Water Resource Protection Fund were made to set aside funds for future projects.

NOTE 4 UNEARNED REVENUES

At the end of the current fiscal year, unearned revenue resulted from revenue received but not yet earned. Unearned revenues as of December 31, 2024 consisted of engineering fees, grants, and solid waste collection fees received prior to year end for services rendered in the following year.

NOTE 5 CAPITAL ASSETS

Primary Government

Capital asset activity for the year ended December 31, 2024 was as follows:

| <u>Governmental Activities:</u>                        | <u>Beginning<br/>Balance</u> | <u>Increases</u>   | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|--------------------|------------------|---------------------------|
| General capital assets not<br>being depreciated:       |                              |                    |                  |                           |
| Land   | \$ 400,863                   | \$ 515,059         | \$ -             | \$ 915,922                |
| Construction-in-progress                               | 28,050                       | 130,600            |                  | 158,650                   |
| Total general capital assets<br>not being depreciated  | <u>428,913</u>               | <u>645,659</u>     | <u>-</u>         | <u>1,074,572</u>          |
| General capital assets being<br>depreciated:           |                              |                    |                  |                           |
| Land improvements                                      | 2,552,646                    | -                  | -                | 2,552,646                 |
| Infrastructure   | 7,691,979                    | -                  | -                | 7,691,979                 |
| Buildings and improvements                             | 9,621,945                    | 63,850             | -                | 9,685,795                 |
| Machinery and equipment                                | 4,287,996                    | 321,637            | (132,588)        | 4,477,045                 |
| Total general capital assets<br>being depreciated      | <u>24,154,566</u>            | <u>385,487</u>     | <u>(132,588)</u> | <u>24,407,465</u>         |
| Accumulated depreciation:                              |                              |                    |                  |                           |
| Land improvements                                      | 1,028,460                    | 138,608            | -                | 1,167,068                 |
| Infrastructure   | 2,892,345                    | 384,599            | -                | 3,276,944                 |
| Buildings and improvements                             | 1,109,141                    | 264,365            | -                | 1,373,506                 |
| Machinery and equipment                                | 2,020,083                    | 303,025            | (112,814)        | 2,210,294                 |
| Total accumulated depreciation                         | <u>7,050,029</u>             | <u>1,090,597</u>   | <u>(112,814)</u> | <u>8,027,812</u>          |
| Total general capital assets<br>being depreciated, net | <u>17,104,537</u>            | <u>(705,110)</u>   | <u>19,774</u>    | <u>16,379,653</u>         |
| Governmental Activities, Net                           | <u>\$17,533,450</u>          | <u>\$ (59,451)</u> | <u>\$ 19,774</u> | <u>\$17,454,225</u>       |

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 5      CAPITAL ASSETS (cont'd)

| <u>Business-type Activities:</u>                      | <u>Beginning<br/>Balance</u> | <u>Increases</u>    | <u>Decreases</u>   | <u>Ending<br/>Balance</u> |
|---|------------------------------|---------------------|--------------------|---------------------------|
| General capital assets not<br>being depreciated:      |                              |                     |                    |                           |
| Construction-in-progress                              | \$ 191,299                   | \$ -                | \$ (74,706)        | \$ 116,593                |
| Total general capital assets<br>not being depreciated | <u>191,299</u>               | <u>-</u>            | <u>(74,706)</u>    | <u>116,593</u>            |
| Capital assets being<br>depreciated:                  |                              |                     |                    |                           |
| Sewer system - infrastructure                         | <u>26,377,546</u>            | <u>74,706</u>       | <u>-</u>           | <u>26,452,252</u>         |
| Total capital assets being<br>depreciated             | <u>26,377,546</u>            | <u>74,706</u>       | <u>-</u>           | <u>26,452,252</u>         |
| Accumulated depreciation:                             |                              |                     |                    |                           |
| Sewer system - infrastructure                         | <u>5,953,761</u>             | <u>411,575</u>      | <u>-</u>           | <u>6,365,336</u>          |
| Total accumulated depreciation                        | <u>5,953,761</u>             | <u>411,575</u>      | <u>-</u>           | <u>6,365,336</u>          |
| Total capital assets being<br>depreciated, net        | <u>20,423,787</u>            | <u>(336,869)</u>    | <u>-</u>           | <u>20,086,916</u>         |
| Business-type Activities, Net                         | <u>\$20,615,086</u>          | <u>\$ (336,869)</u> | <u>\$ (74,706)</u> | <u>\$20,203,509</u>       |

Depreciation expense was charged to function/programs of the Township as follows:

Governmental Activities:

|  |                     |
|--|---------------------|
| General government                                   | \$ 163,398          |
| Public safety  | 152,359             |
| Public works - highways and streets                  | 561,435             |
| Culture and recreation                               | <u>209,405</u>      |
| Total Depreciation Expense - Governmental Activities | <u>\$ 1,090,597</u> |

Business-type Activities:

|                  |                   |
|------------------|-------------------|
| Sewer operations | <u>\$ 411,575</u> |
|------------------|-------------------|

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 5      CAPITAL ASSETS (cont'd)

Component Unit

A summary of changes in the Authority's capital assets as of December 31, 2024 is as follows:

|                                       | <u>Beginning<br/>Balance</u> | <u>Additions</u>    | <u>Deletions</u> | <u>Ending<br/>Balance</u> |
|---------------------------------------|------------------------------|---------------------|------------------|---------------------------|
| Capital assets not being depreciated: |                              |                     |                  |                           |
| Construction-in-progress              | \$ 69,800                    | \$ 2,316,793        | \$ -             | \$ 2,386,593              |
| Capital assets being depreciated:     |                              |                     |                  |                           |
| Improvements to Stonehedge            | 565,282                      | -                   | -                | 565,282                   |
| Equipment                             | 476,268                      | -                   | -                | 476,268                   |
| Sewer infrastructure improvements     | 1,983,409                    | -                   | -                | 1,983,409                 |
| Capacity rights                       | 1,649,293                    | -                   | -                | 1,649,293                 |
|                                       | <u>4,674,252</u>             | <u>-</u>            | <u>-</u>         | <u>4,674,252</u>          |
| Accumulated depreciation              | <u>(1,071,159)</u>           | <u>(161,966)</u>    | <u>-</u>         | <u>(1,233,125)</u>        |
| Capital assets being depreciated, net | <u>3,603,093</u>             | <u>(161,966)</u>    | <u>-</u>         | <u>3,441,127</u>          |
| NET CAPITAL ASSETS                    | <u>\$ 3,672,893</u>          | <u>\$ 2,154,827</u> | <u>\$ -</u>      | <u>\$ 5,827,720</u>       |

Depreciation expense for the year ended December 31, 2024 totaled \$ 161,966.

NOTE 6      LONG-TERM DEBT

Governmental Activities:

General Obligation Bond Series of 2019 in the principal amount of \$10,750,000 with interest ranging from 2% to 4%, payable semi-annually (June 1 and December 1), of which, \$5,470,000 was recorded in the Capital Projects Fund. Maturity date is December 1, 2048, with the Capital Projects Fund's last scheduled payment on December 1, 2038. \$ 4,345,000

Business-type Activities:

General Obligation Bond Series of 2019 in the principal amount of \$10,750,000 with interest ranging from 2% to 4%, payable semi-annually (June 1 and December 1), of which, \$5,280,000 was recorded in the Sewer Fund. Maturity date is December 1, 2048. 5,115,000

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 6     LONG-TERM DEBT (cont'd)

|   |                     |
|---|---------------------|
| General Obligation Bond Series A of 2019 in the principal amount \$5,105,000 with interest ranging from 1% to 4%, payable semi-annually (June 1 and December 1). Maturity date is December 1, 2039. | <u>4,015,000</u>    |
| TOTAL   | <u>\$13,475,000</u> |

An analysis of debt service requirements to maturity on these obligations is as follows:

Governmental Activities:

| <u>Year Ending December 31,</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Total Maturities</u> |
|---------------------------------|---------------------|---------------------|-------------------------|
| 2025                            | \$ 240,000          | \$ 171,200          | \$ 411,200              |
| 2026                            | 245,000             | 164,000             | 409,000                 |
| 2027                            | 255,000             | 154,200             | 409,200                 |
| 2028                            | 265,000             | 144,000             | 409,000                 |
| 2029                            | 280,000             | 133,400             | 413,400                 |
| 2030 – 2034                     | 1,565,000           | 490,800             | 2,055,800               |
| 2035 - 2038                     | <u>1,495,000</u>    | <u>152,000</u>      | <u>1,647,000</u>        |
|                                 | <u>\$ 4,345,000</u> | <u>\$ 1,409,600</u> | <u>\$ 5,754,600</u>     |

Business-type Activities:

| <u>Year Ending December 31,</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Total Maturities</u> |
|---------------------------------|---------------------|---------------------|-------------------------|
| 2025                            | \$ 255,000          | \$ 314,469          | \$ 569,469              |
| 2026                            | 260,000             | 309,019             | 569,019                 |
| 2027                            | 270,000             | 303,119             | 573,119                 |
| 2028                            | 275,000             | 295,844             | 570,844                 |
| 2029                            | 280,000             | 288,444             | 568,444                 |
| 2030 – 2034                     | 1,530,000           | 1,317,920           | 2,847,920               |
| 2035 – 2039                     | 1,785,000           | 1,062,020           | 2,847,020               |
| 2040 – 2044                     | 2,295,000           | 717,769             | 3,012,769               |
| 2045 - 2048                     | <u>2,180,000</u>    | <u>222,800</u>      | <u>2,402,800</u>        |
|                                 | <u>\$ 9,130,000</u> | <u>\$ 4,831,404</u> | <u>\$13,961,404</u>     |

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 6     LONG-TERM DEBT (cont'd)

A schedule of changes in long term liabilities is as follows:

|                                  | Beginning<br>Balance | Additions   | Retirements       | Ending<br>Balance   | Amounts<br>Due Within<br>One Year |
|----------------------------------|----------------------|-------------|-------------------|---------------------|-----------------------------------|
| <u>Governmental Activities:</u>  |                      |             |                   |                     |                                   |
| General obligation bonds         | \$ 4,580,000         | \$ -        | \$ 235,000        | \$ 4,345,000        | \$ 240,000                        |
| Bond premium                     | 207,693              | -           | 8,308             | 199,385             | 8,308                             |
| Total Governmental Activities    | <u>\$ 4,787,693</u>  | <u>\$ -</u> | <u>\$ 243,308</u> | <u>\$ 4,544,385</u> | <u>\$ 248,308</u>                 |
| <u>Business-type Activities:</u> |                      |             |                   |                     |                                   |
| General obligation bonds         | \$ 9,385,000         | \$ -        | \$ 255,000        | \$ 9,130,000        | \$ 255,000                        |
| Bond discount                    | (13,822)             | -           | (553)             | (13,269)            | (553)                             |
| Bond premium                     | 116,430              | -           | 6,645             | 109,785             | 6,645                             |
| Total Business-type Activities   | <u>\$ 9,487,608</u>  | <u>\$ -</u> | <u>\$ 261,092</u> | <u>\$ 9,226,516</u> | <u>\$ 261,092</u>                 |

For the year ended December 31, 2024, interest expense of \$413,250 was recorded as interest expense of governmental activities, and interest expense of \$312,696 was recorded as sewer operations expense. Governmental activities bonds payable have been liquidated by the Capital Projects Fund, and business-type activities debt has been liquidated by the Sewer Fund.

NOTE 7     TAXES

For the year ended December 31, 2024, the Township levied the following taxes on assessed value of real estate: 0.784 mills for general purposes, 0.250 mills for ambulance and rescue, and 0.087 mills for fire hydrants.

The taxable assessed valuation of property as of January 1, 2024 was \$1,149,396,495.

The real estate tax collection calendar is as follows:

|                 |   |                       |
|-----------------|---|-----------------------|
| Initial billing | - | February 1            |
| Discount period | - | February 1 - April 2  |
| Face period     | - | April 3 - June 1      |
| Penalty period  | - | July 1 and thereafter |
| Lien date       | - | February 28           |

Other taxes levied in 2024:

|                          |   |                      |
|--------------------------|---|----------------------|
| Real estate transfer tax | - | 1% of sale price     |
| Earned income tax        | - | 0.5% of gross income |

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

**NOTE 8      FUND BALANCES**

As of December 31, 2024, fund balances are composed of the following:

|                                     | General<br>Fund     | Capital<br>Projects<br>Fund | Solid<br>Waste<br>Fund | Nonmajor<br>Funds  | Total<br>Governmental<br>Funds |
|-------------------------------------|---------------------|-----------------------------|------------------------|--------------------|--------------------------------|
| Nonspendable – prepaid expenditures | \$ 28,965           | \$ 33,280                   | \$ -                   | \$ -               | \$ 62,245                      |
| Restricted:                         |                     |                             |                        |                    |                                |
| Capital projects                    | -                   | 101,380                     | -                      | -                  | 101,380                        |
| Highways and streets                | -                   | -                           | -                      | 2,244,770          | 2,244,770                      |
| Solid waste                         | -                   | -                           | 696,288                | -                  | 696,288                        |
| Water resource protection           | -                   | -                           | -                      | 524,270            | 524,270                        |
| Unassigned                          | 7,325,118           | -                           | -                      | -                  | 7,325,118                      |
| <b>Total Fund Balances</b>          | <b>\$ 7,354,083</b> | <b>\$ 134,660</b>           | <b>\$696,288</b>       | <b>\$2,769,040</b> | <b>\$ 10,954,070</b>           |

**NOTE 9      DEFINED BENEFIT PENSION PLANS**

The Township participates in two defined benefit pension plans: the Upper Uwchlan Township Police Pension Plan and the Upper Uwchlan Township Non-Uniformed Pension Plan. The Police Pension Plan, a single employer defined benefit plan, covers all full-time uniformed police officers. The Non-Uniformed Pension Plan, a single employer defined benefit plan, covers all full-time permanent employees other than police officers. The Township contributes to both plans.

The Township administers the assets of the two single employer defined benefit plans and, accordingly, is required to prepare pension trust fund financial statements, using the accrual basis of accounting.

**STATEMENT OF NET POSITION - PENSION TRUST FUNDS  
December 31, 2024**

|   | Police              | Non-Uniformed       | Totals               |
|---|---------------------|---------------------|----------------------|
| <b>ASSETS</b>                             |                     |                     |                      |
| Cash and cash equivalents                 | \$ 355,808          | \$ 121,856          | \$ 477,664           |
| Prepaid pension benefit                   | 13,232              | 10,816              | 24,048               |
| Investments at fair value:                |                     |                     |                      |
| Exchange traded funds                     | 9,514,426           | 3,397,971           | 12,543,357           |
| <b>TOTAL ASSETS</b>                       | <b>\$ 9,514,426</b> | <b>\$ 3,530,643</b> | <b>\$ 13,045,069</b> |
| <b>NET POSITION:</b>                      |                     |                     |                      |
| Net position restricted for pensions      | \$ 9,514,426        | 3,530,643           | \$ 13,045,069        |
| <b>TOTAL LIABILITIES AND NET POSITION</b> | <b>\$ 9,514,426</b> | <b>\$ 3,530,643</b> | <b>\$ 13,045,069</b> |

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 9      DEFINED BENEFIT PENSION PLANS (cont'd)

**STATEMENT OF CHANGES IN NET POSITION - PENSION TRUST FUNDS**  
**For the Year Ended December 31, 2024**

|                                      | <u>Police</u>       | <u>Non-Uniformed</u> | <u>Totals</u>        |
|--------------------------------------|---------------------|----------------------|----------------------|
| ADDITIONS                            |                     |                      |                      |
| Contributions:                       |                     |                      |                      |
| State aid                            | \$ 235,181          | \$ 97,629            | \$ 332,810           |
| Employer contribution                | 157,976             | -                    | 157,976              |
| Employee contribution                | 99,735              | 37,181               | 136,916              |
| Total Contributions                  | <u>492,892</u>      | <u>134,810</u>       | <u>627,702</u>       |
| Investment Income:                   |                     |                      |                      |
| Interest and dividends, net          | 180,033             | 67,937               | 247,970              |
| Net realized/unrealized              |                     |                      |                      |
| Gain on investments                  | 871,229             | 327,635              | 1,198,864            |
| Net Investment Gain                  | <u>1,051,262</u>    | <u>395,572</u>       | <u>1,446,834</u>     |
| TOTAL ADDITIONS                      | <u>1,544,154</u>    | <u>530,382</u>       | <u>2,074,536</u>     |
| DEDUCTIONS                           |                     |                      |                      |
| Benefits paid                        | 156,257             | 129,797              | 286,054              |
| Administrative expenses              | 12,025              | 11,725               | 23,750               |
| TOTAL DEDUCTIONS                     | <u>168,282</u>      | <u>141,522</u>       | <u>309,804</u>       |
| CHANGE IN FIDUCIARY NET POSITION     | 1,375,872           | 388,860              | 1,764,732            |
| NET POSITION RESTRICTED FOR PENSIONS |                     |                      |                      |
| Beginning of year                    | <u>8,138,554</u>    | <u>3,141,783</u>     | <u>11,280,337</u>    |
| End of year                          | <u>\$ 9,514,426</u> | <u>\$ 3,530,643</u>  | <u>\$ 13,045,069</u> |

Investment policy statements are adopted by the plan administrator for each pension plan.

NOTE 10      POLICE PENSION PLAN

Plan description and provisions:

The Police Pension Plan ("the Plan") is a single employer defined benefit pension plan. The Plan is governed by the Township Board of Supervisors, which may amend plan provisions and is responsible for the management of Plan assets. The Board of Supervisors has delegated the authority to manage certain plan assets to CBIZ InR.

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 10     POLICE PENSION PLAN (cont'd)

Plan Membership

Plan membership as of December 31, 2023 consisted of the following:

|  |           |
|--|-----------|
| Active employees                               | 15        |
| Vested terminated employees receiving benefits | <u>4</u>  |
| Total  | <u>19</u> |

Eligibility Requirements and Benefit Provisions

Actuarial Valuation Report Form 205, filed with the Public Employee Retirement Study Commission and dated as of January 1, 2023, disclosed that the plan benefit provisions are as follows:

Members are eligible for normal retirement at age 55 with 25 years of continuous service and are entitled to a monthly pension equal to 50% of the member's average applicable compensation. A member becomes 100% vested in the benefit accrued after 12 or more years of continued service. Payments continue after the member's death to the surviving spouse, or eligible child, equal to 50% of the normal retirement benefit payable to the member at the time of death.

Members are eligible for early retirement after 20 years of service. The monthly early retirement pension benefit is equal to the actuarial equivalent of the benefit accrued to the early retirement date.

If a member continues working after the normal retirement date, the pension benefit does not start until the employee actually retires. The monthly late retirement pension benefit is equal to the actuarial equivalent of the benefit accrued to the late retirement date.

If a member is eligible for retirement at the time of death, a monthly death benefit is payable to his surviving spouse, or eligible child, equal to 50% of the monthly pension benefit the member would have been receiving had he been retired at the time of death.

An active member is eligible for a monthly disability benefit if the member is disabled in the line of duty. The disability pension is equal to 2% of the member's average applicable compensation, multiplied by the total number of years of service.

Any member who has been a regularly appointed employee for a period of at least six months and who thereafter enters into active military service of the United States of America shall receive credit for all such active military service if he or she returns to employment within six months after his or her separation from active military service.

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 10     POLICE PENSION PLAN (cont'd)

If a member enters into active military duty prior to becoming an active employee of the Township, they shall receive credit for each year of active military service or a fraction thereof for a period not to exceed five years.

Members' contributions are to be 5% of monthly regular salary, overtime, extra duty, and longevity pay.

Method Used to Value Investments

Investments are reported at fair value.

Administrative Costs

Administrative costs, including the investment manager, custodial trustee, and actuarial services, are charged to the Plan.

Contributions

Act 205 requires that annual contributions be based upon the minimum municipal obligation ("MMO"). The MMO is based upon the Plan's biennial actuarial valuation. In 2024, employees contributed 5% of eligible compensation into the Plan. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds the state contribution must be funded by the employer in accordance with Act 205.

***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, 2024, the carrying amount of the Plan's deposits was \$355,808, which is equal to the deposits in depository accounts held by the trustee of the Plan in the Township's name. None of this balance was subject to custodial credit risk.

***Investments***

The Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the Township Board of Supervisors and Pension Board. The objective of the investment strategy is to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due. The Plan's formal Investment Policy Statement, which is revised periodically, provides more comprehensive details on investment strategy and authorized investments.

UPPER UWCHLAN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 10 POLICE PENSION PLAN (cont'd)

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation. Best arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2024 are summarized in the following table:

| <u>Asset Class</u>                             | <u>Target Allocation</u> | <u>Long-term Expected Rate of Return</u> |
|--|--------------------------|--|
| Domestic Equities (including equity ETFs)      | 52.50%                   | 5.60%                                    |
| International Equities (including equity ETFs) | 22.50%                   | 5.60%                                    |
| Fixed Income (including fixed income ETFs)     | 22.00%                   | 2.60%                                    |
| Cash   | 3.00%                    | <u>0.60%</u>                             |
| Total Net Blended Return                       |                          | 4.69%*                                   |

\* - Excludes 2.40% inflation assumption.

The investment objective of the Plan is to maintain a balanced portfolio comprised of exchange-traded funds that invest in a variety of securities.

At December 31, 2024, the Plan had the following investments:

| <u>Investment Type</u>           |                     |
|----------------------------------|---------------------|
| Exchange-traded funds:           |                     |
| Intermediate-term Bond ETFs      | \$ 1,919,761        |
| High-Yield Bond ETFs             | 102,874             |
| International Market Equity ETFs | 1,973,239           |
| Domestic Stock ETFs:             |                     |
| Small-cap                        | 182,131             |
| Mid-cap                          | 545,693             |
| Large-cap                        | <u>4,421,688</u>    |
| Total Investments                | <u>\$ 9,145,386</u> |

Certain investments in external investment pools, such as those in equity exchange-traded 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. Investments in bond exchange-traded funds are also not subject to interest rate, custodial, or concentration risks but are subject to credit risk.

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 10     POLICE PENSION PLAN (cont'd)

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of December 31, 2024:

|                       | <u>Total</u>              | <u>Level 1</u>            |
|-----------------------|---------------------------|---------------------------|
| Exchange-traded funds | <u>\$9,145,386</u>        | <u>\$9,145,386</u>        |
|                       | <u><u>\$9,145,386</u></u> | <u><u>\$9,145,386</u></u> |

Level 1 investments are valued based on unadjusted, quoted prices for identical assets in an active market.

Credit Risk

As of December 31, 2024, \$2,022,635 of the Plan's deposits was invested in Intermediate-term Bond ETFs and High Yield Bond ETFs managed by iShares and Vanguard. iShares and Vanguard are registered with the Securities and Exchange Commission and subject to regulatory oversight. The funds are rated by nationally recognized rating organizations and are subject to an independent annual audit.

As of December 31, 2024, the Plan's invested balances had the following ratings:

| <u>Fund Name</u>          | <u>Balance</u>            | <u>Morningstar<br/>Investors<br/>Service Rating</u> |
|---------------------------|---------------------------|---|
| Exchange Traded Bond Fund | \$1,818,460               | AA  |
| Exchange Traded Bond Fund | 101,301                   | BBB   |
| Exchange Traded Bond Fund | <u>102,874</u>            | B   |
| TOTAL                     | <u><u>\$2,022,635</u></u> |   |

Money-weighted Rate of Return

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.64%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 10 POLICE PENSION PLAN (cont'd)

Net Pension Liability

The net pension liability was measured as of December 31, 2024, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2023.

The components of net pension liability at December 31, 2024, were as follows:

|   |                     |
|---|---------------------|
| Total pension liability   | \$ 9,307,399        |
| Plan fiduciary net position   | <u>9,514,426</u>    |
| Net pension liability   | <u>\$ (207,027)</u> |
| Plan fiduciary net position as a percentage<br>of the total pension liability | 102.2%              |

The changes in the net pension liability (asset) are as follows:

|  | <u>Total<br/>Pension<br/>Liability</u> | <u>Plan<br/>Fiduciary<br/>Net Position</u> | <u>Net<br/>Pension<br/>(Asset)<br/>Liability</u> |
|--|--|--|--|
| Balance at December 31, 2023                         | \$ 8,531,797                           | \$ 8,138,554                               | \$ 393,243                                       |
| Service cost   | 340,101                                | -  | 340,101  |
| Interest   | 591,758                                | -  | 591,758  |
| Difference between expected and<br>actual experience | -                                      | -  | -  |
| Contributions – Township and state aid               | -                                      | 393,157                                    | (393,157)  |
| Contributions – member                               | -                                      | 99,735                                     | (99,735)   |
| Net investment gain                                  | -                                      | 1,051,262                                  | (1,051,262)                                      |
| Benefit payments                                     | (156,257)                              | (156,257)                                  | -  |
| Administrative expenses                              | -                                      | (12,025)                                   | 12,025   |
| Net Changes  | <u>775,602</u>                         | <u>1,375,872</u>                           | <u>(600,270)</u>                                 |
| Balance at December 31, 2024                         | <u>\$ 9,307,399</u>                    | <u>\$ 9,514,426</u>                        | <u>\$ (207,027)</u>                              |

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. 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,

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 10 POLICE PENSION PLAN (cont'd)

the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.0%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

|                                      | 1%<br>Decrease<br>(6.0%) | Current<br>Discount<br>Rate<br>(7.0%) | 1%<br>Increase<br>(8.0%) |
|--------------------------------------|--------------------------|---------------------------------------|--------------------------|
| Plan's net pension liability (asset) | \$ 1,061,349             | \$ (207,027)                          | \$(1,258,333)            |

Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2024, the Township recognized a pension expense of \$220,889. At December 31, 2024, the Township reported deferred outflows and deferred inflows of resources related to the Plan from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between actual and expected experience         | \$ 70,208                            | \$ 486,531                          |
| Changes in assumptions                                     | 369,407                              | -                                   |
| Difference between actual and projected investment returns | -                                    | 175,768                             |
| Total Deferred Outflows and Inflows                        | <u>\$ 439,615</u>                    | <u>\$ 662,299</u>                   |

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

Year Ended December 31,

|            |                     |
|------------|---------------------|
| 2025       | \$ 44,616           |
| 2026       | 138,893             |
| 2027       | (223,763)           |
| 2028       | (91,090)            |
| 2029       | (6,694)             |
| Thereafter | (84,646)            |
|            | <u>\$ (222,684)</u> |

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 10     POLICE PENSION PLAN (cont'd)

Actuarial Methods and Assumptions

An actuarial valuation of the total pension liability is performed biennially. The total pension liability was determined as part of an actuarial valuation at January 1, 2023. Update procedures were used to roll forward to the Plan's fiscal year ended December 31, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

|                               |  |
|-------------------------------|--|
| Actuarial Cost Method         | Entry Age  |
| Amortization Method           | Level Dollar   |
| Remaining Amortization Period | 7 Years  |
| Asset Valuation Method        | Section 210(a) of Act 44   |
| Assumptions:                  |  |
| Inflation                     | 2.25%  |
| Salary increases              | 5.00%  |
| Investment rate of return     | 7.00%, net of pension plan investment expense, including inflation |
| Retirement Age                | 55   |

Mortality rates were based on the PUBS-2010 Mortality Table projected to 2026 past the valuation date using Scale MP-2020.

NOTE 11     NON-UNIFORMED PENSION PLAN

Plan description and provisions:

The Non-Uniformed Pension Plan ("the Plan") is a single employer defined benefit pension plan. The Plan is governed by the Township Board of Supervisors, which may amend plan provisions and is responsible for the management of plan assets. The Board of Supervisors has delegated the authority to manage certain plan assets to CBIZ InR.

Plan Membership

Plan membership as of December 31, 2024 consisted of the following:

|  |           |
|--|-----------|
| Active employees   | 8         |
| Retirees and beneficiaries currently receiving benefits  | 4         |
| Terminated employees entitled but not yet receiving them | <u>3</u>  |
| Total  | <u>15</u> |

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 11     NON-UNIFORMED PENSION PLAN (cont'd)

Eligibility Requirements and Benefit Provisions

Actuarial Valuation Report Form 205, filed with the Public Employee Retirement Study Commission and dated as of January 1, 2023, disclosed that the pension plan benefit provisions are as follows:

Members are eligible for normal retirement at age 65 with 25 years of continuous service and are entitled to a monthly pension equal to 2% of the member's average applicable compensation, multiplied by the total number of years of service. A member becomes 100% vested in the benefit accrued after five or more years of continued service. Payments continue after the member's death to the member's named beneficiary and can be taken in the form of a lump-sum payment, an annuity, or a combination of both.

Members are eligible for early retirement at age 62 after 20 years of service. The monthly early retirement pension benefit is equal to the actuarial equivalent of the benefit accrued to the early retirement date.

If a member continues working after the normal retirement date, the pension benefit does not start until the employee actually retires. The monthly late retirement pension benefit is equal to the actuarial equivalent of the benefit accrued to the late retirement date.

If a member is eligible for retirement at the time of death, a monthly death benefit is payable to his surviving spouse, or eligible child, equal to 50% of the monthly pension benefit the member would have been receiving had he been retired at the time of death.

An active member is eligible for a monthly disability benefit if the member is disabled in the line of duty. The disability pension is equal to 2% of the member's average applicable compensation, multiplied by the total number of years of service.

Any member who has been a regularly appointed employee for a period of at least six months and who thereafter enters into active military service of the United States of America shall receive credit for all such active military service if he or she returns to employment within six months after his or her separation from active military service.

If a member enters into active military duty prior to becoming an active employee of the Township, they shall receive credit for each year of active military service or a fraction thereof for a period not to exceed five years.

Members' contributions in 2024 were 5% of monthly regular salary, overtime, extra duty, and longevity pay.

Method Used to Value Investments

Investments are reported at fair value.

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 11     NON-UNIFORMED PENSION PLAN (cont'd)

Administrative Costs

Administrative costs, including the investment manager, custodial trustee, and actuarial services, are charged to the Plan.

Contributions

Act 205 requires that annual contributions be based upon the minimum municipal obligation ("MMO"). The MMO is based upon the Plan's biennial actuarial valuation. In 2024, non-uniformed employees contributed 5% to the Plan. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds the state contribution must be funded by the employer in accordance with Act 205.

***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, 2024, the carrying amount of the Plan's deposits was \$121,856, which is equal to the deposits in a depository account held by the trustee of the Plan in the Township's name. None of this balance was subject to custodial credit risk.

***Investments***

The Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the Township Board of Supervisors and Pension Board. The objective of the investment strategy is to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due. The Plan's formal Investment Policy Statement, which is revised periodically, provides more comprehensive details on investment strategy and authorized investments.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation. Best arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2024 are summarized in the following table:

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 11 NON-UNIFORMED PENSION PLAN (cont'd)

| <u>Asset Class</u>                             | <u>Target<br/>Allocation</u> | <u>Long-term<br/>Expected<br/>Rate of Return</u> |
|--|------------------------------|--|
| Domestic Equities (including equity ETFs)      | 52.50%                       | 5.60%  |
| International Equities (including equity ETFs) | 22.50%                       | 5.88%  |
| Fixed Income (including fixed income ETFs)     | 22.00%                       | 2.60%  |
| Cash   | 3.00%                        | <u>0.60%</u>                                     |
| Total Net Blended Return                       |                              | 4.69%*   |

\* - Excludes 2.40% inflation assumption.

The investment objective of the Plan is to maintain a balanced portfolio comprised of exchange-traded funds that invest in a variety of securities.

As of December 31, 2024, the Plan had the following investments:

Investment Type

|                                  |                     |
|----------------------------------|---------------------|
| Exchange-traded Funds:           |                     |
| Intermediate-term Bond ETFs      | \$ 717,052          |
| High Yield Bond ETFs             | 38,224              |
| International Market Equity ETFs | 745,411             |
| Domestic Stock ETFs:             |                     |
| Small cap                        | 68,240              |
| Mid cap                          | 203,116             |
| Large cap                        | <u>1,625,928</u>    |
| Total Investments                | <u>\$ 3,397,971</u> |

Certain investments in external investment pools, such as those in equity exchange-traded 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. Investments in bond exchange-traded funds are also not subject to interest rate, custodial, or concentration risks but are subject to credit risk.

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of December 31, 2024:

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 11 NON-UNIFORMED PENSION PLAN (cont'd)

|                       | <u>Total</u>        | <u>Level 1</u>      |
|-----------------------|---------------------|---------------------|
| Exchange-traded funds | <u>\$ 3,397,971</u> | <u>\$ 3,397,971</u> |
|                       | <u>\$ 3,397,971</u> | <u>\$ 3,397,971</u> |

Level 1 investments are valued based on unadjusted, quoted prices for identical assets in an active market.

Credit Risk

As of December 31, 2024, \$755,276 of the Plan's deposits was invested in Intermediate-term Bond ETFs and High Yield Bond ETFs managed by iShares and Vanguard. iShares and Vanguard are registered with the Securities and Exchange Commission and subject to regulatory oversight. The funds are rated by nationally recognized rating organizations and are subject to an independent annual audit.

As of December 31, 2024, the Plan's invested balances had the following ratings:

| <u>Fund Name</u>          | <u>Balance</u>    | <u>Morningstar<br/>Investors<br/>Service Rating</u> |
|---------------------------|-------------------|---|
| Exchange Traded Bond Fund | \$ 679,405        | AA  |
| Exchange Traded Bond Fund | 37,647            | BBB   |
| Exchange Traded Bond Fund | <u>38,224</u>     | B   |
| TOTAL                     | <u>\$ 755,276</u> |   |

Money-weighted Rate of Return

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.60%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The net pension liability was measured as of December 31, 2024, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2023.

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 11 NON-UNIFORMED PENSION PLAN (cont'd)

The components of net pension liability at December 31, 2024, were as follows:

|  |                    |
|--|--------------------|
| Total pension liability  | \$ 3,476,853       |
| Plan fiduciary net position  | <u>3,530,643</u>   |
| Net pension liability  | <u>\$ (53,790)</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 101.5%             |

The changes in the net pension liability are as follows:

|   | Total<br>Pension<br>Liability | Plan<br>Fiduciary<br>Net Position | Net<br>Pension<br>(Asset)<br>Liability |
|---|-------------------------------|-----------------------------------|--|
| Balance at December 31, 2023                                | <u>\$ 3,294,026</u>           | <u>\$ 3,141,783</u>               | <u>\$ 152,243</u>                      |
| Service cost  | 86,585                        | -                                 | 86,585                                 |
| Interest  | 226,039                       | -                                 | 226,039                                |
| Differences between expected and actual experience          | -                             | -                                 | -                                      |
| Contributions – state aid                                   | -                             | 97,629                            | (97,629)                               |
| Contributions – member                                      | -                             | 37,181                            | (37,181)                               |
| Net investment income                                       | -                             | 395,572                           | (395,572)                              |
| Benefit payments, including refunds of member contributions | (129,797)                     | (129,797)                         | -                                      |
| Administrative expenses                                     | -                             | (11,725)                          | 11,725                                 |
| Net Changes   | <u>182,827</u>                | <u>388,860</u>                    | <u>(206,033)</u>                       |
| Balance at December 31, 2024                                | <u>\$ 3,476,853</u>           | <u>\$ 3,530,643</u>               | <u>\$ (53,790)</u>                     |

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. 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.

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 11     NON-UNIFORMED PENSION PLAN (cont'd)

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.0%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

|                               | 1%<br>Decrease<br>(6.0%) | Current<br>Discount<br>Rate<br>(7.0%) | 1%<br>Increase<br>(8.0%) |
|-------------------------------|--------------------------|---------------------------------------|--------------------------|
| Net pension liability (asset) | \$ 366,095               | \$ (53,790)                           | \$ (412,473)             |

Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2024, the Township recognized pension expense of \$56,534. At December 31, 2024, the Township reported deferred outflows and inflows of resources related to the Plan from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between actual and expected experience         | \$ -                                 | \$ 115,685                          |
| Changes in assumptions                                     | 196,248                              | -                                   |
| Difference between actual and projected investment returns | -                                    | 52,357                              |
| Total Deferred Outflows and Inflows                        | <u>\$ 196,248</u>                    | <u>\$ 168,042</u>                   |

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

Year Ended December 31,

|            |                  |
|------------|------------------|
| 2025       | \$ 27,390        |
| 2026       | 66,538           |
| 2027       | (82,067)         |
| 2028       | (25,942)         |
| 2029       | 13,106           |
| Thereafter | 29,181           |
|            | <u>\$ 28,206</u> |

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 11     NON-UNIFORMED PENSION PLAN (cont'd)

Actuarial Assumptions

An actuarial valuation of the total pension liability is performed biennially. The total pension liability as of December 31, 2024 were determined as part of an actuarial valuation at January 1, 2023. Update procedures were used to roll forward January 1, 2023 liabilities to the Plan's fiscal plan year ended December 31, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

|                               |  |
|-------------------------------|--|
| Actuarial Cost Method         | Entry Age  |
| Amortization Method           | Level Dollar   |
| Remaining Amortization Period | N/A  |
| Asset Valuation Method        | Fair Value   |
| Assumptions:                  |  |
| Inflation                     | 2.25%  |
| Salary increases              | 4.50%  |
| Investment rate of return     | 7.00%, net of pension plan investment expense, including inflation   |
| Retirement Age                | The first day of the month coincident with or next following the date on which the member attains full retirement age for receiving full social security benefits. |

Mortality rates were based on the PUBS-2010 Mortality Table projected to five years past the valuation date using Scale MP-2021.

NOTE 12     NET PENSION BENEFITS LIABILITY

The Township's aggregate net pension liability, deferred inflows and outflows of resources, and pension expense are as follows:

|                                  | Net<br>Pension<br>(Asset)<br>Liability | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Net<br>Pension<br>Expense |
|----------------------------------|--|--------------------------------------|-------------------------------------|---------------------------|
| Police Plan (See Note 10)        | \$ (207,027)                           | \$ 439,615                           | \$ 662,299                          | \$ 220,889                |
| Non-Uniformed Plan (See Note 11) | (53,790)                               | 196,248                              | 168,042                             | 56,534                    |
| Total                            | <u>\$ (260,817)</u>                    | <u>\$ 635,863</u>                    | <u>\$ 830,341</u>                   | <u>\$ 277,423</u>         |

UPPER UWCHLAN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 13     DEFINED CONTRIBUTION PLAN

The Township offers a defined contribution plan ("the Plan") in accordance with Internal Revenue Code ("IRC") Section 457. The Plan is administered by TD Ameritrade. The Plan, available to all non-uniformed employees of the Township hired after January 1, 2016, permits them to defer a portion of their salary until future years. The deferred compensation, including related income, is not available to employees until termination, retirement, death, or unforeseeable emergency. In accordance with the provisions of IRC Section 457, the Township does not own the amounts deferred by employees, including the related income on those amounts.

NOTE 14     UNCERTAINTIES

Government Grants and Awards

The Township participates in state and county-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Township is potentially liable for any expenditure which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

NOTE 15     RISK MANAGEMENT

The Township has purchased commercial insurance policies for various risks of loss related to torts; theft, damage, or destruction of assets; errors or omissions; injuries to employees; or acts of God. Payments of premiums for these policies are recorded as expenses of the Township. Insurance settlements have not exceeded insurance coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

NOTE 16     ON-BEHALF PAYMENTS FOR FRINGE BENEFITS

The Township recognizes as revenue and expenses contributions made by the Commonwealth of Pennsylvania to the Township's Police and Non-Uniformed Pension Plans on behalf of the Township's employees. In fiscal year 2024, the State made contributions of \$332,810. These contributions are recorded in the General Fund as revenue and expenditures.

NOTE 17     SUBSEQUENT EVENTS

The Township has evaluated all subsequent events through June 26, 2025 the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

**UPPER UWCHLAN TOWNSHIP**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**SCHEDULE OF CHANGES IN THE TOWNSHIP'S NET PENSION LIABILITY (ASSET), RELATED RATIOS, AND INVESTMENT RETURNS -**  
**POLICE PENSION PLAN**

|  | 2024                | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>TOTAL PENSION LIABILITY</b>   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Service cost   | \$ 340,101          | \$ 323,905          | \$ 273,951          | \$ 243,836          | \$ 200,858          | \$ 191,293          | \$ 178,767          | \$ 170,254          | \$ 152,161          | \$ 144,915          |
| Interest on total pension liability  | 591,758             | 539,073             | 522,564             | 494,465             | 446,384             | 407,424             | 387,546             | 354,233             | 307,221             | 280,745             |
| Differences between expected and actual experience                                 | -                   | -                   | -                   | (83,953)            | -                   | (224,979)           | -                   | 229,312             | -                   | (73,804)            |
| Changes of assumptions   | -                   | (389,473)           | -                   | 590,119             | -                   | -                   | -                   | 9,847               | -                   | 62,041              |
| Benefit payments   | (156,257)           | (150,383)           | (106,111)           | (79,954)            | (88,821)            | (88,821)            | (88,821)            | (88,821)            | (90,798)            | (68,974)            |
| Net change in total pension liability  | 775,602             | 323,122             | 690,404             | 1,164,513           | 558,421             | 284,917             | 477,492             | 674,825             | 368,584             | 344,923             |
| Total pension liability, beginning   | 8,531,797           | 8,208,675           | 7,518,271           | 6,353,758           | 5,795,337           | 5,510,420           | 5,032,928           | 4,358,103           | 3,989,519           | 3,644,596           |
| Total pension liability, ending (a)  | <u>\$ 9,307,399</u> | <u>\$ 8,531,797</u> | <u>\$ 8,208,675</u> | <u>\$ 7,518,271</u> | <u>\$ 6,353,758</u> | <u>\$ 5,795,337</u> | <u>\$ 5,510,420</u> | <u>\$ 5,032,928</u> | <u>\$ 4,358,103</u> | <u>\$ 3,989,519</u> |
| <b>FIDUCIARY NET POSITION</b>  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Contributions - employer   | \$ 157,975          | \$ 252,677          | \$ 64,669           | \$ 134,660          | \$ 133,561          | \$ 105,340          | \$ 74,570           | \$ 49,118           | \$ 57,717           | \$ 88,341           |
| Contributions - state aid  | 235,182             | 92,934              | 163,294             | 122,435             | 118,172             | 122,892             | 103,057             | 100,942             | 96,242              | 86,258              |
| Contributions - member   | 99,735              | 1,187,692           | 86,684              | 69,337              | 71,578              | 74,922              | 59,541              | 57,900              | 46,580              | 36,322              |
| Investment (loss) income net of investment expenses                                | 1,051,262           | (150,383)           | (1,265,946)         | 941,573             | 887,911             | 971,034             | (324,034)           | 664,403             | 286,481             | (44,938)            |
| Benefit payments   | (156,257)           | (16,800)            | (106,111)           | (79,954)            | (88,821)            | (88,821)            | (88,821)            | (88,821)            | (90,798)            | (68,974)            |
| Administrative expenses  | (12,025)            | -                   | (10,600)            | (13,800)            | (9,900)             | (14,050)            | (10,700)            | (8,000)             | (8,850)             | (11,200)            |
| Net change in fiduciary net position   | 1,375,872           | 1,366,120           | (1,068,010)         | 1,174,251           | 1,112,501           | 1,171,317           | (186,387)           | 775,542             | 387,372             | 85,809              |
| Fiduciary net position, beginning  | 8,138,554           | 6,772,434           | 7,840,444           | 6,666,193           | 5,553,692           | 4,382,375           | 4,568,762           | 3,793,220           | 3,405,848           | 3,320,039           |
| Fiduciary net position, ending (b)   | <u>\$ 9,514,426</u> | <u>\$ 8,138,554</u> | <u>\$ 6,772,434</u> | <u>\$ 7,840,444</u> | <u>\$ 6,666,193</u> | <u>\$ 5,553,692</u> | <u>\$ 4,382,375</u> | <u>\$ 4,568,762</u> | <u>\$ 3,793,220</u> | <u>\$ 3,405,848</u> |
| Net pension liability (asset) [(a) - (b)]  | <u>\$ (207,027)</u> | <u>\$ 393,243</u>   | <u>\$ 1,436,241</u> | <u>\$ (322,173)</u> | <u>\$ (312,435)</u> | <u>\$ 241,645</u>   | <u>\$ 1,128,045</u> | <u>\$ 464,166</u>   | <u>\$ 564,883</u>   | <u>\$ 583,671</u>   |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 102.2%              | 95.4%               | 82.5%               | 104.3%              | 104.9%              | 95.8%               | 79.5%               | 90.8%               | 87.0%               | 85.4%               |
| Covered payroll  | \$ 1,850,000        | \$ 1,704,052        | \$ 1,500,000        | \$ 1,380,000        | \$ 1,326,210        | \$ 1,260,000        | \$ 1,158,880        | \$ 1,115,528        | \$ 1,047,846        | \$ 1,086,238        |
| Net pension liability (asset) as a percentage of covered payroll                   | -11.2%              | 23.1%               | 104.1%              | -23.4%              | -23.6%              | 19.2%               | 97.3%               | 41.6%               | 53.9%               | 53.7%               |
| Annual money-weighted return, net of investment expenses                           | 12.64%              | 17.27%              | -15.90%             | 13.90%              | 14.69%              | 21.19%              | -7.03%              | 17.36%              | 8.28%               | -1.27%              |

**Change in Methodology**

In 2023, the mortality rates were updated to the PUBS-2010 Mortality projected 5 years past the valuation date using scale MP-2020.

**UPPER UWCHLAN TOWNSHIP**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**SCHEDULE OF CHANGES IN THE TOWNSHIP'S NET PENSION LIABILITY (ASSET), RELATED RATIOS, AND INVESTMENT RETURNS -**  
**NON-UNIFORMED PENSION PLAN**

|  | 2024                | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>TOTAL PENSION LIABILITY</b>   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Service cost   | \$ 86,585           | \$ 82,857           | \$ 102,690          | \$ 91,839           | \$ 99,316           | \$ 95,039           | \$ 115,949          | \$ 110,956          | \$ 110,226          | \$ 105,479          |
| Interest on total pension liability  | 226,039             | 213,323             | 202,602             | 195,131             | 175,888             | 160,106             | 151,673             | 136,420             | 122,137             | 106,487             |
| Differences between expected and actual experience                         | -                   | -                   | -                   | (27,037)            | -                   | (85,281)            | -                   | (21,695)            | -                   | (2,534)             |
| Changes of assumptions   | -                   | (58,308)            | -                   | 275,607             | -                   | -                   | -                   | 6,387               | -                   | 46,112              |
| Benefit payments, including refunds of member contributions                | (129,797)           | (99,257)            | (88,398)            | (88,398)            | (59,369)            | (38,634)            | (59,347)            | (38,634)            | (16,071)            | -                   |
| Net change in total pension liability                                      | 182,827             | 138,615             | 216,894             | 447,142             | 215,835             | 131,230             | 208,275             | 193,434             | 216,292             | 255,544             |
| Total pension liability, beginning   | 3,294,026           | 3,155,411           | 2,938,517           | 2,491,375           | 2,275,540           | 2,144,310           | 1,936,035           | 1,742,601           | 1,526,309           | 1,270,765           |
| Total pension liability, ending (a)  | <u>\$ 3,476,853</u> | <u>\$ 3,294,026</u> | <u>\$ 3,155,411</u> | <u>\$ 2,938,517</u> | <u>\$ 2,491,375</u> | <u>\$ 2,275,540</u> | <u>\$ 2,144,310</u> | <u>\$ 1,936,035</u> | <u>\$ 1,742,601</u> | <u>\$ 1,526,309</u> |
| <b>FIDUCIARY NET POSITION</b>  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Contributions - employer   | \$ -                | \$ -                | \$ -                | \$ -                | \$ 505              | \$ 6,404            | \$ 9,256            | \$ 1,238            | \$ 13,818           | \$ 16,725           |
| Contributions - state aid  | 97,629              | 60,840              | 59,465              | 79,051              | 88,629              | 87,048              | 84,319              | 73,412              | 61,245              | 50,971              |
| Contributions - member   | 37,181              | 35,004              | 38,986              | 37,613              | 42,464              | 49,800              | 44,744              | 46,640              | 48,354              | 44,694              |
| Investment (loss) income net of investment expenses                        | 395,572             | 467,333             | (519,412)           | 391,095             | 377,787             | 414,564             | (138,838)           | 275,403             | 116,198             | (18,937)            |
| Benefit payments, including refunds of member contributions                | (129,797)           | (99,257)            | (88,398)            | (88,398)            | (59,369)            | (38,634)            | (38,634)            | (38,634)            | (9,658)             | -                   |
| Refund of member contributions   | -                   | -                   | -                   | -                   | -                   | -                   | (20,713)            | -                   | (6,413)             | -                   |
| Administrative expenses  | (11,725)            | (12,100)            | (10,050)            | (13,600)            | (9,700)             | (8,400)             | (10,589)            | (8,000)             | (10,552)            | (11,000)            |
| Net change in fiduciary net position                                       | 388,860             | 451,820             | (519,409)           | 405,761             | 440,316             | 510,782             | (70,455)            | 350,059             | 212,992             | 82,453              |
| Fiduciary net position, beginning  | 3,141,783           | 2,689,963           | 3,209,372           | 2,803,611           | 2,363,295           | 1,852,513           | 1,922,968           | 1,572,909           | 1,359,917           | 1,277,464           |
| Fiduciary net position, ending (b)   | <u>\$ 3,530,643</u> | <u>\$ 3,141,783</u> | <u>\$ 2,689,963</u> | <u>\$ 3,209,372</u> | <u>\$ 2,803,611</u> | <u>\$ 2,363,295</u> | <u>\$ 1,852,513</u> | <u>\$ 1,922,968</u> | <u>\$ 1,572,909</u> | <u>\$ 1,359,917</u> |
| Net pension liability (asset) [(a) - (b)]                                  | <u>\$ (53,790)</u>  | <u>\$ 152,243</u>   | <u>\$ 465,448</u>   | <u>\$ (270,855)</u> | <u>\$ (312,236)</u> | <u>\$ (87,755)</u>  | <u>\$ 291,797</u>   | <u>\$ 13,067</u>    | <u>\$ 169,692</u>   | <u>\$ 166,392</u>   |
| Plan fiduciary net position as a percentage of the total pension liability | 101.5%              | 95.4%               | 85.3%               | 109.2%              | 112.5%              | 103.9%              | 86.4%               | 99.3%               | 90.3%               | 89.1%               |
| Covered payroll  | \$ 740,000          | \$ 810,108          | \$ 790,000          | \$ 780,000          | \$ 964,000          | \$ 922,230          | \$ 923,926          | \$ 908,716          | \$ 914,738          | \$ 900,000          |
| Net pension liability (asset) as a percentage of covered payroll           | -7.3%               | 18.8%               | 58.9%               | -34.7%              | -32.4%              | -9.5%               | 31.6%               | 1.4%                | 18.6%               | 18.5%               |
| Annual money-weighted return, net of investment expenses                   | 12.60%              | -16.15%             | -16.15%             | 13.95%              | 15.76%              | 21.24%              | -7.11%              | 17.22%              | 8.28%               | -1.32%              |

**Change in Methodology**

In 2023, the mortality rates were updated to the PUBS-2010 Mortality projected 5 years past the valuation date using scale MP-2020.

**UPPER UWCHLAN TOWNSHIP  
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
SCHEDULE OF EMPLOYER CONTRIBUTIONS - POLICE PENSION PLAN**

| <u>Fiscal<br/>Year Ended<br/>December 31,</u> | <u>Actuarially<br/>Determined<br/>Contribution</u> | <u>Actual<br/>Employer<br/>Contribution</u> | <u>Contribution<br/>Deficiency<br/>(Excess)</u> | <u>Covered<br/>Payroll</u> | <u>Contribution as<br/>a Percentage<br/>of Covered<br/>Payroll</u> |
|---|--|---|---|----------------------------|--|
| 2024  | \$ 393,158   | \$ 393,158                                  | \$ -  | \$ 1,850,000               | 21.25%   |
| 2023  | 252,675  | 252,675                                     | -   | 1,704,052                  | 14.83%   |
| 2022  | 227,964  | 227,964                                     | -   | 1,500,000                  | 15.20%   |
| 2021  | 257,095  | 257,095                                     | -   | 1,380,000                  | 18.63%   |
| 2020  | 251,733  | 251,733                                     | -   | 1,326,210                  | 18.98%   |
| 2019  | 228,232  | 228,232                                     | -   | 1,260,000                  | 18.11%   |
| 2018  | 177,627  | 177,627                                     | -   | 1,158,880                  | 15.33%   |
| 2017  | 150,060  | 150,060                                     | -   | 1,115,528                  | 13.45%   |
| 2016  | 153,959  | 153,959                                     | -   | 1,047,846                  | 14.69%   |
| 2015  | 174,599  | 174,599                                     | -   | 1,086,238                  | 16.07%   |

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**Actuarial Methods and Significant Assumptions**

|                               |   |
|-------------------------------|---|
| Valuation date                | January 1, 2023   |
| Actuarial cost method         | Entry Age Normal (GASB Statement No. 67 version)                |
| Amortization method           | Level Dollar Amortization                                       |
| Remaining amortization period | 7 years   |
| Amortization period           | Closed  |
| Asset valuation method        | Fair Value  |
| Actuarial assumptions:        |   |
| Investment rate of return     | 7.00%   |
| Discount rate                 | 7.00%   |
| Projected salary increases    | 5.00%   |
| Cost of living adjustments    | 2.25%   |
| Mortality                     | PUBS-2010 Mortality Table projected to 2026 using scale MP-2020 |

**UPPER UWCHLAN TOWNSHIP  
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
SCHEDULE OF EMPLOYER CONTRIBUTIONS - NON-UNIFORMED PENSION PLAN**

| <u>Fiscal<br/>Year Ended<br/>December 31,</u> | <u>Actuarially<br/>Determined<br/>Contribution</u> | <u>Actual<br/>Employer<br/>Contribution</u> | <u>Contribution<br/>Deficiency<br/>(Excess)</u> | <u>Covered<br/>Payroll</u> | <u>Contribution as<br/>a Percentage<br/>of Covered<br/>Payroll</u> |
|---|--|---|---|----------------------------|--|
| 2024  | \$ 97,629  | \$ 97,629                                   | \$ -  | \$ 740,000                 | 13.19%   |
| 2023  | 60,840   | 60,840                                      | -   | 810,108                    | 7.51%  |
| 2022  | 59,465   | 59,465                                      | -   | 790,000                    | 7.53%  |
| 2021  | 79,051   | 79,051                                      | -   | 780,000                    | 10.13%   |
| 2020  | 89,134   | 89,134                                      | -   | 964,000                    | 9.25%  |
| 2019  | 93,452   | 93,452                                      | -   | 922,230                    | 10.13%   |
| 2018  | 93,575   | 93,575                                      | -   | 923,926                    | 10.13%   |
| 2017  | 74,650   | 74,650                                      | -   | 908,716                    | 8.21%  |
| 2016  | 75,063   | 75,063                                      | -   | 914,738                    | 8.21%  |
| 2015  | 67,696   | 67,696                                      | -   | 900,000                    | 7.52%  |

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**Actuarial Methods and Significant Assumptions**

|                               |   |
|-------------------------------|---|
| Valuation date                | January 1, 2023   |
| Actuarial cost method         | Entry Age Normal (GASB Statement No. 67 version)                |
| Amortization method           | Level Dollar Amortization                                       |
| Remaining amortization period | N/A   |
| Asset valuation method        | Fair Value  |
| Actuarial assumptions:        |   |
| Investment rate of return     | 7.00%   |
| Discount rate                 | 7.00%   |
| Projected salary increases    | 4.50%   |
| Cost of living adjustments    | 2.25%   |
| Mortality                     | PUBS-2010 Mortality Table projected to 2026 using scale MP-2020 |

## **SUPPLEMENTARY INFORMATION**

**UPPER UWCHLAN TOWNSHIP**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2024**

|  | Special Revenue Funds |                     |                                   |                     |
|--|-----------------------|---------------------|-----------------------------------|---------------------|
|  | Liquid Fuels<br>Fund  | Act 209<br>Fund     | Water Resource<br>Protection Fund | Total               |
| <b>ASSETS</b>                              |                       |                     |                                   |                     |
| Cash and cash equivalents                  | \$ 584,405            | \$ 57,066           | \$ 524,270                        | \$ 1,165,741        |
| Investments                                | 535,680               | 1,080,900           | -                                 | 1,616,580           |
| <b>TOTAL ASSETS</b>                        | <u>\$ 1,120,085</u>   | <u>\$ 1,137,966</u> | <u>\$ 524,270</u>                 | <u>\$ 2,782,321</u> |
| <b>LIABILITIES AND FUND BALANCES</b>       |                       |                     |                                   |                     |
| <b>LIABILITIES:</b>                        |                       |                     |                                   |                     |
| Accrued expenses                           | \$ 13,281             | \$ -                | \$ -                              | \$ 13,281           |
| <b>TOTAL LIABILITIES</b>                   | <u>13,281</u>         | <u>-</u>            | <u>-</u>                          | <u>13,281</u>       |
| <b>FUND BALANCES:</b>                      |                       |                     |                                   |                     |
| Restricted                                 | 1,106,804             | 1,137,966           | 524,270                           | 2,769,040           |
| <b>TOTAL FUND BALANCES</b>                 | <u>1,106,804</u>      | <u>1,137,966</u>    | <u>524,270</u>                    | <u>2,769,040</u>    |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <u>\$ 1,120,085</u>   | <u>\$ 1,137,966</u> | <u>\$ 524,270</u>                 | <u>\$ 2,782,321</u> |

**UPPER UWCHLAN TOWNSHIP**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

|  | Special Revenue Funds |                     |                                   |                     |
|--|-----------------------|---------------------|-----------------------------------|---------------------|
|  | Liquid Fuels<br>Fund  | Act 209<br>Fund     | Water Resource<br>Protection Fund | Total               |
| REVENUES   |                       |                     |                                   |                     |
| Interest   | \$ 58,243             | \$ 51,841           | \$ 24,766                         | \$ 134,850          |
| Intergovernmental revenues                                   | 412,383               | -                   | 225,477                           | 637,860             |
| TOTAL REVENUES   | <u>470,626</u>        | <u>51,841</u>       | <u>250,243</u>                    | <u>772,710</u>      |
| EXPENDITURES   |                       |                     |                                   |                     |
| Public works - highways and streets                          | 573,915               | 3,260               | 576,040                           | 1,153,215           |
| TOTAL EXPENDITURES   | <u>573,915</u>        | <u>3,260</u>        | <u>576,040</u>                    | <u>1,153,215</u>    |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES | <u>(103,289)</u>      | <u>48,581</u>       | <u>(325,797)</u>                  | <u>(380,505)</u>    |
| OTHER FINANCING SOURCES                                      |                       |                     |                                   |                     |
| Transfers in   | -                     | -                   | 172,329                           | 172,329             |
| TOTAL OTHER FINANCING SOURCES                                | <u>-</u>              | <u>-</u>            | <u>172,329</u>                    | <u>172,329</u>      |
| NET CHANGE IN FUND BALANCES                                  | (103,289)             | 48,581              | (153,468)                         | (208,176)           |
| FUND BALANCES, BEGINNING OF YEAR                             | <u>1,210,093</u>      | <u>1,089,385</u>    | <u>677,738</u>                    | <u>2,977,216</u>    |
| FUND BALANCES, END OF YEAR                                   | <u>\$ 1,106,804</u>   | <u>\$ 1,137,966</u> | <u>\$ 524,270</u>                 | <u>\$ 2,769,040</u> |

**UPPER UWCHLAN TOWNSHIP**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**DECEMBER 31, 2024**

|                                 | Non-Uniformed<br>Pension Fund | Police<br>Pension Fund     | Total                       |
|---------------------------------|-------------------------------|----------------------------|-----------------------------|
| ASSETS                          |                               |                            |                             |
| Cash and cash equivalents       | \$ 121,856                    | \$ 355,808                 | \$ 477,664                  |
| Prepaid pension benefit         | 10,816                        | 13,232                     | 24,048                      |
| Investments, at fair value:     |                               |                            |                             |
| Exchange traded funds           | <u>3,397,971</u>              | <u>9,145,386</u>           | <u>12,543,357</u>           |
| TOTAL ASSETS                    | <u><u>\$ 3,530,643</u></u>    | <u><u>\$ 9,514,426</u></u> | <u><u>\$ 13,045,069</u></u> |
| LIABILITIES AND NET POSITION    |                               |                            |                             |
| LIABILITIES                     | \$ -                          | \$ -                       | \$ -                        |
| NET POSITION                    |                               |                            |                             |
| Restricted for pension benefits | <u>3,530,643</u>              | <u>9,514,426</u>           | <u>13,045,069</u>           |
| TOTAL NET POSITION              | <u><u>\$ 3,530,643</u></u>    | <u><u>\$ 9,514,426</u></u> | <u><u>\$ 13,045,069</u></u> |

**UPPER UWCHLAN TOWNSHIP**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

|   | <u>Non-Uniformed<br/>Pension Fund</u> | <u>Police<br/>Pension Fund</u> | <u>Total</u>         |
|---|---------------------------------------|--------------------------------|----------------------|
| ADDITIONS                                   |                                       |                                |                      |
| Contributions:                              |                                       |                                |                      |
| State aid                                   | \$ 97,629                             | \$ 235,181                     | \$ 332,810           |
| Employer contribution                       | -                                     | 157,976                        | 157,976              |
| Employee contribution                       | 37,181                                | 99,735                         | 136,916              |
| Total Contributions                         | <u>134,810</u>                        | <u>492,892</u>                 | <u>627,702</u>       |
| Investment income (loss):                   |                                       |                                |                      |
| Net realized/unrealized gain on investments | 327,635                               | 871,229                        | 1,198,864            |
| Interest and dividends, net                 | 67,937                                | 180,033                        | 247,970              |
| Net Investment Income (Loss)                | <u>395,572</u>                        | <u>1,051,262</u>               | <u>1,446,834</u>     |
| TOTAL ADDITIONS                             | <u>530,382</u>                        | <u>1,544,154</u>               | <u>2,074,536</u>     |
| DEDUCTIONS                                  |                                       |                                |                      |
| Benefits paid                               | 129,797                               | 156,257                        | 286,054              |
| Administrative expenses                     | <u>11,725</u>                         | <u>12,025</u>                  | <u>23,750</u>        |
| TOTAL DEDUCTIONS                            | <u>141,522</u>                        | <u>168,282</u>                 | <u>309,804</u>       |
| CHANGE IN FIDUCIARY NET POSITION            | 388,860                               | 1,375,872                      | 1,764,732            |
| NET POSITION, BEGINNING OF YEAR             | <u>3,141,783</u>                      | <u>8,138,554</u>               | <u>11,280,337</u>    |
| NET POSITION, END OF YEAR                   | <u>\$ 3,530,643</u>                   | <u>\$ 9,514,426</u>            | <u>\$ 13,045,069</u> |

## **STATISTICAL SECTION**

Upper Uwchlan Township's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, footnote disclosures, and required supplementary information says about the Township's overall financial health.

### **CONTENTS**

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Information**

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

**Upper Uwchlan Township**

Net Position by Component

Last Ten Fiscal Years Ending December 31,

(Accrual basis of accounting)

Unaudited

|   | 2024                 | 2023                 | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental Activities:</b>             |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 12,909,840        | \$ 12,745,757        | \$ 12,245,457        | \$ 12,122,975        | \$ 10,310,162        | \$ 8,617,213         | \$ 8,784,910         | \$ 8,105,578         | \$ 6,828,688         | \$ 5,712,215         |
| Restricted                                  | 3,566,708            | 3,882,689            | 4,275,389            | 3,881,870            | 4,537,387            | 4,636,476            | 2,593,256            | 2,753,072            | 2,782,189            | 3,364,022            |
| Unrestricted                                | 7,436,672            | 6,977,965            | 6,754,304            | 6,818,728            | 6,133,499            | 4,923,096            | 3,746,325            | 3,398,966            | 3,005,870            | 2,444,569            |
| Total governmental activities net position  | <u>\$ 23,913,220</u> | <u>\$ 23,606,411</u> | <u>\$ 23,275,150</u> | <u>\$ 22,823,573</u> | <u>\$ 20,981,048</u> | <u>\$ 18,176,785</u> | <u>\$ 15,124,491</u> | <u>\$ 14,257,616</u> | <u>\$ 12,616,747</u> | <u>\$ 11,520,806</u> |
| <b>Business-type Activities:</b>            |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 10,905,397        | \$ 11,065,860        | \$ 11,305,440        | \$ 11,553,585        | \$ 11,304,799        | \$ 11,562,103        | \$ 17,265,525        | \$ 17,579,313        | \$ 18,120,923        | \$ 4,259,580         |
| Restricted                                  | 112,879              | 109,155              | 106,316              | 106,507              | 106,941              | 106,991              | -                    | -                    | -                    | -                    |
| Unrestricted                                | 5,178,987            | 5,178,987            | 5,173,531            | 5,178,224            | 5,177,810            | 5,177,407            | 89,205               | 87,657               | 257,107              | 3,990,830            |
| Total business-type activities net position | <u>\$ 16,197,263</u> | <u>\$ 16,354,002</u> | <u>\$ 16,585,287</u> | <u>\$ 16,838,316</u> | <u>\$ 16,589,550</u> | <u>\$ 16,846,501</u> | <u>\$ 17,354,730</u> | <u>\$ 17,666,970</u> | <u>\$ 18,378,030</u> | <u>\$ 8,250,410</u>  |
| <b>Primary Government:</b>                  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets            | \$ 23,815,237        | \$ 23,811,617        | \$ 23,550,897        | \$ 23,676,560        | \$ 21,614,961        | \$ 20,179,316        | \$ 26,050,435        | \$ 25,684,891        | \$ 24,949,611        | \$ 9,971,795         |
| Restricted                                  | 3,679,587            | 3,991,844            | 4,381,705            | 3,988,377            | 4,644,328            | 4,743,467            | 2,593,256            | 3,030,926            | 2,782,189            | 3,364,022            |
| Unrestricted                                | 12,615,659           | 12,156,952           | 11,927,835           | 11,996,952           | 11,311,309           | 10,100,503           | 3,835,530            | 3,486,623            | 3,262,977            | 6,435,399            |
| Total primary government net position       | <u>\$ 40,110,483</u> | <u>\$ 39,960,413</u> | <u>\$ 39,860,437</u> | <u>\$ 39,661,889</u> | <u>\$ 37,570,598</u> | <u>\$ 35,023,286</u> | <u>\$ 32,479,221</u> | <u>\$ 32,202,440</u> | <u>\$ 30,994,777</u> | <u>\$ 19,771,216</u> |

**Upper Uwchlan Township**

Changes in Net Position

Last Ten Fiscal Years Ending December 31,

(Accrual basis of accounting)

Unaudited

|                                     | 2024                  | 2023                  | 2022                  | 2021                  | 2020                  | 2019                  | 2018                  | 2017                  | 2016                 | 2015                  |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|
| <b>Expenses</b>                     |                       |                       |                       |                       |                       |                       |                       |                       |                      |                       |
| Governmental Activities:            |                       |                       |                       |                       |                       |                       |                       |                       |                      |                       |
| General government                  | \$ 1,655,921          | \$ 1,447,503          | \$ 1,346,171          | \$ 1,679,637          | \$ 1,096,837          | \$ 1,444,164          | \$ 1,316,504          | \$ 1,298,872          | \$ 1,208,854         | \$ 1,333,516          |
| Public safety                       | 3,814,575             | 4,694,127             | 4,218,909             | 3,156,093             | 3,192,967             | 3,084,115             | 2,970,387             | 2,898,572             | 2,814,758            | 2,820,930             |
| Public works - highways and streets | 2,907,197             | 2,434,023             | 2,107,128             | 2,246,013             | 1,943,882             | 1,843,612             | 1,791,771             | 1,133,327             | 1,737,343            | 1,553,901             |
| Public works - sanitation           | 1,308,520             | 1,156,159             | 992,891               | 917,650               | 892,288               | 947,705               | 884,677               | 829,323               | 818,581              | 823,187               |
| Culture and recreation              | 1,036,457             | 800,702               | 887,367               | 571,124               | 506,961               | 687,009               | 905,444               | 808,871               | 417,753              | 374,421               |
| Health and welfare                  | 34,704                | 30,697                | 29,695                | 29,754                | 29,130                | 25,544                | 19,248                | 16,898                | 40,242               | 51,018                |
| Interest expense                    | 413,250               | 199,854               | 190,500               | 241,317               | 176,182               | 271,597               | 9,225                 | 10,796                | 13,771               | 21,755                |
| Total Governmental Activities       | <u>11,170,624</u>     | <u>10,763,065</u>     | <u>9,772,661</u>      | <u>8,841,588</u>      | <u>7,838,247</u>      | <u>8,303,746</u>      | <u>7,897,256</u>      | <u>6,996,659</u>      | <u>7,051,302</u>     | <u>6,978,728</u>      |
| Business-type Activities:           |                       |                       |                       |                       |                       |                       |                       |                       |                      |                       |
| Sewer operations                    | 735,041               | 818,519               | 832,965               | 802,738               | 841,846               | 1,039,830             | 495,126               | 504,086               | 363,992              | 239,514               |
| Total Business-type Activities      | <u>735,041</u>        | <u>818,519</u>        | <u>832,965</u>        | <u>802,738</u>        | <u>841,846</u>        | <u>1,039,830</u>      | <u>495,126</u>        | <u>504,086</u>        | <u>363,992</u>       | <u>239,514</u>        |
| Total Expenses                      | <u>\$ 11,905,665</u>  | <u>\$ 11,581,584</u>  | <u>\$ 10,605,626</u>  | <u>\$ 9,644,326</u>   | <u>\$ 8,680,093</u>   | <u>\$ 9,343,576</u>   | <u>\$ 8,392,382</u>   | <u>\$ 7,500,745</u>   | <u>\$ 7,415,294</u>  | <u>\$ 7,218,242</u>   |
| <b>Program Revenues</b>             |                       |                       |                       |                       |                       |                       |                       |                       |                      |                       |
| Governmental Activities:            |                       |                       |                       |                       |                       |                       |                       |                       |                      |                       |
| Charges for services                |                       |                       |                       |                       |                       |                       |                       |                       |                      |                       |
| General government                  | \$ 373,543            | \$ 370,501            | \$ 422,438            | \$ 380,857            | \$ 272,951            | \$ 367,691            | \$ 565,715            | \$ 376,573            | \$ 391,339           | \$ 29,457             |
| Public safety                       | 584,243               | 663,692               | 636,406               | 792,494               | 745,394               | 420,446               | 463,524               | 486,419               | 294,653              | 655,478               |
| Public works - sanitation           | 1,208,709             | 1,198,659             | 1,158,425             | 1,079,165             | 1,079,487             | 1,030,672             | 1,038,040             | 1,014,379             | 984,808              | 1,038,486             |
| Culture and recreation              | 136,850               | 121,596               | 119,044               | 87,238                | 43,442                | 81,380                | 154,107               | 135,180               | 126,750              | 93,449                |
| Health and welfare                  | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                    | -                     |
| Operating grants and contributions  | 1,145,288             | 969,354               | 764,316               | 936,361               | 2,147,919             | 968,897               | 792,685               | 764,548               | 1,039,544            | 628,661               |
| Capital grants and contributions    | 11,050                | -                     | -                     | -                     | 21,572                | 2,144,256             | 136,283               | 345,653               | -                    | 13,840                |
| Total Governmental Activities       | <u>3,459,683</u>      | <u>3,323,802</u>      | <u>3,100,629</u>      | <u>3,276,115</u>      | <u>4,310,765</u>      | <u>5,013,342</u>      | <u>3,150,354</u>      | <u>3,122,752</u>      | <u>2,837,094</u>     | <u>2,459,371</u>      |
| Business-type Activities:           |                       |                       |                       |                       |                       |                       |                       |                       |                      |                       |
| Charges for services                |                       |                       |                       |                       |                       |                       |                       |                       |                      |                       |
| Sewer operations                    | 573,512               | 582,942               | 572,981               | 848,380               | 572,688               | 518,891               | 364,339               | 364,563               | 367,963              | 364,613               |
| Capital grants and contributions    | -                     | -                     | -                     | 191,299               | -                     | -                     | -                     | -                     | 11,387,123           | -                     |
| Total Business-type Activities      | <u>573,512</u>        | <u>582,942</u>        | <u>572,981</u>        | <u>1,039,679</u>      | <u>572,688</u>        | <u>518,891</u>        | <u>364,339</u>        | <u>364,563</u>        | <u>11,755,086</u>    | <u>364,613</u>        |
| Total Program Revenues              | <u>\$ 4,033,195</u>   | <u>\$ 3,906,744</u>   | <u>\$ 3,673,610</u>   | <u>\$ 4,315,794</u>   | <u>\$ 4,883,453</u>   | <u>\$ 5,532,233</u>   | <u>\$ 3,514,693</u>   | <u>\$ 3,487,315</u>   | <u>\$ 14,592,180</u> | <u>\$ 2,823,984</u>   |
| Net (Expense) Revenue               |                       |                       |                       |                       |                       |                       |                       |                       |                      |                       |
| Governmental Activities             | \$ (7,710,941)        | \$ (7,439,263)        | \$ (6,672,032)        | \$ (5,565,473)        | \$ (3,527,482)        | \$ (3,290,404)        | \$ (4,746,902)        | \$ (3,873,907)        | \$ (4,214,208)       | \$ (4,519,357)        |
| Business-type Activities            | (161,529)             | (235,577)             | (259,984)             | 236,941               | (269,158)             | (520,939)             | (130,787)             | (139,523)             | 11,391,094           | 125,099               |
| Total Net Revenue                   | <u>\$ (7,872,470)</u> | <u>\$ (7,674,840)</u> | <u>\$ (6,932,016)</u> | <u>\$ (5,328,532)</u> | <u>\$ (3,796,640)</u> | <u>\$ (3,811,343)</u> | <u>\$ (4,877,689)</u> | <u>\$ (4,013,430)</u> | <u>\$ 7,176,886</u>  | <u>\$ (4,394,258)</u> |

**Upper Uwchlan Township**

Changes in Net Position

Last Ten Fiscal Years Ending December 31,

(Accrual basis of accounting)

Unaudited

|                                      | 2024                | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                 | 2015                  |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|-----------------------|
| <b>General Revenues</b>              |                     |                     |                     |                     |                     |                     |                     |                     |                      |                       |
| Governmental Activities:             |                     |                     |                     |                     |                     |                     |                     |                     |                      |                       |
| Real estate taxes                    | \$ 1,487,861        | \$ 1,499,484        | \$ 1,215,354        | \$ 1,159,198        | \$ 1,169,211        | \$ 1,040,582        | \$ 1,028,477        | \$ 1,071,145        | \$ 1,014,261         | \$ 971,219            |
| Real estate transfer taxes           | 704,389             | 708,427             | 884,659             | 1,212,712           | 656,629             | 770,958             | 554,781             | 467,101             | 513,032              | 475,726               |
| Earned income taxes                  | 5,092,826           | 4,907,438           | 4,719,097           | 4,699,762           | 4,145,335           | 3,979,873           | 3,588,735           | 3,625,061           | 3,354,291            | 3,159,131             |
| Franchise fees                       | 197,181             | 194,638             | 199,186             | 203,214             | 213,407             | 227,008             | 235,700             | 250,189             | 254,069              | 246,377               |
| Interest income                      | 434,433             | 260,534             | 65,386              | 56,559              | 100,607             | 276,955             | 126,725             | 76,783              | 45,855               | 35,223                |
| Other revenues                       | 56,715              | 173,177             | 36,323              | 51,904              | 35,985              | 47,322              | 69,259              | 24,497              | 125,671              | 122,814               |
| Gain on disposal of capital assets   | 44,345              | 26,826              | 3,604               | 24,649              | 10,571              | -                   | 10,100              | -                   | 2,970                | 26,188                |
| Total General Revenues and Transfers | <u>8,017,750</u>    | <u>7,770,524</u>    | <u>7,123,609</u>    | <u>7,407,998</u>    | <u>6,331,745</u>    | <u>6,342,698</u>    | <u>5,613,777</u>    | <u>5,514,776</u>    | <u>5,310,149</u>     | <u>5,036,678</u>      |
| Business-type Activities:            |                     |                     |                     |                     |                     |                     |                     |                     |                      |                       |
| Unrestricted investment earnings     | 4,790               | 4,292               | 6,955               | 11,825              | 12,207              | 12,710              | 7,572               | 2,487               | 3,050                | 5,407                 |
| Accretion of bond premium            | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                    | 5,114                 |
| Interest expense                     | -                   | -                   | -                   | -                   | -                   | -                   | (189,025)           | (189,024)           | (192,565)            | (199,475)             |
| Loss on disposal of capital assets   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                    | (1,022,157)           |
| Interfund transfers                  | -                   | -                   | -                   | -                   | -                   | -                   | -                   | (385,000)           | (1,073,959)          | (2,000,000)           |
| Total Business-type Activities       | <u>4,790</u>        | <u>4,292</u>        | <u>6,955</u>        | <u>11,825</u>       | <u>12,207</u>       | <u>12,710</u>       | <u>(181,453)</u>    | <u>(571,537)</u>    | <u>(1,263,474)</u>   | <u>(3,211,111)</u>    |
| Total Primary Government             | <u>\$ 8,022,540</u> | <u>\$ 7,774,816</u> | <u>\$ 7,130,564</u> | <u>\$ 7,419,823</u> | <u>\$ 6,343,952</u> | <u>\$ 6,355,408</u> | <u>\$ 5,432,324</u> | <u>\$ 4,943,239</u> | <u>\$ 4,046,675</u>  | <u>\$ 1,825,567</u>   |
| Change in Net Position:              |                     |                     |                     |                     |                     |                     |                     |                     |                      |                       |
| Governmental Activities              | \$ 306,809          | \$ 331,261          | \$ 451,577          | \$ 1,842,525        | \$ 2,804,263        | \$ 3,052,294        | \$ 866,875          | \$ 1,640,869        | \$ 1,095,941         | \$ 517,321            |
| Business-type Activities             | (156,739)           | (231,285)           | (253,029)           | 248,766             | (256,951)           | (508,229)           | (312,240)           | (711,060)           | 10,127,620           | (3,086,012)           |
| Total Change in Net Position         | <u>\$ 150,070</u>   | <u>\$ 99,976</u>    | <u>\$ 198,548</u>   | <u>\$ 2,091,291</u> | <u>\$ 2,547,312</u> | <u>\$ 2,544,065</u> | <u>\$ 554,635</u>   | <u>\$ 929,809</u>   | <u>\$ 11,223,561</u> | <u>\$ (2,568,691)</u> |

**Upper Uwchlan Township**

Fund Balances of Governmental Funds  
Last Ten Fiscal Years Ending December 31,  
(Modified accrual basis of accounting)  
Unaudited

|   | 2024                | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>General Fund</b>                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Nonspendable                            | \$ 28,965           | \$ 32,688           | \$ 12,102           | \$ 2,486            | \$ 8,622            | \$ 3,501            | \$ 6,851            | \$ 14,461           | \$ 10,792           | \$ 25,441           |
| Unassigned                              | 7,325,118           | 7,090,219           | 6,916,504           | 7,345,529           | 7,025,155           | 5,642,393           | 4,439,528           | 3,915,799           | 3,484,467           | 2,796,669           |
| Total General Fund                      | <u>\$ 7,354,083</u> | <u>\$ 7,122,907</u> | <u>\$ 6,928,606</u> | <u>\$ 7,348,015</u> | <u>\$ 7,033,777</u> | <u>\$ 5,645,894</u> | <u>\$ 4,446,379</u> | <u>\$ 3,930,260</u> | <u>\$ 3,495,259</u> | <u>\$ 2,822,110</u> |
| <br><b>All other governmental funds</b> |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Nonspendable                            | \$ 33,280           | \$ 17,500           | \$ 17,500           | \$ -                | \$ 13,932           | \$ 27,863           | \$ -                | \$ -                | \$ -                | \$ -                |
| Restricted                              | 3,566,708           | 3,882,689           | 4,275,389           | 3,288,842           | 3,912,715           | 4,548,721           | 2,593,256           | 2,753,072           | 2,782,189           | 3,364,022           |
| Total all other<br>governmental funds   | <u>\$ 3,599,988</u> | <u>\$ 3,900,189</u> | <u>\$ 4,292,889</u> | <u>\$ 3,288,842</u> | <u>\$ 3,926,647</u> | <u>\$ 4,576,584</u> | <u>\$ 2,593,256</u> | <u>\$ 2,753,072</u> | <u>\$ 2,782,189</u> | <u>\$ 3,364,022</u> |

**Upper Uwchlan Township**

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified accrual basis of accounting)

Unaudited

|  | 2024               | 2023                | 2022              | 2021                | 2020              | 2019                | 2018              | 2017              | 2016             | 2015                |
|--|--------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|-------------------|------------------|---------------------|
| <b>REVENUES</b>  |                    |                     |                   |                     |                   |                     |                   |                   |                  |                     |
| Taxes  | \$ 7,033,043       | \$ 6,845,589        | \$ 6,819,110      | \$ 7,073,014        | \$ 5,971,175      | \$ 5,795,726        | \$ 5,171,787      | \$ 5,163,307      | \$ 4,891,244     | \$ 4,602,294        |
| Licenses and permits   | 214,291            | 210,843             | 216,246           | 237,649             | 245,782           | 253,072             | 257,615           | 274,489           | 275,039          | 493,973             |
| Fines, forfeits, and costs                                   | 93,358             | 84,943              | 78,740            | 54,181              | 54,768            | 49,312              | 47,738            | 53,058            | 50,897           | 58,720              |
| Interest, dividends, and rents                               | 434,432            | 260,534             | 65,873            | 56,559              | 100,607           | 274,902             | 126,724           | 76,784            | 45,855           | 35,223              |
| Intergovernmental revenues                                   | 2,033,152          | 969,354             | 764,316           | 936,361             | 761,223           | 2,970,779           | 854,281           | 1,062,975         | 864,294          | 766,923             |
| Charges for services/fees                                    | 2,197,794          | 2,253,300           | 2,240,513         | 2,244,036           | 2,408,899         | 1,967,187           | 2,226,421         | 1,982,415         | 1,900,934        | 1,506,190           |
| Miscellaneous  | 53,098             | 291,721             | 36,324            | 51,904              | 1,089,485         | 47,322              | 69,259            | 24,500            | 125,673          | 2,757               |
| Total Revenues   | <u>12,059,168</u>  | <u>10,916,284</u>   | <u>10,221,122</u> | <u>10,653,704</u>   | <u>10,631,939</u> | <u>11,358,300</u>   | <u>8,753,825</u>  | <u>8,637,528</u>  | <u>8,153,936</u> | <u>7,466,080</u>    |
| <b>EXPENDITURES</b>  |                    |                     |                   |                     |                   |                     |                   |                   |                  |                     |
| Current:   |                    |                     |                   |                     |                   |                     |                   |                   |                  |                     |
| General government   | 2,225,999          | 1,532,501           | 1,506,796         | 1,733,841           | 3,255,578         | 4,670,029           | 1,412,785         | 1,261,269         | 1,241,051        | 1,317,076           |
| Public safety  | 4,775,936          | 4,688,721           | 4,286,770         | 3,234,481           | 3,279,068         | 3,121,033           | 2,876,601         | 2,811,731         | 2,823,320        | 2,801,545           |
| Health and welfare   | 34,704             | 30,697              | 29,695            | 29,754              | 29,130            | 25,544              | 19,248            | 16,898            | 40,242           | 51,018              |
| Public works - highways and streets                          | 2,654,820          | 2,416,474           | 1,764,555         | 1,821,360           | 1,556,803         | 1,587,239           | 1,736,271         | 1,858,678         | 2,185,976        | 1,909,034           |
| Public works - sanitation                                    | 1,240,778          | 1,144,932           | 959,123           | 971,636             | 932,521           | 947,213             | 863,642           | 822,693           | 806,198          | 815,606             |
| Culture and recreation                                       | 827,051            | 945,120             | 722,613           | 2,806,650           | 448,796           | 3,110,725           | 1,220,489         | 1,415,247         | 712,027          | 838,690             |
| Debt Service:  |                    |                     |                   |                     |                   |                     |                   |                   |                  |                     |
| Principal  | 220,000            | 220,000             | 220,000           | 213,956             | 207,489           | 186,064             | 269,361           | 301,938           | 243,005          | 368,151             |
| Interest   | 193,250            | 184,437             | 190,957           | 196,002             | 201,344           | 244,713             | 9,225             | 10,796            | 13,771           | 21,755              |
| Total Expenditures   | <u>12,172,538</u>  | <u>11,162,882</u>   | <u>9,680,509</u>  | <u>11,007,680</u>   | <u>9,910,729</u>  | <u>13,892,560</u>   | <u>8,407,622</u>  | <u>8,499,250</u>  | <u>8,065,590</u> | <u>8,122,875</u>    |
| Excess (Deficiency) of Revenues<br>over/(under) Expenditures | <u>(113,370)</u>   | <u>(246,598)</u>    | <u>540,613</u>    | <u>(353,976)</u>    | <u>721,210</u>    | <u>(2,534,260)</u>  | <u>346,203</u>    | <u>138,278</u>    | <u>88,346</u>    | <u>(656,795)</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                    |                     |                   |                     |                   |                     |                   |                   |                  |                     |
| Transfers in   | 1,761,138          | 1,269,064           | 1,845,000         | 2,340,344           | 1,668,000         | 150,000             | 1,075,000         | 1,300,000         | 770,000          | 2,984,176           |
| Transfers out  | (1,761,138)        | (1,269,064)         | (1,845,000)       | (2,340,344)         | (1,668,000)       | (150,000)           | (1,075,000)       | (1,300,000)       | (770,000)        | (2,984,176)         |
| Issuance of debt   | -                  | -                   | -                 | -                   | -                 | 5,470,000           | -                 | -                 | -                | -                   |
| Premium on issuance of debt                                  | -                  | -                   | -                 | -                   | -                 | 247,103             | -                 | -                 | -                | -                   |
| Proceeds from extended-term financing                        | -                  | -                   | -                 | -                   | -                 | -                   | -                 | 262,623           | -                | -                   |
| Proceeds of general capital asset disposition                | 44,345             | 48,200              | 44,025            | 30,409              | 16,736            | -                   | 10,100            | 4,983             | 2,970            | 40,722              |
| Total Other Financing Sources (Uses)                         | <u>44,345</u>      | <u>48,200</u>       | <u>44,025</u>     | <u>30,409</u>       | <u>16,736</u>     | <u>5,717,103</u>    | <u>10,100</u>     | <u>267,606</u>    | <u>2,970</u>     | <u>40,722</u>       |
| Net change in fund balances                                  | <u>\$ (69,025)</u> | <u>\$ (198,398)</u> | <u>\$ 584,638</u> | <u>\$ (323,567)</u> | <u>\$ 737,946</u> | <u>\$ 3,182,843</u> | <u>\$ 356,303</u> | <u>\$ 405,884</u> | <u>\$ 91,316</u> | <u>\$ (616,073)</u> |
| Debt service as a percentage of<br>noncapital expenditures   | 3%                 | 4%                  | 5%                | 4%                  | 4%                | 3%                  | 3%                | 4%                | 3%               | 5%                  |

**Upper Uwchlan Township**

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years Ending December 31,

Unaudited

| Year Ended<br>December 31 | Residential      | Commercial     | Agricultural | Industrial | Total Taxable<br>Assessed Value | Exempt        | Taxable<br>Assessed Value<br>as a Percentage<br>of Estimated<br>Actual Value | Estimated<br>Actual<br>Taxable Value | Total<br>Direct<br>Tax Rate |
|---------------------------|------------------|----------------|--------------|------------|---------------------------------|---------------|--|--------------------------------------|-----------------------------|
| 2024                      | \$ 1,014,392,235 | \$ 130,120,010 | \$ 3,904,360 | \$ 979,890 | \$ 1,149,396,495                | \$ 48,603,170 | 69.35%   | \$ 1,657,384,996                     | \$ 1.034                    |
| 2023                      | 998,263,165      | 126,544,830    | 3,904,360    | 979,890    | 1,129,692,245                   | 48,419,700    | 69.35%   | 1,628,972,235                        | 1.034                       |
| 2022                      | 968,376,805      | 129,297,870    | 3,880,200    | 1,033,570  | 1,102,588,445                   | 44,026,670    | 69.35%   | 1,589,889,611                        | 1.034                       |
| 2021                      | 931,151,195      | 124,993,720    | 3,871,950    | 1,033,570  | 1,061,050,435                   | 43,951,090    | 69.35%   | 1,529,993,417                        | 1.034                       |
| 2020                      | 890,759,535      | 117,703,470    | 3,871,950    | 646,070    | 1,012,981,025                   | 43,951,090    | 69.35%   | 1,460,679,200                        | 1.034                       |
| 2019                      | 875,719,396      | 117,607,620    | 4,116,230    | 646,070    | 998,089,316                     | 42,656,960    | 69.35%   | 1,439,205,935                        | 1.034                       |
| 2018                      | 850,130,208      | 117,112,310    | 4,228,580    | 646,070    | 972,117,168                     | 42,165,750    | 69.35%   | 1,401,755,109                        | 1.034                       |
| 2017                      | 834,946,998      | 111,365,620    | 4,551,630    | 558,130    | 951,422,378                     | 42,267,280    | 69.35%   | 1,371,914,027                        | 1.034                       |
| 2016                      | 830,051,348      | 112,305,630    | 4,946,870    | 558,130    | 947,861,978                     | 42,055,600    | 69.35%   | 1,366,780,069                        | 1.034                       |
| 2015                      | 827,242,078      | 105,635,350    | 5,212,920    | 558,130    | 938,648,478                     | 39,189,700    | 69.35%   | 1,353,443,190                        | 1.034                       |

Source: County Assessment Office

**Upper Uwchlan Township**

Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 assessed value)

Unaudited

| Year Ended<br>December 31 | Upper Uwchlan Township |                         |                      | Overlapping Governments                |                   | Total<br>Direct and<br>Overlapping |
|---------------------------|------------------------|-------------------------|----------------------|--|-------------------|------------------------------------|
|                           | General<br>Purposes    | Ambulance<br>and Rescue | Total<br>Direct Rate | Downingtown<br>Area School<br>District | Chester<br>County |                                    |
| 2024                      | 0.784                  | 0.250                   | 1.034                | 30.711                                 | 4.551             | 36.296                             |
| 2023                      | 0.784                  | 0.250                   | 1.034                | 29.558                                 | 4.551             | 35.143                             |
| 2022                      | 0.784                  | 0.250                   | 1.034                | 28.558                                 | 4.551             | 34.143                             |
| 2021                      | 0.784                  | 0.250                   | 1.034                | 27.726                                 | 4.369             | 33.129                             |
| 2020                      | 0.784                  | 0.250                   | 1.034                | 27.182                                 | 4.369             | 32.585                             |
| 2019                      | 0.784                  | 0.250                   | 1.034                | 27.182                                 | 4.369             | 32.585                             |
| 2018                      | 0.784                  | 0.250                   | 1.034                | 27.182                                 | 4.369             | 32.585                             |
| 2017                      | 0.784                  | 0.250                   | 1.034                | 27.182                                 | 4.369             | 32.585                             |
| 2016                      | 0.784                  | 0.250                   | 1.034                | 27.182                                 | 4.163             | 32.379                             |
| 2015                      | 0.784                  | 0.250                   | 1.034                | 27.182                                 | 4.163             | 32.379                             |

**Upper Uwchlan Township**  
Principal Property Taxpayers  
Current Year and Nine Years Ago  
Unaudited

| Taxpayer                       | 2023                    |      |                                    | 2014                   |      |                                    |
|--------------------------------|-------------------------|------|------------------------------------|------------------------|------|------------------------------------|
|                                | Taxable Assessed Value  | Rank | Percentage of Total Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Assessed Value |
| DSM Biomedical inc             | 18,360,000              | 1    | 1.60%                              | **                     | **   | **                                 |
| 730 Stockton Drive Associates  | 10,249,560              | 2    | 0.89%                              | 9,607,990              | 4    | 1.02%                              |
| Uni-Tech Pa LP                 | 9,285,210               | 3    | 0.81%                              | 10,163,660             | 2    | 1.08%                              |
| Farm Works Realty              | 8,117,050               | 4    | 0.71%                              | **                     | **   | **                                 |
| Eaglepoint Development         | 6,129,210               | 5    | 0.53%                              | 4,818,310              | 7    | 0.51%                              |
| 260 Sierra Drive LLP           | 5,687,000               | 6    | 0.49%                              | **                     | **   | **                                 |
| 240 Sierra Drive LP            | 5,562,740               | 7    | 0.48%                              | **                     | **   | **                                 |
| Dan Scott Fellowship           | 5,304,540               | 8    | 0.46%                              | 5,304,500              | 6    | 0.56%                              |
| Hankin Group                   | 4,095,750               | 9    | 0.36%                              | 10,103,180             | 3    | 1.07%                              |
| Innovative Solutions & Support | 3,320,130               | 10   | 0.29%                              | 3,320,130              | 10   | 0.35%                              |
| Kensey Nash                    | **                      | **   | **                                 | 12,750,300             | 1    | 1.35%                              |
| Eagle Retail                   | **                      | **   | **                                 | 7,844,000              | 5    | 0.83%                              |
| Cutler Group                   | **                      | **   | **                                 | 4,274,050              | 8    | 0.45%                              |
| Eagle Nurseries                | **                      | **   | **                                 | 3,463,220              | 9    | 0.37%                              |
|                                | <u>\$ 1,149,100,915</u> |      |                                    | <u>\$ 940,982,128</u>  |      |                                    |

Source: Chester County Assessment Office

\*\* - Not included in top ten

**Upper Uwchlan Township**  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
Unaudited

| Fiscal<br>Year Ended<br>December 31 | Total Tax<br>Levy for<br>Fiscal Year | Collected within the<br>Fiscal Year of the Levy |                       | Collections in<br>Subsequent Years | Total Collections to Date |                       |
|-------------------------------------|--------------------------------------|---|-----------------------|------------------------------------|---------------------------|-----------------------|
|                                     |                                      | Amount<br>Collected                             | Percentage<br>of Levy |                                    | Amount<br>Collected       | Percentage<br>of Levy |
| 2024                                | \$ 1,168,128                         | \$ 1,115,427                                    | 95.49%                | \$ 35,057                          | \$ 1,150,484              | 98.49%                |
| 2023                                | 1,225,121                            | 1,203,496                                       | 98.23%                | 20,474                             | 1,223,970                 | 99.91%                |
| 2022                                | 1,205,377                            | 1,172,204                                       | 97.25%                | 31,596                             | 1,203,800                 | 99.87%                |
| 2021                                | 1,092,342                            | 1,056,665                                       | 96.73%                | 28,498                             | 1,085,163                 | 99.34%                |
| 2020                                | 1,089,849                            | 1,063,518                                       | 97.58%                | 22,030                             | 1,085,548                 | 99.61%                |
| 2019                                | 1,076,659                            | 1,024,364                                       | 95.14%                | 18,479                             | 1,042,843                 | 96.86%                |
| 2018                                | 1,015,299                            | 953,725   | 93.94%                | 16,332                             | 970,057                   | 95.54%                |
| 2017                                | 998,151                              | 969,139   | 97.09%                | 21,021                             | 990,160                   | 99.20%                |
| 2016                                | 1,001,556                            | 924,585   | 92.31%                | 19,934                             | 944,519                   | 94.31%                |
| 2015                                | 972,713                              | 894,792   | 91.99%                | 16,587                             | 911,379                   | 93.69%                |

Source: Township financial reports

Note: Prior to 2015, the historical information required to segregate tax principal payment amounts from accrued penalties and interest on delinquent taxes are not available. Therefore, penalties and interest received on delinquent taxes have been included in years up to and including 2014.

**Upper Uwchlan Township**

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Unaudited

| Fiscal<br>Year | Governmental Activities |                                    |                                | Business-type<br>Activities        | Total<br>Outstanding<br>Debt | Percentage<br>of Personal<br>Income (2) | Population (2) | Debt<br>Per<br>Capita (2) |
|----------------|-------------------------|------------------------------------|--------------------------------|------------------------------------|------------------------------|---|----------------|---------------------------|
|                | Leases                  | General<br>Obligation<br>Bonds (1) | General<br>Obligation<br>Notes | General<br>Obligation<br>Bonds (1) |                              |   |                |                           |
| 2024           | \$ -                    | \$ 4,544,385                       | \$ -                           | \$ 9,226,516                       | \$ 13,770,901                | **                                      | 13,612         | \$ 1,012                  |
| 2023           | -                       | 4,787,693                          | -                              | 9,472,517                          | 14,260,210                   | 1.56%                                   | 13,286         | 1,073                     |
| 2022           | -                       | 5,015,744                          | -                              | 9,728,866                          | 14,744,610                   | 1.83%                                   | 12,275         | 1,201                     |
| 2021           | -                       | 5,244,309                          | -                              | 9,979,682                          | 15,223,991                   | 2.16%                                   | 12,275         | 1,240                     |
| 2020           | 53,954                  | 5,412,617                          | -                              | 10,225,793                         | 15,692,364                   | 2.18%                                   | 12,275         | 1,278                     |
| 2019           | 106,443                 | 5,575,925                          | -                              | 10,446,885                         | 16,129,253                   | 2.23%                                   | 11,488         | 1,404                     |
| 2018           | 157,507                 | -                                  | -                              | 5,377,274                          | 5,534,781                    | 0.84%                                   | 11,488         | 482                       |
| 2017           | 207,185                 | -                                  | 219,684                        | 5,557,388                          | 5,984,257                    | 0.92%                                   | 11,488         | 521                       |
| 2016           | -                       | -                                  | 466,184                        | 5,732,502                          | 6,198,686                    | 1.00%                                   | 11,540         | 537                       |
| 2015           | -                       | -                                  | 709,189                        | 5,907,616                          | 6,616,805                    | 1.08%                                   | 11,482         | 576                       |

(1) Presented net of original issuance discounts and premiums

(2) Refer to the Schedule of Demographic and Economic Statistics for population and personal income data.

\*\* - Information is not available

Source: Township audited financial statements

**Upper Uwchlan Township**

## Ratios of General Bonded Debt Outstanding

## Last Ten Fiscal Years

## Unaudited

| Fiscal<br>Year Ended<br>December 31 | General<br>Obligation<br>Bonds (1) | Less: Amounts<br>Available in Debt<br>Service Fund | Total         | Percentage of<br>Estimated<br>Actual Taxable<br>Value of<br>Property | Per<br>Capita |
|-------------------------------------|------------------------------------|--|---------------|--|---------------|
| 2024                                | \$ 13,770,901                      | \$ -   | \$ 13,770,901 | 0.83%  | \$ 1,011.67   |
| 2023                                | 14,260,210                         | -  | 14,260,210    | 0.88%  | 1,161.73      |
| 2022                                | 14,744,610                         | -  | 14,744,610    | 0.93%  | 1,201.19      |
| 2021                                | 15,223,991                         | -  | 15,223,991    | 1.00%  | 1,240.24      |
| 2020                                | 15,638,410                         | -  | 15,638,410    | 1.07%  | 1,274.00      |
| 2019                                | 16,022,810                         | -  | 16,022,810    | 1.11%  | 1,388.46      |
| 2018                                | 5,377,274                          | -  | 5,377,274     | 0.38%  | 465.97        |
| 2017                                | 5,557,388                          | -  | 5,557,388     | 0.41%  | 481.58        |
| 2016                                | 5,732,502                          | -  | 5,732,502     | 0.41%  | 496.75        |
| 2015                                | 5,907,616                          | -  | 5,907,616     | 0.43%  | 511.93        |

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

(1) This is the general bonded debt of both governmental and business-type activities, net of original issue discounts and premiums.

**Upper Uwchlan Township**

Direct and Overlapping Governmental Activities Debt

As of December 31, 2024

Unaudited

|                                    | <u>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable</u> | <u>Amount<br/>Applicable to<br/>Primary<br/>Government</u> |
|------------------------------------|-----------------------------|--|--|
| <b><u>Government Unit:</u></b>     |                             |  |  |
| School District                    | \$ 59,498,029 **            | *  | \$ -   |
| County                             | \$ 428,090,000              | *  | -  |
|                                    |                             |  | <hr/>  |
| Upper Uwchlan Township direct debt |                             |  | 4,544,385  |
| Total direct and overlapping debt  |                             |  | <u><u>\$ 4,544,385</u></u>                                 |

\* - Information not yet available

\*\* - School District debt is as of June 30, 2024

Sources: Outstanding debt and applicable percentages provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Township. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property tax owners of Upper Uwchlan Township. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. This schedule excludes debt related to business-type activities.

**Upper Uwchlan Township**  
Legal Debt Margin Information  
As of December 31, 2024  
Unaudited

| <u>Fiscal<br/>Year Ended<br/>December 31</u>                         | <u>Total Taxable<br/>Assessed Value</u> | <u>Taxable<br/>Assessed Value<br/>as a Percentage of<br/>Estimated Actual<br/>Value</u> | <u>Estimated<br/>Actual<br/>Taxable Value</u> |
|--|---|---|---|
| 2024   | \$ 1,149,396,495                        | 69.35%  | \$ 1,657,384,996                              |
| 2023   | 1,129,692,245                           | 69.35%  | 1,628,972,235                                 |
| 2022   | 1,102,588,445                           | 69.35%  | 1,589,889,611                                 |
| 2021   | 1,061,050,435                           | 69.35%  | 1,529,993,417                                 |
| 2020   | 1,012,981,025                           | 69.35%  | 1,460,679,200                                 |
| Total Five-year Valuation  |   |   | <u><u>\$ 7,866,919,459</u></u>                |
| Five-year Average Full Valuation of Taxable Real Property            |   |   | <u><u>\$ 1,573,383,892</u></u>                |
| Constitutional Debt Limit (7% of Average Full Valuation)             |   |   | <u><u>\$ 110,136,872</u></u>                  |
| Outstanding General Obligation Indebtedness as of December 31, 2024: |   |   |   |
| Governmental Activities - General Obligation Debt                    |   |   | \$ 4,544,385                                  |
| Business-type Activities - General Obligation Debt                   |   |   | <u>9,226,516</u>                              |
| Net Indebtedness subject to debt limit                               |   |   | <u><u>\$ 13,770,901</u></u>                   |
| Net debt contracting margin  |   |   | <u><u>\$ 96,365,971</u></u>                   |
| Percentage of net debt contracting margin available                  |   |   | <u><u>87.50%</u></u>                          |
| Percentage of net debt contracting margin exhausted                  |   |   | <u><u>12.50%</u></u>                          |

**Upper Uwchlan Township**  
Principal Employers  
Current Year and Nine Years Ago  
Unaudited

| Employer                             | 2024      |      |  | 2015      |      |  |
|--------------------------------------|-----------|------|--|-----------|------|--|
|                                      | Employees | Rank | Percentage<br>of Total<br>Township<br>Employment | Employees | Rank | Percentage<br>of Total<br>Township<br>Employment |
| Frontage Laboratories                | 406       | 1    | 5.9%   | 146       | 3    | 3.0%   |
| Kensy Nash Corporation               | 381       | 2    | 5.6%   | 274       | 1    | 5.6%   |
| Takeda Pharmaceuticals America, Inc. | 154       | 3    | 2.3%   | **        | **   | **   |
| Acme Markets, Inc.                   | 148       | 4    | 2.2%   | 140       | 4    | 2.9%   |
| PAG Pennsylvania CS LLC              | 145       | 5    | 2.1%   | **        | **   | **   |
| Innovative Solutions & Support       | 136       | 6    | 2.0%   | 104       | 7    | 2.1%   |
| Fedex                                | 126       | 7    | 1.8%   | 81        | 10   | 1.6%   |
| Kinetic Physical Therapy             | 109       | 8    | 1.6%   | **        | **   | **   |
| Takeda Pharmaceuticals USA, Inc.     | 107       | 9    | 1.6%   | **        | **   | **   |
| CB Enterprises, Inc.                 | 102       | 10   | 1.5%   | **        | **   | **   |
| Eagle Wolfington Leasing             | **        | **   | **   | 210       | 2    | 4.3%   |
| Universal Technical Institute        | **        | **   | **   | 138       | 5    | 2.8%   |
| Wolfington Body Co., Inc.            | **        | **   | **   | 109       | 6    | 2.2%   |
| Seniors of Northern Chester County   | **        | **   | **   | 101       | 8    | 2.1%   |
| Specialty Resources                  | **        | **   | **   | 93        | 9    | 1.9%   |

\*\* Not in top ten

Source: Keystone Collections

**Upper Uwchlan Township**  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited

| Fiscal<br>Year | Population | Median<br>Age (1) | Per Capita<br>Income (1) | Personal<br>Income | Education Level in Years of<br>Formal Education (1) |                           | Public<br>School<br>Enrollment (2) | Unemployment<br>Rate (1) |
|----------------|------------|-------------------|--------------------------|--------------------|---|---------------------------|------------------------------------|--------------------------|
|                |            |                   |                          |                    | High<br>School (%)                                  | Bachelors<br>Degree + (%) |                                    |                          |
| 2024           | 13,612     | **                | **                       | **                 | **  | **                        | **                                 | **                       |
| 2023           | 13,286     | 41.2              | \$ 68,616                | \$ 788,721,840     | 98.0%   | 74.8%                     | 4,078                              | 2.5%                     |
| 2022           | 13,077     | 40.3              | 65,650                   | 730,510,144        | 97.0%   | 75.0%                     | 4,023                              | 2.5%                     |
| 2021           | 12,275     | 40.3              | 61,376                   | 704,453,477        | 97.4%   | 73.2%                     | 3,911                              | 2.5%                     |
| 2020           | 12,275     | 39.6              | 58,727                   | 628,171,768        | 97.7%   | 71.7%                     | 3,842                              | 2.5%                     |
| 2019           | 11,823     | 39.5              | 61,110                   | 629,214,165        | 97.5%   | 71.1%                     | 3,891                              | 2.5%                     |
| 2018           | 11,488     | 40.4              | 57,785                   | 576,597,175        | 97.8%   | 69.7%                     | 3,734                              | 4.4%                     |
| 2017           | 11,488     | 40.3              | 56,707                   | 650,184,076        | 98.5%   | 68.8%                     | 3,698                              | 3.7%                     |
| 2016           | 11,540     | 39.2              | 54,325                   | 620,057,950        | 98.1%   | 69.5%                     | 3,665                              | 3.4%                     |
| 2015           | 11,482     | 39.1              | 53,487                   | 613,080,120        | 98.0%   | 71.1%                     | 3,740                              | 3.8%                     |

Sources: (1) U.S. Census Bureau  
(2) U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates  
\*\* Information is not yet available

**Upper Uwchlan Township**

Full-time Equivalent Employees by Function

Last Ten Fiscal Years

Unaudited

|                      | 2024 | 2023 | 2022 | Full-time Equivalent Employees as of December 31, |      |      |      | 2017 | 2016 | 2015 |
|----------------------|------|------|------|---|------|------|------|------|------|------|
|                      |      |      |      | 2021  | 2020 | 2019 | 2018 |      |      |      |
| <b>Function</b>      |      |      |      |   |      |      |      |      |      |      |
| General government   | 6    | 6    | 6    | 6   | 6    | 5    | 6    | 6    | 4    | 4    |
| Public Safety:       |      |      |      |   |      |      |      |      |      |      |
| Police               | 17   | 17   | 14   | 12  | 12   | 12   | 12   | 11   | 11   | 11   |
| Codes                | 3    | 3    | 3    | 3   | 3    | 3    | 3    | 3    | 3    | 3    |
| Highways and streets | 11   | 11   | 11   | 10  | 8    | 8    | 9    | 9    | 9    | 7    |
| Total                | 37   | 37   | 34   | 31  | 29   | 28   | 30   | 29   | 27   | 25   |

Source: Township records

# Upper Uwchlan Township

## Operating Indicators by Function

Last Ten Fiscal Years

Unaudited

|                                      | Fiscal Year |        |        |        |        |        |        |        |        |        |
|--------------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                      | 2024        | 2023   | 2022   | 2021   | 2020   | 2019   | 2018   | 2017   | 2016   | 2015   |
| General Government:                  |             |        |        |        |        |        |        |        |        |        |
| Building permits issued              | 696         | 705    | 741    | 857    | 853    | 637    | 665    | 808    | 779    | 925    |
| Public Safety:                       |             |        |        |        |        |        |        |        |        |        |
| Number of police personnel           | 17          | 17     | 14     | 12     | 12     | 12     | 12     | 11     | 11     | 11     |
| Number of arrests                    | 116         | 83     | 59     | 62     | 59     | 60     | 83     | 72     | 132    | 100    |
| Number of traffic violations         | 3,234       | 3,420  | 3,517  | 3,078  | 2,532  | 2,722  | 2,513  | 2,386  | 2,445  | 2,482  |
| Number of police calls               | 12,513      | 13,108 | 13,905 | 14,058 | 13,738 | 13,525 | 13,213 | 12,355 | 14,684 | 15,138 |
| Number of vehicle accidents          | 160         | 156    | 141    | 160    | 123    | 177    | 189    | 196    | 163    | 129    |
| Number of fire emergency responses * | 327         | 314    | 176    | 189    | 141    | 162    | 139    | 153    | 157    | 127    |
| Number of EMT responses *            | 472         | 465    | 427    | 469    | 479    | 411    | 427    | 370    | 419    | 417    |
| Sanitation:                          |             |        |        |        |        |        |        |        |        |        |
| Tons collected and disposed:         |             |        |        |        |        |        |        |        |        |        |
| Solid waste                          | 3,334       | 3,343  | 3,214  | 3,406  | 3,410  | 3,564  | 3,235  | 3,356  | 3,100  | 3,185  |
| Single stream recyclables            | 1,021       | 1,060  | 1,305  | 1,125  | 1,259  | 1,265  | 1,114  | 1,462  | 1,594  | 1,536  |
| Yard waste                           | 535         | 526    | 505    | 537    | 366    | 760    | 268    | 230    | 227    | 328    |
| Electronic waste                     | 1.9         | 4.2    | 6      | 5      | ***    | 4.27   | 3.70   | 4.50   | 5.67   | **     |
| Wastewater:                          |             |        |        |        |        |        |        |        |        |        |
| Catch basins cleaned                 | 2,200       | 2,100  | 2,000  | 2,020  | 1,910  | 2,025  | 1,809  | 1,575  | 1,575  | 1,500  |

\* There are no fire or EMT services within the Township. The Township relies on several fire departments and EMT units in neighboring municipalities to provide those services to Township residents.

\*\*\* There were no electronic waste disposal events in 2020 due to the COVID-19 pandemic.

Source: Township records

**Upper Uwchlan Township**

## Capital Asset Statistics by Function

Last Ten Fiscal Years

Unaudited

|   | Fiscal Year |        |        |        |        |        |        |        |        |        |
|---|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|   | 2024        | 2023   | 2022   | 2021   | 2020   | 2019   | 2018   | 2017   | 2016   | 2015   |
| General Government:                       |             |        |        |        |        |        |        |        |        |        |
| Number of buildings (Township and Police) | 1.00        | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| Public Safety:                            |             |        |        |        |        |        |        |        |        |        |
| Number of police buildings                | 1.00        | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| Public Works:                             |             |        |        |        |        |        |        |        |        |        |
| Number of public works buildings          | 2.00        | 2.00   | 2.00   | 2.00   | 2.00   | 2.00   | 2.00   | 1.00   | 1.00   | 1.00   |
| Miles of streets                          | 59.53       | 59.53  | 59.53  | 59.53  | 58.93  | 58.93  | 58.93  | 58.93  | 58.43  | 58.43  |
| Miles of storm water mains                | 35.15       | 35.15  | 35.15  | 35.15  | 34.12  | 34.12  | 34.12  | 34.12  | 34.12  | 34.12  |
| Storm water basins (Township owned)       | 6.00        | 6.00   | 5.00   | 5.00   | 5.00   | 5.00   | 5.00   | 5.00   | 5.00   | 4.00   |
| Miles of sanitary sewers                  | 41.42       | 41.42  | 41.42  | 41.42  | 41.42  | 41.42  | 41.42  | 41.42  | 41.42  | 41.42  |
| Pump stations                             | 15.00       | 15.00  | 15.00  | 15.00  | 15.00  | 15.00  | 15.00  | 15.00  | 15.00  | 15.00  |
| Treatment plants                          | 8.00        | 8.00   | 8.00   | 8.00   | 8.00   | 8.00   | 8.00   | 8.00   | 8.00   | 7.00   |
| Recreation and Parks:                     |             |        |        |        |        |        |        |        |        |        |
| Number of parks and recreation facilities | 5.00        | 5.00   | 5.00   | 5.00   | 5.00   | 5.00   | 5.00   | 4.00   | 4.00   | 4.00   |
| Acres of parks                            | 110.83      | 110.83 | 110.83 | 110.83 | 110.83 | 110.83 | 110.83 | 109.85 | 109.85 | 109.85 |
| Trails maintained (miles)                 | 9.83        | 9.83   | 9.83   | 9.83   | 9.83   | 9.83   | 9.83   | 9.83   | 9.83   | 8.25   |
| Unassigned open space                     | 26.00       | -      | -      | -      | -      | -      | -      | -      | -      | -      |

\*\* Information not available

Source: Township records

## **OTHER REPORT**



INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

June 26, 2025

To the Board of Supervisors  
Upper Uwchlan Township  
Chester Springs, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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 Upper Uwchlan Township, Chester Springs, Pennsylvania ("the Township"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 26, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting ("internal control") as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a

To the Board of Supervisors  
Upper Uwchlan Township

timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Barbacane, Thornton & Company LLP*  
BARBACANE, THORNTON & COMPANY LLP



INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE

June 26, 2025

To the Board of Supervisors  
Upper Uwchlan Township  
Chester Springs, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Upper Uwchlan Township's ("the Township") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Township's major federal programs for the year ended December 31, 2024. The Township's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence

To the Board of Supervisors  
Upper Uwchlan Township

we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Township's compliance with the compliance requirements referred to above.

#### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts, or grant agreements applicable to the Township's federal programs.

#### Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

To the Board of Supervisors  
Upper Uwchlan Township

### Report on Internal Control Over Compliance

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Barbacane, Thornton & Company LLP*

BARBACANE, THORNTON & COMPANY LLP

**UPPER UWCHLAN TOWNSHIP  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Source<br>Code | Federal<br>ALN | Federal or<br>Pass-Through<br>Grantor's<br>Number | Federal<br>Expenditures | Passed<br>Through to<br>Subrecipients |
|---|----------------|----------------|---|-------------------------|---------------------------------------|
| <u>US Department of Treasury</u>                              |                |                |   |                         |                                       |
| Coronavirus State and Local Fiscal Recovery Funds             | D              | 21.027         | N/A   | \$ 868,406              | \$ -                                  |
| Total US Department of Treasury                               |                |                |   | <u>868,406</u>          | <u>-</u>                              |
| <br>Total Federal Expenditures                                |                |                |   | <br><u>\$ 868,406</u>   | <br><u>\$ -</u>                       |

Source Code:  
D = Direct

UPPER UWCHLAN TOWNSHIP

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A BASIS OF ACCOUNTING

All expenditures included in the schedule of expenditures of federal awards are presented on the basis that expenditures are reported to the respective federal grantor agencies. Accordingly, certain expenditures are recorded when paid and certain other expenditures are recorded when the federal obligation is determined.

NOTE B INDIRECT COST

The Township has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance. For the year ended December 31, 2024, there were no indirect costs included in the schedule of expenditures of federal awards.

**UPPER UWCHLAN TOWNSHIP**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

UPPER UWCHLAN TOWNSHIP  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS

**PART A - SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Type of auditor's report issued [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Internal control over financial reporting:

- |   |                   |                            |
|---|-------------------|----------------------------|
| • Material weakness(es) identified?                     | <u>      </u> Yes | <u>  X  </u> No            |
| • Significant deficiency(ies) identified?               | <u>      </u> Yes | <u>  X  </u> None reported |
| • Noncompliance material to financial statements noted? | <u>      </u> Yes | <u>  X  </u> No            |

*Federal Awards*

Internal control over major programs:

- |   |                   |                            |
|---|-------------------|----------------------------|
| • Material weakness(es) identified?       | <u>      </u> Yes | <u>  X  </u> No            |
| • Significant deficiency(ies) identified? | <u>      </u> Yes | <u>  X  </u> None reported |

Type of auditor's report issued on compliance for major programs [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

       Yes   X   No

Identification of major programs:

Assistance Listing Numbers

Name of Federal Program or Cluster

21.027

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

       Yes   X   No

UPPER UWCHLAN TOWNSHIP  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS (CONT'D)

**PART B - FINDINGS RELATED TO FINANCIAL STATEMENTS**

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

**PART C - FINDINGS RELATED TO FEDERAL AWARDS**

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.