



**Borough of Lansdale, Pennsylvania  
Annual Comprehensive Financial Report  
Fiscal Year Ended, December 31, 2021**

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
*Year Ended December 31, 2021*

**Prepared by:**

**The Office of the Director of Finance**

# **INTRODUCTORY SECTION**

# BOROUGH OF LANSDALE, PENNSYLVANIA

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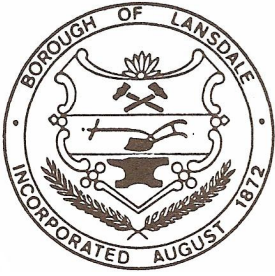
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## BOROUGH OF LANSDALE

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One Vine Street ■ Lansdale, Pennsylvania 19446-3601

■ FAX 215-361-8399

■ 215-368-1691

August 16, 2022

To the Honorable Mayor, Members of Borough Council, and Citizens of the Borough of Lansdale, Pennsylvania:

The Borough is required to publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, the Annual Comprehensive Financial Report of the Borough of Lansdale, Pennsylvania for the fiscal year ended December 31, 2021 is hereby submitted.

This report consists of management's representations concerning the finances of the Borough of Lansdale. Consequently, responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with Borough management. To provide a reasonable basis for making these representations, management of the Borough of Lansdale has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Borough of Lansdale's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Borough of Lansdale's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. To the best of my knowledge and belief, the enclosed data is presented fairly in all material respects and is reported in a manner designed to present fairly the financial position and the results of operations of the Borough in accordance with generally accepted accounting principles. All disclosures necessary to enable the reader to gain an understanding of the Borough's financial activities have been included.

The Borough of Lansdale's financial statements have been audited by Maillie LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Borough of Lansdale for the fiscal year ending December 31, 2021, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures of the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Borough of Lansdale's financial statements for the fiscal year ended December 31, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the document. The Borough of Lansdale's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Borough of Lansdale**

The Borough of Lansdale was incorporated in 1872 and is located twenty-five miles north of the city of Philadelphia. It has public transportation to the city and to other communities via SEPTA train and bus lines. The Borough has a below average crime rate, its own electric distribution system, excellent parks and recreation programs and facilities which include two municipal swimming pools and a public library. As part of the North Penn School District, Lansdale houses two elementary schools and a junior high school.

The Borough provides a full range of municipal services, which include a twenty-four-hour Police Department; a Parks Department offering recreational activities and cultural events along with an extensive park system consisting of twenty-one parks, two swimming pools and 152 acres of open space; the Borough's Public Works Department is responsible for the maintenance and construction of roadways and other critical infrastructure. The Borough also supports the Fairmount Volunteer Fire Company. The Borough operates electric and sewer utilities to provide these services to Borough residents and businesses. In addition, the Lansdale Parking Authority and the Lansdale Public Library are included as component units in the reporting entity. Certain other entities have not met the criteria for inclusion in the reporting entity, and accordingly, are excluded from this report (*see note A to the combined financial statements*).

The Borough of Lansdale operates under the council-manager form of government with Borough Council holding the responsibility of passing ordinances, adopting the annual budget and appointing members to Borough committees. The Borough Manager is responsible for carrying out the policies and ordinances enacted by Borough Council, overseeing the day-to-day operations of the Borough and appointing managers to the various Borough departments. Borough Council members serve four-year terms, with five members elected in one year and then four members elected in an alternate year.

The annual budget serves as the foundation for the Borough of Lansdale's financial planning and control. All departments of the Borough are required to submit their individual budgets to the Finance Director for preliminary review and discussion. The Finance Director uses these documents to develop the Borough budget. Capital items must be presented separately to the Borough Manager, who evaluates and determines the priorities for the new fiscal year. Once a balanced budget has been prepared, it is presented by the Finance Director to the Borough Manager for final review. The budget includes proposed expenditures and the means of financing them. The Borough Manager presents the proposed budget to Borough Council, allowing enough time for discussion and for changes to be made while meeting the legal advertising requirements set forth by the Commonwealth of Pennsylvania. Borough Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 31, the close of the Borough of Lansdale's fiscal year. Department Heads may make transfers of appropriations within a department; transfers of appropriations between departments require the special approval of Borough Council. Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated budget has been adopted. For the General Fund, this comparison is presented on page 73. Governmental funds, other than the General Fund, with appropriated annual budgets, are presented on page 85.

### **Major Initiatives**

2021: a year that promised to be better than the last. Perhaps the most difficult part of 2021 was coming to terms with the idea that COVID is no longer a temporary occurrence; everyone was forced to make permanent changes after a global pandemic. As life continued in the face of COVID, people adapted to the disruption and uncertainty that a pandemic continued to bring. And Lansdale Borough was no different.

In cooperation with Montgomery County, the Borough worked to distribute free Personal Protection Equipment (PPE) Kits to our local businesses. Providing our local entrepreneurs with kits including face masks, electronic thermometers, hand sanitizer, wipes and signage materials allowed businesses to function safely during this unprecedented time. It assured customers that their safety was a priority of businesses and encouraged patrons to continue to shop at local establishments securing their success as we moved into the next stage of the pandemic.

Every child deserves to play, feel exhilarated and experience new environments...especially after a year of being quarantined in our homes. That's why in 2021 the Borough took the initiative to update the play equipment at White's Road Park with new inclusive products that provide accessibility and sensory benefits to create a truly inclusive play space. The new inclusive equipment goes beyond basic wheelchair access by providing multi-sensory experiences that encourage kids of all ages and abilities to play in the manner they are most comfortable. Equipment at White's Road Park allows kids of all ages and abilities to enjoy playing together and we are so pleased that one of the latest gems in Lansdale's park system creates a unique, meaningful play environment for everyone to enjoy.

While we hope that major emergencies never happen, if 2020 showed us anything it's that failure to plan for them is no longer an option. Through the guidance of our Emergency Management Coordinator, the Borough participated in a simulated exercise of an extreme snow blizzard in town necessitating the need to open the Emergency Operations Center (EOC). With cooperation from the Montgomery County Department of Public Safety, Borough staff from every department were able to experience, practice and evaluate EOC operations similar to those during an actual crisis. By gathering the decision makers together and supplying them with the most current information, better decisions can be made to ensure safety for our residents and businesses. Experience using

the available technology enhances knowledge for better job performance and if ever there's a time for efficient and effective work, it's during an emergency. This "first-hand, real time" training exercise was an opportunity for EOC personnel to test the capabilities they will need to support response and recovery throughout an incident. This exercise illustrated the strengths of our crews, but also offered the opportunity to evaluate areas for improvement without negative effects to the public. The Borough's ability to respond rapidly and effectively to potential public emergencies has been greatly improved thanks to the exercise and, in turn, our town is that much more prepared in the case of an emergency.

Complex problems rarely have easy answers and nothing in recent history has been as complex as navigating through the COVID-19 pandemic. Looking at just a few of the initiatives that the Borough was able to accomplish on the heels of COVID, we can be confident that whatever changes continue to roll in we will continue our vital work.

### **Factors Affecting Financial Condition**

Local Economy. Like other older communities within Pennsylvania, the Borough has felt the effect of the loss of industries within it. Lansdale Borough is surrounded by what are commonly called "bedroom communities", which have experienced tremendous growth in the last twenty years. The Borough has not experienced this growth, as it is built out, and as such the only room for growth is to find new uses for its industrial sites while maintaining the quality of its existing neighborhoods. It is with this in mind that the Borough has aggressively sought grant funding from Montgomery County, which also recognizes the need to improve and in some cases stabilize its older communities. The Borough's Economic Development Committee (EDC) is again active, with its main purpose being to identify alternative uses for existing vacant sites within the Borough and bring new development to those areas. It is the Borough's desire that these uses will be such that their long-term viability will assist the Borough with its revitalization efforts, as well as enhance the quality of life for all citizens. Alternative uses for former industrial sites will increase the Borough's real estate tax valuation, creating greater property tax revenue without increasing the tax rate. It can also create jobs, resulting in greater earned income tax revenue; both of these taxes are important sources of funding for the General Fund. Lansdale continues to invite and welcome new development, both commercial and residential. Construction, and in some cases completion, of projects such as Andale Green (Hancock Street), Madison Apartments (Madison Street), and Penn Square (Cannon Avenue) illustrate the available opportunities for development within Lansdale Borough. A transit-oriented development is under construction with the residential component in a neighboring community, while the commercial buildings will be built within the Borough. Substantial completion of a pedestrian friendly shopping center and retail stores with their own unique facades now enhance the Borough's Broad Street corridor. This is in direct contrast to the commercial strip shopping center models already built in many of the surrounding communities.

Long-Term Financial Planning. The Borough recognizes that its roads and storm sewers are aging. Since improvements to infrastructure will benefit current and future residents, the Borough will continue to utilize borrowing as a means of funding this work. At the present time the Borough is not aware of any pending Federal or State regulations that would cause an additional commitment of its financial resources.

The Borough of Lansdale also provides pension benefits to its full-time nonuniform employees; however, these are defined contribution plans and as such, no independent calculation is needed. The nature of this type of plan involves monthly contributions by the Borough based on specific percentages and the resulting benefit to the retiree is based on what they have accumulated in their

individual accounts. Additional information regarding these plans may be found in the Notes F and G in the notes to the financial statements.

The Borough provides a maximum of thirty-six months health insurance coverage to its nonuniform full-time employees who choose early retirement. No other postretirement health benefits are offered.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Borough of Lansdale for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. This was the twenty-sixth consecutive year that the Borough of Lansdale has achieved and received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Borough believes that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of many Borough employees, particularly those in Administration and Finance departments. All of these employees have my sincere appreciation for contributions made during the year, which assist in making the preparation of this report more streamlined. I also wish to thank our auditors, Maillie LLP, for their expertise and assistance throughout the process.

In closing, without the leadership of the Mayor and Borough Council and the unwavering support and encouragement of the Borough Manager, preparation of this report would not have been possible.

Sincerely,



Glenn Dickerson  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Borough of Lansdale  
Pennsylvania**

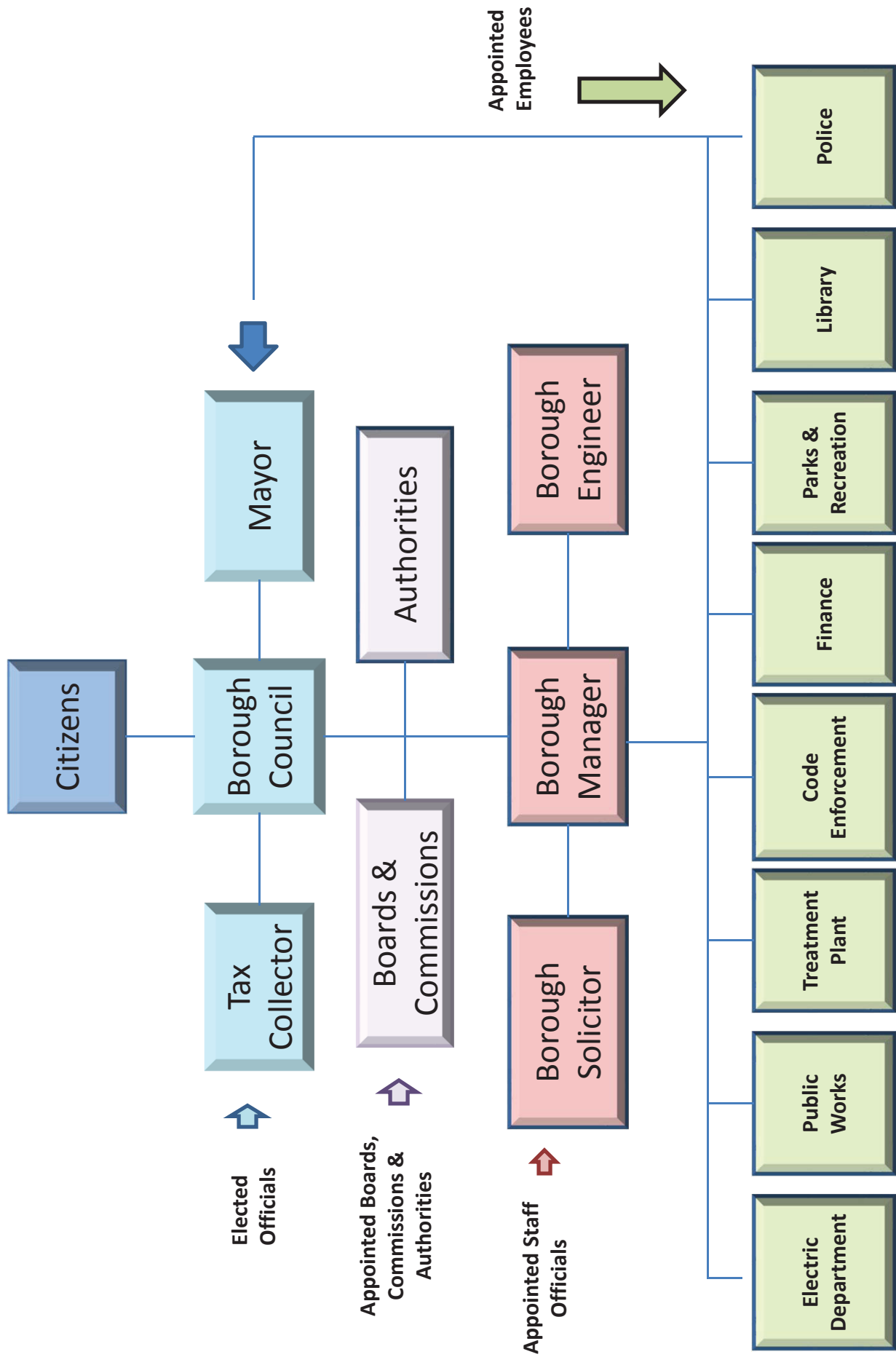
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morrill*

Executive Director/CEO

# Lansdale Borough Organizational Chart



**BOROUGH OF LANSDALE**  
**LIST OF OFFICIALS**  
**December 31, 2021**

Mayor	Garry Herbert
Council President	Denton Burnell
Council Vice-President	Mary Fuller
Council Member-Ward I	BJ Breish
Council Member-Ward I	Bill Henning
Council Member-Ward II	Meg Currie Teoh
Council Member-Ward II	Andrew Carroll
Council Member-Ward II	Richard DiGregorio
Council Member-Ward III	Leon Angelichio
Council Member-Ward III	Carrie Hawkins Charlton
Borough Manager/Secretary	John Ernst
Director of Public Works	Christopher Kunkel
Director of Finance	Glenn Dickerson
Director of Parks and Recreation	Karl Lukens
Superintendent-Wastewater Treatment Plant	Gregory Rapp
Superintendent-Electric Plant	Andrew Krauss
Chief of Police	Michael Trail
Fire Marshall	Richard Lesniak
Tax Collector	James Hanratty
Treasurer	Rosanne Schussler
Borough Solicitor	Sean Kilkenny, Esq.
Borough Engineer	Remington & Vernick Engineers
Zoning Solicitor	Gregory R. Gifford, Esq.

# Borough of Lansdale

## Land Development 2020

- 1 Williamson Square II: 437 N Line St**  
Developer: W.B. Homes  
Approved: 2014  
Product: 30 Twin Homes
- 2 Lansdale Borough Hall: 1 Vine St**  
Developer: Borough of Lansdale  
Approved: 2013  
Product: Municipal Complex
- 3 Septa 9th St Station: 141 W 9th St**  
Developer: Septa  
Approved: 2014  
Product: Platform Station
- 4 North Penn Commons: 606-608 E Main St**  
Developer: North Penn YMCA  
Approved: 2012  
Product: Mixed Use - 60 Apartments/23,000 SF Commercial
- 5 Septa Parking Garage: Lendale Station**  
Developer: Septa  
Approved: 2014  
Product: Parking Garage: 661 Spaces
- 6 Unique AID: 89-961 W Main St**  
Developer: Andelia L.L.C.  
Approved: 2012  
Product: Mixed Use - 3 Apartments / 13,000 SF Commercial
- 7 Elm Terrace Gardens: 660 N Broad St**  
Developer: Elm Terrace Gardens  
Approved: 2015  
Product: 44 Units

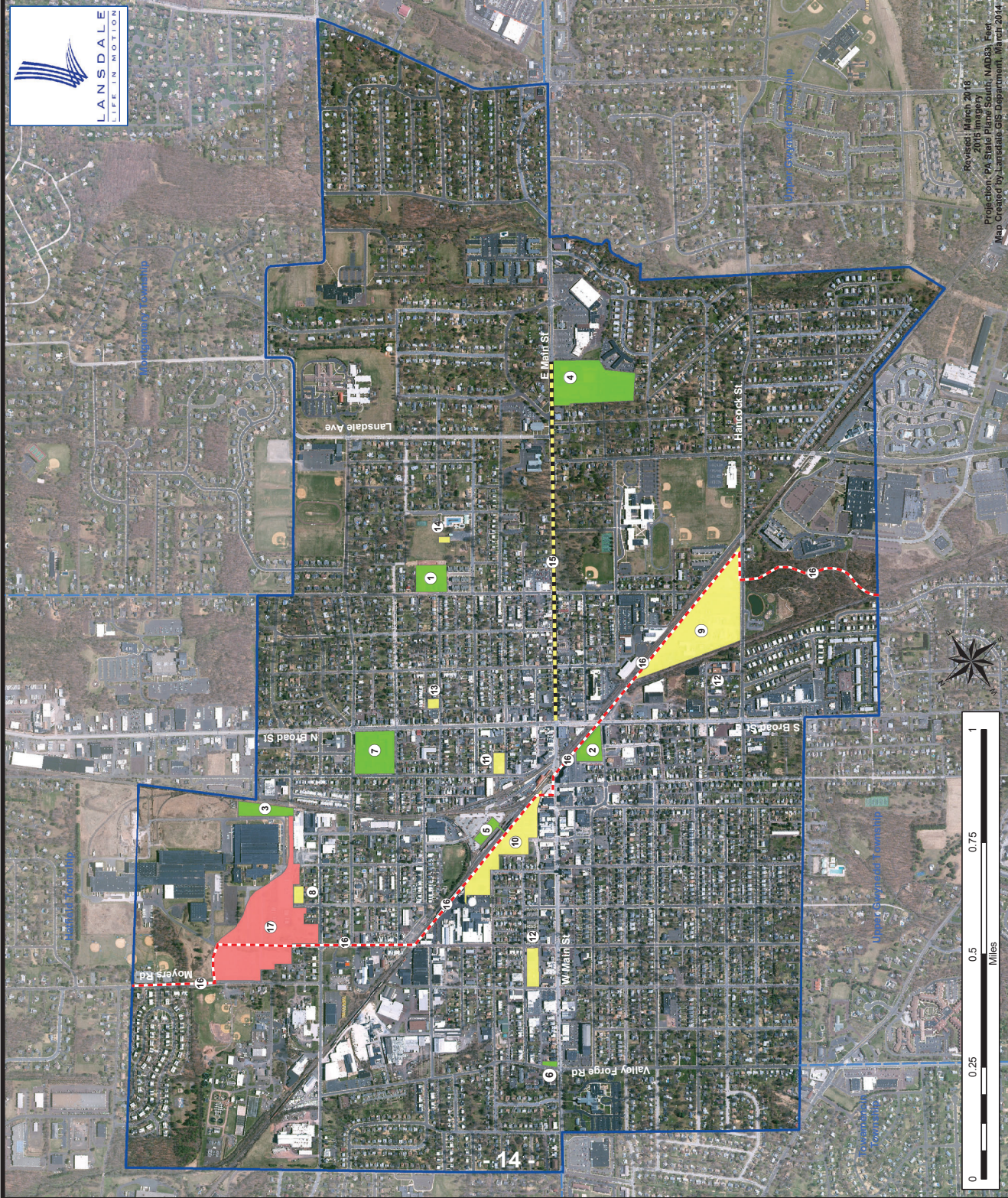
### Completed Projects

- 8 Temple Equity Partners, LLC: 815 N Townemench Ave**  
Developer: TBD  
Approved: 2017  
Product: 5 Townhomes/1 Twin Home
- 9 Andale Green: 135 E Hancock St**  
Developer: Jim Moulton/ Ryan Homes  
Approved: 2012  
Product: 174 Townhomes (total) / 4 Phases
- 10 Madison Parking Lot: Madison St**  
Developer: Equus Partners  
Approved: 2017  
Product: Mixed Use: 181 Apartments; 23,000 SF Commercial
- 11 Wait St Apartments: 43 W Third St**  
Developer: Bennett Properties LLC  
Approved: TBD: New Construction  
Product: 145 Dwelling Units
- 12 Penn Square: 20 N Cannon Ave**  
Developer: W.B. Homes  
Approved: TBD: New Construction  
Product: 40 Townhomes
- 13 Timinski Subdivision: 22-24 Fairview Ave**  
Developer: Mark Timinski  
Approved: 2016  
Product: 5 Townhomes
- 14 Fourth St Skatepark: Fourth St Park**  
Developer: Borough of Lansdale  
Approved: 2017  
Product: Skatepark
- 15 Streetscape Project: Skatepark**
- 16 Liberty Bell Trail**

### Ongoing Projects

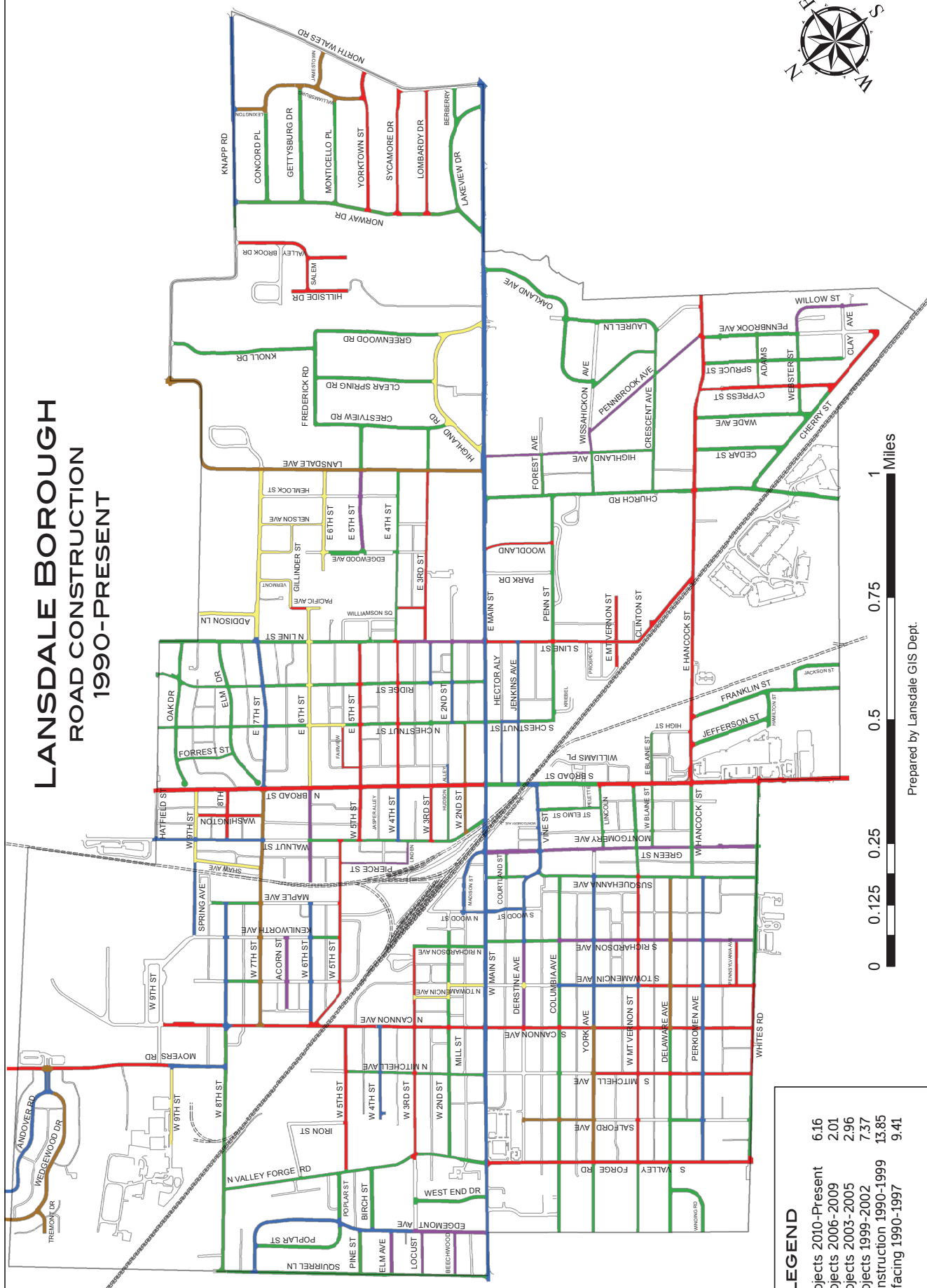
- 17 North Penn Park View: 1000 N Cannon Ave**  
Developer: TBD  
Approved: 2009; Needs Current Review  
Product: 175 townhomes

### Future Projects



Revised: March 2018  
2015 Imagery  
Projection: PA State Plane South, NAD83, Feet  
Map Created by: Lansdale GIS Department, March 2014

# LANSDALE BOROUGH ROAD CONSTRUCTION 1990-PRESENT



**LEGEND**

●	Road Projects 2010-Present	6.16
●	Road Projects 2006-2009	2.01
●	Road Projects 2003-2005	2.96
●	Road Projects 1999-2002	7.37
●	Road Construction 1990-1999	13.85
●	Microsurfacing 1990-1997	9.41



Prepared by Lansdale GIS Dept.

## **FINANCIAL SECTION**

## ***Independent Auditors' Report***

To the Borough Council  
Borough of Lansdale, Pennsylvania  
Lansdale, Pennsylvania

### ***Report on the Audit of the Financial Statements***

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Lansdale, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough of Lansdale'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, each major fund, and the aggregate remaining fund information of the Borough of Lansdale, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management's for the Financial Statements***

Borough of Lansdale'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 Borough of Lansdale's ability to continue as a going concern for one year after the financial statement date.

To the Borough Council  
Borough of Lansdale, Pennsylvania  
Lansdale, Pennsylvania

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Lansdale's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Lansdale's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 through 30, budgetary comparison information on pages 73 and 74, pension plan information on pages 75 through 77 and the postemployment benefits information on page 78 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Borough Council  
Borough of Lansdale, Pennsylvania  
Lansdale, Pennsylvania

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Lansdale's basic financial statements. The schedule of revenues and other financing sources - General Fund, schedule of functional expenditures by activity and other financing uses - General Fund, combining and individual nonmajor fund financial statements, and individual budget to actual comparison schedules for the nonmajor funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of revenues and other financing sources - General Fund, schedule of functional expenditures by activity and other financing uses - General Fund, combining and individual nonmajor fund financial statements, and individual budget to actual comparison schedules for the nonmajor funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues and other financing sources - General Fund, schedule of functional expenditures by activity and other financing uses - General Fund, combining and individual nonmajor fund financial statements, and individual budget to actual comparison schedules for the nonmajor funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information Included in the Annual Comprehensive Financial Report***

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 auditors' 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.



Limerick, Pennsylvania  
August 16, 2022

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2021

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As management of the Borough of Lansdale, we present readers of the Borough of Lansdale's financial statements this narrative overview and analysis of the financial activities for the Borough of Lansdale during fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which can be found on pages 6 through 10 of this report.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the Borough of Lansdale exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$86,138,925 (net position). Of this amount, \$26,226,348 may be used to meet the government's ongoing obligations to citizens and creditors.
- The Borough's total net position increased by \$4,219,807. As of the close of the current fiscal year, the Borough of Lansdale's Governmental Funds reported combined ending fund balances of \$22,419,182. Approximately \$9,658,053 of this total amount is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,802,484 or 57.53% of total General Fund expenditures.
- The Borough of Lansdale formally adopted a Fund Balance Policy to establish the appropriate level of reserves of fund balance for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Project Fund.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Borough of Lansdale's basic financial statements. The Borough of Lansdale's basic financial statements comprise three components: 1) government-wide financial statements 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the Borough of Lansdale's finances in a manner similar to private-sector business.

The *statement of net position* presents information on all of the Borough of Lansdale's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the Borough of Lansdale's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2021

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Both of the government-wide financial statements distinguish functions of the Borough of Lansdale that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Borough of Lansdale include Administration, Police, Highways and Public Works, Community Development and Land Planning, Library and Parks and Recreation departments. The business-type activities of the Borough include an electric distribution operation, wastewater treatment operation and rental activity of Borough owned property.

The government-wide financial statements include not only the Borough of Lansdale itself (known as the *primary government*), but also a legally separate Parking Authority and Library for which the Borough of Lansdale is financially accountable. Financial information for these blended component units is reported within the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 31 and 32 of this report.

**Fund Financial Statements**

A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Lansdale, like other State and Local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Borough of Lansdale can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

**Governmental Funds.** *Governmental Funds* are used to account for essentially identical functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, Governmental Funds financial statements focus on *near-term inflows* and *outflows of spendable resources* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial reporting requirements.

Because the focus of Governmental Funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *Governmental Funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Funds balance sheet and the Governmental Funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *Governmental Funds* and *governmental activities*.

The Borough of Lansdale maintains seven individual Governmental Funds. Information is presented separately in the Governmental Funds balance sheet and in the Governmental Funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund Lansdale Parking Authority Revenue Fund and Debt Service Fund, all of which are considered major funds. Individual fund data for each of the non-major Governmental Funds is provided in the form of *combining statements* elsewhere in this report.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2021

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The Borough of Lansdale adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic Governmental Funds financial statements can be found on pages 33 through 36 of this report.

**Proprietary Funds.** The Borough of Lansdale maintains three different types of Proprietary Funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Borough of Lansdale used Enterprise Funds to account for its electric distribution operation, wastewater treatment operation and rental activities at Borough owned property.

Proprietary Funds provide the same type of information as the government-wide financial statements only in more detail. The Proprietary Funds financial statements provide separate information for the electric distribution system and the wastewater treatment operation, both of which are considered to be major funds of the Borough of Lansdale.

The basic Proprietary Funds financial statements can be found on pages 37 through 40 of this report.

**Fiduciary Funds.** Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are *not* reflected in the government-wide financial statements because the resources of these funds are *not* available to support the Borough of Lansdale's own programs. The accounting used for the Fiduciary Funds is much like that used for Proprietary Funds.

The basic Fiduciary Funds financial statements can be found on pages 41 and 42 of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43 through 72 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Borough of Lansdale's major fund budget to actual and progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 73 through 78 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 79 through 85 of this report.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**YEAR ENDED DECEMBER 31, 2021**

**GOVERNMENT-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 Borough of Lansdale, assets exceeded liabilities by \$86,138,925 at the close of the most recent fiscal year.

The largest portion of the Borough of Lansdale's net position (67%) is the net investment in capital assets.

**Borough of Lansdale's Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
<b>ASSETS</b>						
Current and other assets	\$ 24,326,866	\$ 21,293,968	\$ 13,420,048	\$ 14,718,681	\$ 37,746,914	\$ 36,012,649
Capital assets						
Depreciable	55,149,715	41,007,727	14,590,835	12,513,095	69,740,550	53,520,822
Nondepreciable	15,459,864	29,474,013	11,500	1,869,378	15,471,364	31,343,391
<b>TOTAL ASSETS</b>	<u>94,936,445</u>	<u>91,775,708</u>	<u>28,022,383</u>	<u>29,101,154</u>	<u>122,958,828</u>	<u>120,876,862</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred amount on refunding, net	184,123	199,497	-	-	184,123	199,497
Pension activity	379,204	246,221	-	-	379,204	246,221
OPEB activity	959,153	549,116	-	-	959,153	549,116
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,522,480</u>	<u>994,834</u>	<u>-</u>	<u>-</u>	<u>1,522,480</u>	<u>994,834</u>
<b>LIABILITIES</b>						
Long-term liabilities outstanding	32,674,795	35,663,578	-	-	32,674,795	35,663,578
Other liabilities	16,15,895	14,90,443	12,28,978	10,39,476	2,844,873	2,529,919
<b>TOTAL LIABILITIES</b>	<u>34,290,690</u>	<u>37,154,021</u>	<u>12,28,978</u>	<u>10,39,476</u>	<u>35,519,668</u>	<u>38,193,497</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension activity	2,347,428	1,632,468	-	-	2,347,428	1,632,468
OPEB activity	475,287	128,642	-	-	475,287	128,642
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>2,822,715</u>	<u>1,761,110</u>	<u>-</u>	<u>-</u>	<u>2,822,715</u>	<u>1,761,110</u>
<b>NET POSITION</b>						
Net investment in capital assets	42,973,137	41,080,684	14,602,335	14,382,473	57,575,472	55,463,157
Restricted	622,778	216,283	1,714,327	1,714,327	2,337,105	1,930,610
Unrestricted	15,749,605	12,558,444	10,476,743	11,966,907	26,226,348	24,525,351
<b>TOTAL NET POSITION</b>	<u>\$ 59,345,520</u>	<u>\$ 53,855,411</u>	<u>\$ 26,793,405</u>	<u>\$ 28,063,707</u>	<u>\$ 86,138,925</u>	<u>\$ 81,919,118</u>

2.7% of the Borough of Lansdale's net position represents resources that are subject to external restrictions on how they may be used to meet the government's ongoing obligations to citizens and creditors.

The Borough's total net position increased by \$4,219,807 during the current fiscal year.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**YEAR ENDED DECEMBER 31, 2021**

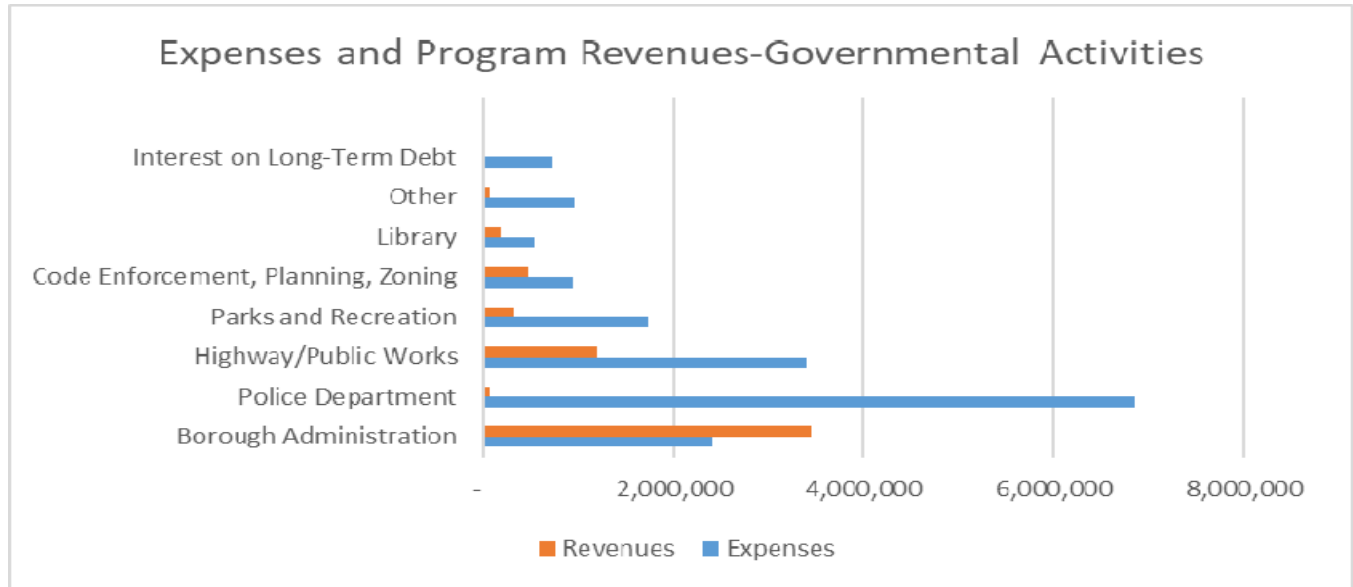
**Governmental Activities**

Governmental activities increased the Borough of Lansdale's net position by \$5,490,109.

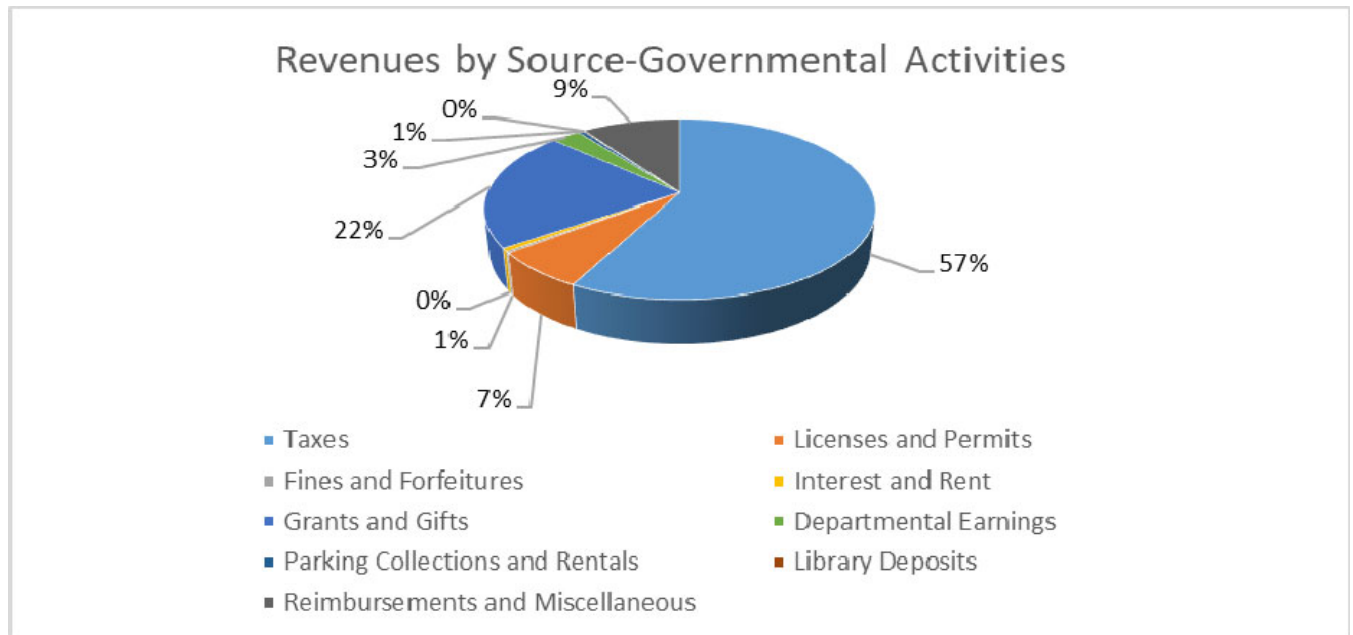
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 3,999,740	\$ 3,290,640	\$ 26,050,824	\$ 25,577,276	\$ 30,050,564	\$ 28,867,916
Operating grants and contributions	1,335,707	1,268,399	-	-	1,335,707	1,268,399
Capital grants and contributions	389,730	609,912	-	-	389,730	609,912
General revenues						
Taxes	8,302,542	7,697,183	-	-	8,302,542	7,697,183
Unrestricted investment earnings	71,089	121,442	572	138,859	71,661	260,301
Miscellaneous	287,641	315,000	-	-	287,641	315,000
<b>TOTAL REVENUES</b>	<b>14,386,449</b>	<b>13,302,576</b>	<b>26,051,396</b>	<b>25,716,135</b>	<b>40,437,845</b>	<b>39,018,711</b>
<b>EXPENSES</b>						
Administration	2,410,945	2,053,482	-	-	2,410,945	2,053,482
Police department	6,861,447	6,810,297	-	-	6,861,447	6,810,297
Highway/public works	3,394,614	2,954,072	-	-	3,394,614	2,954,072
Culture and recreation	1,731,467	1,621,579	-	-	1,731,467	1,621,579
Code enforcement/planning/zoning	936,962	941,713	-	-	936,962	941,713
Library	528,295	510,943	-	-	528,295	510,943
Other	954,239	1,460,981	-	-	954,239	1,460,981
Interest on long-term debt	728,371	1,092,091	-	-	728,371	1,092,091
Electric	-	-	14,412,881	12,536,185	14,412,881	12,536,185
Sewer	-	-	4,183,479	4,706,532	4,183,479	4,706,532
421 West Main Street	-	-	75,338	74,705	75,338	74,705
<b>TOTAL EXPENSES</b>	<b>17,546,340</b>	<b>17,445,158</b>	<b>18,671,698</b>	<b>17,317,422</b>	<b>36,218,038</b>	<b>34,762,580</b>
<b>CHANGE IN NET POSITION BEFORE TRANSFERS</b>	<b>(3,159,891)</b>	<b>(4,142,582)</b>	<b>7,379,698</b>	<b>8,398,713</b>	<b>4,219,807</b>	<b>4,256,131</b>
<b>TRANSFERS</b>						
Transfers	8,650,000	8,950,000	(8,650,000)	(8,950,000)	-	-
<b>CHANGE IN NET POSITION</b>	<b>5,490,109</b>	<b>4,807,418</b>	<b>(1,270,302)</b>	<b>(551,287)</b>	<b>4,219,807</b>	<b>4,256,131</b>
<b>NET POSITION AT BEGINNING OF YEAR, governmental activities restated</b>						
	53,855,411	49,047,993	28,063,707	28,614,994	81,919,118	77,662,987
<b>NET POSITION AT END OF YEAR</b>	<b>\$ 59,345,520</b>	<b>\$ 53,855,411</b>	<b>\$ 26,793,405</b>	<b>\$ 28,063,707</b>	<b>\$ 86,138,925</b>	<b>\$ 81,919,118</b>

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**YEAR ENDED DECEMBER 31, 2021**

The Highway/Public Works expenses increased by \$440,542 (14.9%) due to increased road resurfacing and highway maintenance projects. The Public Services expenses decreased by \$506,742 (34.7%) due to completion of less maintenance projects by the Parking Authority.



Capital outlay in 2021 was \$2,339,520, which was funded mainly through the 2012 and 2014 General Obligation Bonds, the 2017 infrastructure note and capital savings.

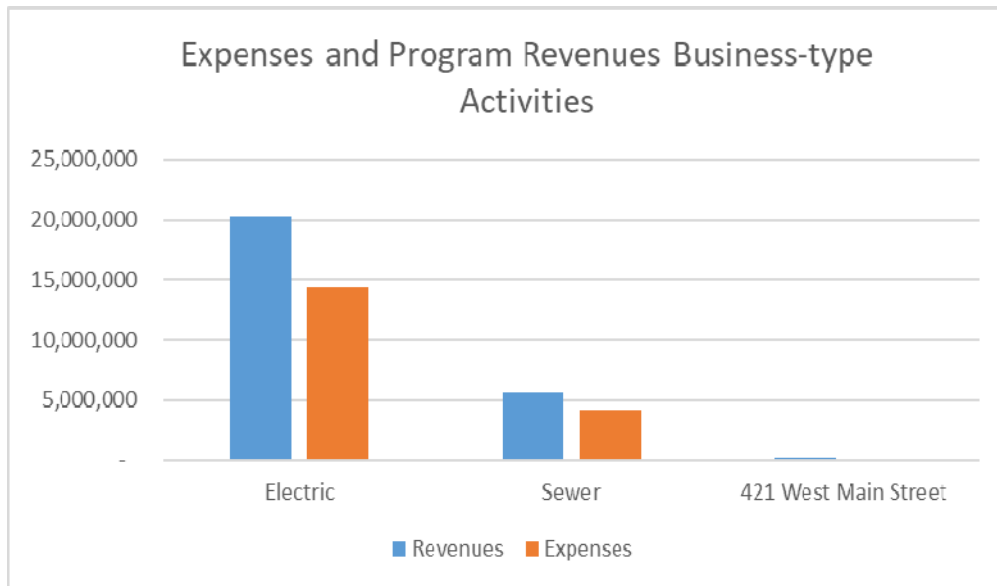


**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)**  
**YEAR ENDED DECEMBER 31, 2021**

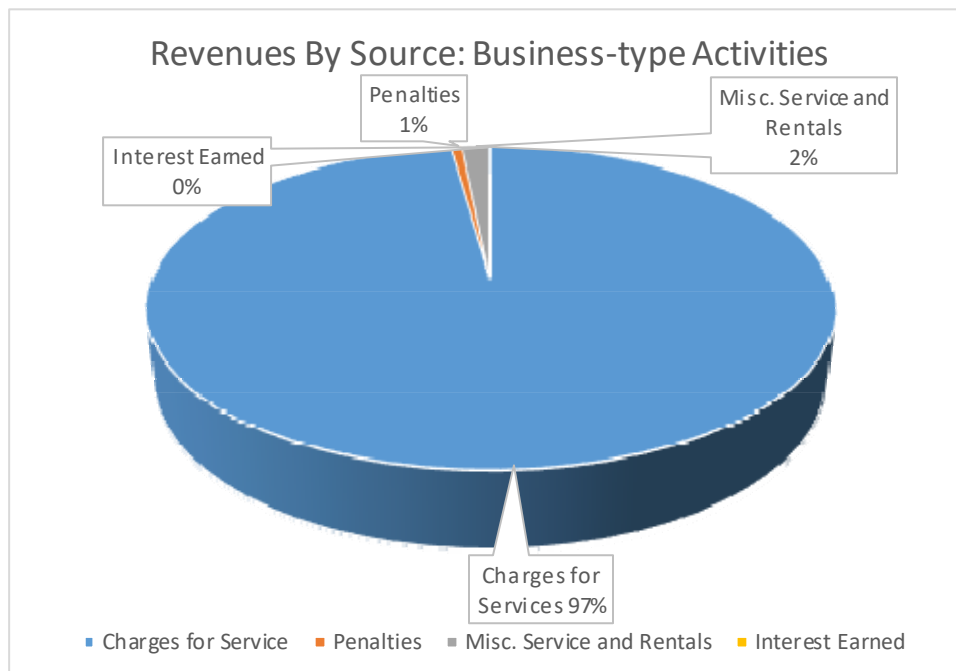
In 2021, the Borough received \$389,730 in Grants and Gifts which represents approximately 3 percent (3%) of revenues for Governmental Activities. Grants are down from 2020 due to less grant opportunities that require lower matching funds as compared to ones that require a higher match. Total tax collection for 2021 totaled \$8,302,542 which amounts to fifty-eight percent (58%) of the revenues for Governmental Activities. Of the total tax collection, fifty-eight percent (58%) or \$4,662.325 is real estate tax collection.

**Business-Type Activities**

Business-type activities decreased the Borough of Lansdale’s net position by \$1,270,302.



Program Revenue for the Electric Fund amounted to \$20,314,763; those for the Sewer Fund totaled \$5,609,749; and those for the 421 West Main Street Fund equal \$126,312. Net (expenses) revenue and changes in net position were -\$1,140,109, -\$81,504 and -\$48,689, respectively.



**BOROUGH OF LANSDALE, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2021

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Charges for service generated \$25,477,031 in revenue during 2021, representing ninety-seven percent (97%) of total revenue for Business-type Activities. Seventy-eight percent (78%) of this revenue was sale of electricity totaling \$19,908,191 and twenty-two percent (22%) was sewer rents in the amount of \$5,568,840.

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

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

**Governmental Funds**

The focus of the Borough of Lansdale's *Governmental Funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Borough of Lansdale's financing requirements. In particular, *unreserved 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 of the end of the current fiscal year, the Borough of Lansdale's Governmental Funds reported combined ending fund balances of \$22,419,182, an increase of \$2,677,397 in comparison with the prior year. Approximately 43% of this total amount (\$9,658,058) constitutes unassigned fund balance, which is available for spending at the Borough's discretion. The remainder of fund balance is nonspendable, restricted, committed, or assigned indicating that it is not available for new spending because it has already been restricted or committed to capital projects (\$3,676,633), is restricted for the Library (\$303,914), is committed to parking projects (\$4,048,445), is committed to other post-employment benefits (\$4,243,448), or to pay for prepaid expenses incurred at the end of the year (\$53,015).

**General Fund**

The General Fund is the chief operating fund of the Borough of Lansdale. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10,802,484. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned and total fund balance to total fund expenditures. Unassigned and total fund balance represents 77.5 % and 134.7% of total General Fund expenditures, respectively.

The fund balance of the Borough of Lansdale's General Fund increased by \$1,448,171 during the current fiscal year. This increase was due to increase tax revenue from real estate and earned income taxes and transfers to the General Fund from Other Funds. The Borough Budget for expenditures in 2021 was \$14,698,477 and the actual expenditures were \$13,939,287, a difference of (\$759,190). The Borough Budget for revenues was \$10,790,100 and the actual revenues were \$11,475,304 generating \$685,204 more than anticipated. The increase in revenue was due to increased tax collections.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2021

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**Capital Projects Fund**

The Capital Projects Fund accounts for the majority of capital projects and purchases for the Borough of Lansdale. In 2021, \$3,016,716 was spent on various projects. Street and storm water projects continue to be the main expenditures, with \$2,428,913 of the total expenditures of the fund spent on these projects. Other expenditures included park improvements of \$537,675 and \$50,128 spent on public safety.

The fund balance of the Borough of Lansdale's Capital Project Fund increased by \$893,671 during the current fiscal year.

**Lansdale Parking Authority Fund**

The Lansdale Parking Authority Fund accounts for the activity of the Lansdale Parking Authority. In 2021, \$248,175 was spent on administration and projects of the Lansdale Parking Authority. Pass through grants is the main expenditure, with \$235,107 of the total expenditures of the fund. Other expenditures included legal fees, grounds maintenance, and administrative cost.

The fund balance of the Borough of Lansdale's Parking Authority Fund decreased by \$170,068 during the current fiscal year. This decrease was due to the construction projects net of grant funding.

**Debt Service Fund**

The Debt Service Fund accounts for the debt payments for the Borough of Lansdale. In 2021, \$2,449,040 was spent on debt service between principal \$1,710,802 and interest \$737,994.

The fund balance of the Borough of Lansdale's Debt Service Fund increased by \$77,583 during the current fiscal year. This increase was due to transfers from other funds not matching the debt service payments.

**Proprietary Funds**

The Borough of Lansdale's Proprietary Funds provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position of the Electric Fund at the end of the year amounted to \$6,828,342; those for the Sewer Fund amounted to \$3,448,651; and those for the West Main Street Fund amounted to \$199,750. The activity in net position for all three funds was a decrease of \$1,140,109, a decrease of \$81,504 and a decrease of \$48,689, respectively. Other factors concerning the finances of these three funds have been addressed in the discussion of the Borough of Lansdale's business-type activities.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2021

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**General Fund Budgetary Highlights**

Differences between the final budget and the actual budget can be briefly summarized as follows:

- **Revenues** - Total difference from budgeted to actual was \$685,204
  - An actual overage of \$718,866 in Total Taxes.
    - Real Estate Transfer Taxes was \$238,967 greater than anticipated
    - Earned Income Taxes were \$404,926 greater than anticipated
  - An actual shortfall of \$50,300 in interest and rent.
    - Interest rates down in 2021.
  - An actual shortfall of \$33,730 in Fines and Forfeitures.
    - Decrease in vehicle traffic during the continuing Covid Pandemic.
- **Expenditures** - Total difference from budgeted to actual was (\$759,190).
  - Decrease in most areas due to reduced activity continuing because of the COVID-19 pandemic.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The Borough of Lansdale's investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to \$85,211,914 (net of accumulated depreciation). This investment in capital assets includes land, buildings, building improvements, parks facilities, roads, highways, as well as bridges vehicles, machinery and equipment.

Major capital asset events during the current fiscal year included the following:

- Capacity upgrades at the waste water treatment plant.
- Capital roadway improvements.
- Electric substation improvements.
- Parks and recreation infrastructure enhancements.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**YEAR ENDED DECEMBER 31, 2021**

***Borough of Lansdale's Capital Assets  
(Net of Depreciation)***

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Infrastructure	\$ 41,848,746	\$ 27,749,767	\$ -	\$ -	\$ 41,848,746	\$ 27,749,767
Land and land improvements	4,499,485	3,771,979	-	-	4,499,485	3,771,979
Construction in progress	-	14,741,655	11,500	1,869,378	11,500	16,611,033
Buildings and facilities	21,984,380	21,732,827	626,524	662,641	22,610,904	22,395,468
Furniture and fixtures	1,988,351	2,210,052	-	-	1,988,351	2,210,052
Books	288,617	275,460	-	-	288,617	275,460
Electric system	-	-	5,422,510	5,073,245	5,422,510	5,073,245
Sewer system	-	-	8,541,801	6,777,209	8,541,801	6,777,209
	<u>\$ 70,609,579</u>	<u>\$ 70,481,740</u>	<u>\$ 14,602,335</u>	<u>\$ 14,382,473</u>	<u>\$ 85,211,914</u>	<u>\$ 84,864,213</u>

Additional information on the Borough of Lansdale's capital assets can be found in Note C on pages 52 through 54 of this report.

**Long-Term Debt**

At the end of the current fiscal year, the Borough of Lansdale had total bonded debt outstanding in the amount of \$27,362,232. This amount comprises debt that is backed by the full faith and credit of the Borough

***Borough of Lansdale's Outstanding Debt  
General Obligation and Revenue Bonds***

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
General obligation bonds and notes	<u>\$ 27,362,232</u>	<u>\$ 29,073,034</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,362,232</u>	<u>\$ 29,073,034</u>

The Borough of Lansdale maintains an Aa2 rating from Moody's for general obligation debt.

The Commonwealth of Pennsylvania statutes limit the amount of general obligation debt a governmental entity may issue.

Additional information on the Borough of Lansdale's long-term debt can be found in Note E on pages 56 through 60 of this report.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED DECEMBER 31, 2021

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The elected officials for the Borough of Lansdale considered many factors when setting the 2022 calendar year's budget, tax rates, and fees that will be charged for government-wide and business-type activities (electric and sewer rates.) Key economic factors include.

- The unemployment rate for the Borough mirrors the surrounding Philadelphia metropolitan area. It is also comparable to both state and national averages
- Inflationary trends compare favorable to national indices.
- The rising costs of energy will continue to affect the local economy and residents.
- Number of employers filing Earned Income Tax returns and number of employees reported on employer returns.

The Borough of Lansdale property tax rate of 6.25 mills was raised from 5.75 beginning in 2021. The increase in taxes provides an operating budget that has not been dependent on reserves to balance the budget. Future budgets are always being forecasted to ensure the long-term financial stability of the Borough.

Based on a 5-year forecast and utility rate studies, the Borough's budget for 2021 did not have increases for electric and sewer rates. The last increase in rates was the beginning of 2015. The Borough is currently conducting a rate study related to the rates it is charging to determine if changes are warranted. This is especially important at a time when overall energy costs are rising in all sectors of the economy.

The overall outlook of the Borough looks positive with increases in development and population. These increases will help the budget with both real estate tax and earned income revenue. Although these factors will help with future budgets, tax increases in the future will be needed to help with aging infrastructure.

There is uncertainty as to the effect the COVID-19 pandemic will have on the national and global economy which will directly impact the Borough. At the Borough level, earned income tax revenue is the source of revenue most likely to be negatively affected since this revenue source is more vulnerable to economic swings. Transfer Tax will also be impacted due to the restrictions on social activities, which make buying and selling a home much more difficult. Real Estate Taxes may experience a slight decrease in revenue; however, due to intense and efficient budgeting, the Borough has built a solid fund balance to lessen the economic impact of the pandemic. The Borough will continue to closely monitor all revenues and expenditures to make the most prudent budgetary decisions possible.

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

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Borough of Lansdale's finances for all those with an interest in the Borough's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, One Vine Street, Borough of Lansdale, Pennsylvania, 19446-3601.

# BOROUGH OF LANSDALE, PENNSYLVANIA

## STATEMENT OF NET POSITION

DECEMBER 31, 2021

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>ASSETS</b>			
Cash and cash equivalents	\$ 23,261,597	\$ 5,894,876	\$ 29,156,473
Investments	-	3,652,700	3,652,700
Beneficial interest in a charitable trust	59,388	-	59,388
Receivables, net of allowance for uncollectibles			
Taxes, real estate	211,485	-	211,485
Electric and sewer	-	2,874,053	2,874,053
Other	534,631	169,984	704,615
Intergovernmental receivable	-	133,946	133,946
Prepaid items	53,015	22,951	75,966
Inventories	-	671,538	671,538
Net pension asset	206,750	-	206,750
Capital assets			
Depreciable capital assets, net	55,149,715	14,590,835	69,740,550
Nondepreciable capital assets	15,459,864	11,500	15,471,364
<b>TOTAL ASSETS</b>	<u>94,936,445</u>	<u>28,022,383</u>	<u>122,958,828</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding, net of accumulated amortization	184,123	-	184,123
Deferred outflows of resources, pension activity	379,204	-	379,204
Deferred outflows of resources, OPEB activity	959,153	-	959,153
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,522,480</u>	<u>-</u>	<u>1,522,480</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 96,458,925</u>	<u>\$ 28,022,383</u>	<u>\$ 124,481,308</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 210,002	\$ 237,887	\$ 447,889
Accrued payroll	421,225	202,886	624,111
Accrued interest	96,911	-	96,911
Other current liabilities	887,757	-	887,757
Liabilities payable for customer deposits	-	788,205	788,205
Bonds and notes payable			
Due within one year	1,763,055	-	1,763,055
Due in more than one year	26,057,510	-	26,057,510
Total OPEB liability, due in more than one year	4,854,230	-	4,854,230
<b>TOTAL LIABILITIES</b>	<u>34,290,690</u>	<u>1,228,978</u>	<u>35,519,668</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources, pension activity	2,347,428	-	2,347,428
Deferred inflows of resources, OPEB activity	475,287	-	475,287
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>2,822,715</u>	<u>-</u>	<u>2,822,715</u>
<b>NET POSITION</b>			
Net investment in capital assets	42,973,137	14,602,335	57,575,472
Restricted			
Electric utility activities	-	1,714,327	1,714,327
Highways and street projects	318,864	-	318,864
Library	303,914	-	303,914
Unrestricted	15,749,605	10,476,743	26,226,348
<b>TOTAL NET POSITION</b>	<u>59,345,520</u>	<u>26,793,405</u>	<u>86,138,925</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 96,458,925</u>	<u>\$ 28,022,383</u>	<u>\$ 124,481,308</u>

See accompanying notes to the basic financial statements.

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# BOROUGH OF LANSDALE, PENNSYLVANIA

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
Borough administration	\$ 2,410,945	\$ 2,705,607	\$ 736,772	\$ -
Police department	6,861,447	57,161	-	-
Public works	3,394,614	423,123	444,221	327,230
Culture and recreation	1,731,467	316,620	-	-
Code enforcement	936,962	468,025	-	-
Library	528,295	22,975	154,714	-
Public services	954,239	2,452	-	62,500
Interest on long-term debt	728,371	-	-	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>17,546,340</b>	<b>3,995,963</b>	<b>1,335,707</b>	<b>389,730</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Electric	14,412,881	20,314,763	-	-
Sewer	4,183,479	5,609,749	-	-
421 West Main Street	75,338	126,312	-	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>18,671,698</b>	<b>26,050,824</b>	<b>-</b>	<b>-</b>
<b>TOTAL BOROUGH ACTIVITIES</b>	<b>\$ 36,218,038</b>	<b>\$ 30,046,787</b>	<b>\$ 1,335,707</b>	<b>\$ 389,730</b>
<b>GENERAL REVENUES</b>				
Taxes				
Earned income tax				
Real property tax				
Real estate transfer taxes				
Unrestricted investment earnings				
Gain on sale of capital assets				
Miscellaneous				
TRANSFERS				
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>				
CHANGE IN NET POSITION				
NET POSITION AT BEGINNING OF YEAR				
NET POSITION AT END OF YEAR				

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Totals
\$ 1,031,434	\$ -	\$ 1,031,434
(6,804,286)	-	(6,804,286)
(2,200,040)	-	(2,200,040)
(1,414,847)	-	(1,414,847)
(468,937)	-	(468,937)
(350,606)	-	(350,606)
(889,287)	-	(889,287)
(728,371)	-	(728,371)
<u>(11,824,940)</u>	<u>-</u>	<u>(11,824,940)</u>
-	5,901,882	5,901,882
-	1,426,270	1,426,270
-	50,974	50,974
<u>-</u>	<u>7,379,126</u>	<u>7,379,126</u>
<u>(11,824,940)</u>	<u>7,379,126</u>	<u>(4,445,814)</u>
3,006,250	-	3,006,250
4,662,325	-	4,662,325
633,967	-	633,967
71,089	572	71,661
3,777	-	3,777
287,641	-	287,641
8,650,000	(8,650,000)	-
<u>17,315,049</u>	<u>(8,649,428)</u>	<u>8,665,621</u>
5,490,109	(1,270,302)	4,219,807
<u>53,855,411</u>	<u>28,063,707</u>	<u>81,919,118</u>
<u>\$ 59,345,520</u>	<u>\$ 26,793,405</u>	<u>\$ 86,138,925</u>

# BOROUGH OF LANSDALE, PENNSYLVANIA

## BALANCE SHEET

### GOVERNMENTAL FUNDS

DECEMBER 31, 2021

	General Fund	Capital Projects Fund	Lansdale Parking Authority Revenue Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 18,514,649	\$ -	\$ 3,459,548	\$ 116,810	\$ 1,170,590	\$ 23,261,597
Beneficial interest in a charitable trust	-	-	-	-	59,388	59,388
Receivables, net of allowance for uncollectible accounts						
Taxes, real estate	211,485	-	-	-	-	211,485
Other	400,476	134,155	-	-	-	534,631
Due from other funds	1,225,724	-	-	-	-	1,225,724
Prepaid items	53,015	-	-	-	-	53,015
<b>TOTAL ASSETS</b>	<b>\$ 20,405,349</b>	<b>\$ 134,155</b>	<b>\$ 3,459,548</b>	<b>\$ 116,810</b>	<b>\$ 1,229,978</b>	<b>\$ 25,345,840</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 143,625	\$ 52,862	\$ 9,980	\$ -	\$ 3,535	\$ 210,002
Due to other funds	-	1,225,724	-	-	-	1,225,724
Accrued payroll	416,437	-	-	-	4,788	421,225
Other current liabilities	887,757	-	-	-	-	887,757
<b>TOTAL LIABILITIES</b>	<b>1,447,819</b>	<b>1,278,586</b>	<b>9,980</b>	<b>-</b>	<b>8,323</b>	<b>2,744,708</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue, property taxes	181,950	-	-	-	-	181,950
<b>FUND BALANCES</b>						
Nonspendable, prepaid items	53,015	-	-	-	-	53,015
Restricted						
Highway and street projects	-	-	-	-	318,864	318,864
Library	-	-	-	-	303,914	303,914
Committed						
Capital projects	3,676,633	-	-	-	-	3,676,633
Parking projects	-	-	3,449,568	-	598,877	4,048,445
Other post employment benefits	4,243,448	-	-	-	-	4,243,448
Assigned						
Debt service	-	-	-	116,810	-	116,810
Unassigned	10,802,484	(1,144,431)	-	-	-	9,658,053
<b>TOTAL FUND BALANCES</b>	<b>18,775,580</b>	<b>(1,144,431)</b>	<b>3,449,568</b>	<b>116,810</b>	<b>1,221,655</b>	<b>22,419,182</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 20,405,349</b>	<b>\$ 134,155</b>	<b>\$ 3,459,548</b>	<b>\$ 116,810</b>	<b>\$ 1,229,978</b>	<b>\$ 25,345,840</b>

See accompanying notes to the basic financial statements.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**DECEMBER 31, 2021**

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TOTAL GOVERNMENTAL FUNDS BALANCES	\$ 22,419,182
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>	
Land and land improvements	4,499,485
Infrastructure	51,771,345
Building, structures and facilities	29,315,330
Furniture, fixtures, equipment and related assets	6,504,840
Library books	1,188,017
Accumulated depreciation	(22,669,438)
<p>Certain pension trust funds have been funded in excess of the pension liability, creating a year-end asset. This asset is not a financial resource and therefore is not reported in the funds.</p>	
	206,750
<p>Other long-term assets are not available to pay current period expenditures and are deferred in the funds.</p>	
	181,950
<p>Bond premiums are not recorded as liabilities in the Governmental Funds; however, these items are capitalized and amortized in the government-wide financial statements.</p>	
	(458,333)
<p>Deferred charges used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:</p>	
Deferred amount on refunding, net of amortization	184,123
<p>Deferred inflows and outflows of resources related to pension and OPEB activities are not financial resources and therefore not reported in the governmental funds.</p>	
	(1,484,358)
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:</p>	
Accrued interest	(96,911)
Bonds and notes payable	(27,362,232)
Total OPEB liability	<u>(4,854,230)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 59,345,520</u>

*See accompanying notes to the basic financial statements.*

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	General Fund	Capital Projects Fund	Lansdale Parking Authority Revenue Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 8,288,866	\$ -	\$ -	\$ -	\$ -	\$ 8,288,866
Licenses and permits	970,734	-	-	-	-	970,734
Fines and forfeitures	41,270	-	-	-	-	41,270
Interest and rent	70,550	-	607	-	8,559	79,716
Grants and gifts	736,772	1,693,195	62,500	-	598,935	3,091,402
Departmental earnings	406,638	-	-	-	-	406,638
Parking collections and rentals	-	-	-	-	74,973	74,973
Library deposits	-	-	-	-	22,975	22,975
Miscellaneous	960,474	417,192	15,000	-	-	1,392,666
<b>TOTAL REVENUES</b>	<b>11,475,304</b>	<b>2,110,387</b>	<b>78,107</b>	<b>-</b>	<b>705,442</b>	<b>14,369,240</b>
<b>EXPENDITURES</b>						
<b>Current</b>						
Borough administration	2,106,213	-	-	244	-	2,106,457
Public safety	7,214,575	50,128	-	-	-	7,264,703
Highways/public works	1,769,511	2,428,913	-	-	136,492	4,334,916
Code enforcement, planning and zoning	936,962	-	-	-	-	936,962
Parks and recreation	1,261,094	537,675	-	-	-	1,798,769
Library	-	-	-	-	500,778	500,778
Public services	650,932	-	248,175	-	55,132	954,239
<b>Debt service</b>						
Principal	-	-	-	1,710,802	-	1,710,802
Interest and other charges	-	-	-	737,994	-	737,994
<b>TOTAL EXPENDITURES</b>	<b>13,939,287</b>	<b>3,016,716</b>	<b>248,175</b>	<b>2,449,040</b>	<b>692,402</b>	<b>20,345,620</b>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(2,463,983)</b>	<b>(906,329)</b>	<b>(170,068)</b>	<b>(2,449,040)</b>	<b>13,040</b>	<b>(5,976,380)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
<b>Proceeds from the sale of capital assets</b>						
	3,777	-	-	-	-	3,777
Transfers in	6,100,000	1,800,000	-	2,526,623	415,000	10,841,623
Transfers out	(2,191,623)	-	-	-	-	(2,191,623)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>3,912,154</b>	<b>1,800,000</b>	<b>-</b>	<b>2,526,623</b>	<b>415,000</b>	<b>8,653,777</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,448,171</b>	<b>893,671</b>	<b>(170,068)</b>	<b>77,583</b>	<b>428,040</b>	<b>2,677,397</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>17,327,409</b>	<b>(2,038,102)</b>	<b>3,619,636</b>	<b>39,227</b>	<b>793,615</b>	<b>19,741,785</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 18,775,580</b>	<b>\$ (1,144,431)</b>	<b>\$ 3,449,568</b>	<b>\$ 116,810</b>	<b>\$ 1,221,655</b>	<b>\$ 22,419,182</b>

See accompanying notes to the basic financial statements.

# BOROUGH OF LANSDALE, PENNSYLVANIA

## RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2021

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NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 2,677,397

Purchases of capital assets are considered expenditures in the Governmental Funds but are capitalized as assets in the statement of net position. Further, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capital outlays (\$2,588,393) exceeds depreciation (\$2,460,554) in the current period.

127,839

Because some property taxes will not be collected for several months after the Borough's fiscal year ends, they are not considered as "available" revenues in the Governmental Funds. Total taxes deferred decreased by the following in the current period.

13,676

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to Governmental Funds, while the repayment of the principal of long-term debt consumes the current financial resources of Governmental Funds. Neither transaction, however, has any effect on net position. Also, Governmental Funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of bond principal	1,710,802
Amortization of bond premiums	69,186
Amortization of deferred amount on refunding	<u>(15,374)</u>
	<u>1,764,614</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in Governmental Funds:

Accrued interest	9,623
Pension plan expense	1,229,232
OPEB plan expense	<u>(332,272)</u>
	<u>906,583</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 5,490,109

*See accompanying notes to the basic financial statements.*

**BOROUGH OF LANSDALE, PENNSYLVANIA**

## STATEMENT OF NET POSITION

## PROPRIETARY FUNDS

DECEMBER 31, 2021

	Enterprise Funds			Total Proprietary Funds
	Electric Fund	Sewer Fund	421 West Main Street Fund	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 4,063,836	\$ 415,686	\$ 201,027	\$ 4,680,549
Investments	1,314,972	2,337,728	-	3,652,700
Accounts receivable for utility service, less allowances for uncollectible accounts of \$2,650 (electric) and \$11,003 (sewer)	2,250,151	623,902	-	2,874,053
Receivable liened	46,294	123,690	-	169,984
Intergovernmental receivables	-	133,946	-	133,946
Inventories	671,538	-	-	671,538
Prepaid expenses	743	22,208	-	22,951
<b>TOTAL CURRENT ASSETS</b>	<b>8,347,534</b>	<b>3,657,160</b>	<b>201,027</b>	<b>12,205,721</b>
<b>NONCURRENT ASSETS</b>				
Cash and cash equivalents	1,214,327	-	-	1,214,327
Property, plant and equipment				
Construction in progress	-	-	11,500	11,500
Building and building improvements at depreciated cost	-	-	626,524	626,524
Utility plant in service at depreciated cost	5,422,510	8,541,801	-	13,964,311
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>5,422,510</b>	<b>8,541,801</b>	<b>638,024</b>	<b>14,602,335</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>6,636,837</b>	<b>8,541,801</b>	<b>638,024</b>	<b>15,816,662</b>
<b>TOTAL ASSETS</b>	<b>14,984,371</b>	<b>12,198,961</b>	<b>839,051</b>	<b>28,022,383</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Payable from nonrestricted assets				
Accounts payable	160,874	75,736	1,277	237,887
Accrued payroll	70,113	132,773	-	202,886
<b>TOTAL CURRENT LIABILITIES</b>	<b>230,987</b>	<b>208,509</b>	<b>1,277</b>	<b>440,773</b>
<b>NONCURRENT LIABILITIES</b>				
Customers' deposits	788,205	-	-	788,205
<b>TOTAL LIABILITIES</b>	<b>1,019,192</b>	<b>208,509</b>	<b>1,277</b>	<b>1,228,978</b>
<b>NET POSITION</b>				
Net investment in capital assets	5,422,510	8,541,801	638,024	14,602,335
Restricted for electric utility activities	1,714,327	-	-	1,714,327
Unrestricted	6,828,342	3,448,651	199,750	10,476,743
<b>TOTAL NET POSITION</b>	<b>\$ 13,965,179</b>	<b>\$ 11,990,452</b>	<b>\$ 837,774</b>	<b>\$ 26,793,405</b>

*See accompanying notes to the basic financial statements.*

# BOROUGH OF LANSDALE, PENNSYLVANIA

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS YEAR ENDED DECEMBER 31, 2021

	Enterprise Funds			Total Proprietary Funds
	Electric Fund	Sewer Fund	421 West Main Street Fund	
<b>OPERATING REVENUES</b>				
Charges for services				
Sales of electricity				
Residential	\$ 9,948,645	\$ -	\$ -	\$ 9,948,645
General services	5,395,788	-	-	5,395,788
Primary	4,563,758	-	-	4,563,758
Sewer rents	-	5,568,840	-	5,568,840
TOTAL CHARGES FOR SERVICES	19,908,191	5,568,840	-	25,477,031
Penalties	120,047	39,576	-	159,623
Miscellaneous services and rentals	286,525	1,333	126,312	414,170
TOTAL OPERATING REVENUES	<u>20,314,763</u>	<u>5,609,749</u>	<u>126,312</u>	<u>26,050,824</u>
<b>OPERATING EXPENSES</b>				
Cost of providing electrical service				
Purchased power	9,540,684	-	-	9,540,684
Transmission	72,264	-	-	72,264
Distribution	1,662,271	-	-	1,662,271
Customer accounts	869,209	-	-	869,209
Administrative and general	1,848,508	-	-	1,848,508
Cost of providing sewer service				
Sanitary sewers	-	331,451	-	331,451
Disposal plant	-	2,283,597	-	2,283,597
Administrative and general	-	1,176,505	-	1,176,505
Cost of maintaining rental property	-	-	39,221	39,221
Depreciation	412,171	399,700	36,117	847,988
TOTAL OPERATING EXPENSES	<u>14,405,107</u>	<u>4,191,253</u>	<u>75,338</u>	<u>18,671,698</u>
OPERATING INCOME	5,909,656	1,418,496	50,974	7,379,126
<b>NONOPERATING REVENUES</b>				
Interest earned	235	-	337	572
INCOME BEFORE INTERFUND TRANSFERS	<u>5,909,891</u>	<u>1,418,496</u>	<u>51,311</u>	<u>7,379,698</u>
<b>INTERFUND TRANSFERS</b>				
Transfers out	<u>(7,050,000)</u>	<u>(1,500,000)</u>	<u>(100,000)</u>	<u>(8,650,000)</u>
CHANGE IN NET POSITION	(1,140,109)	(81,504)	(48,689)	(1,270,302)
NET POSITION AT BEGINNING OF YEAR	<u>15,105,288</u>	<u>12,071,956</u>	<u>886,463</u>	<u>28,063,707</u>
NET POSITION AT END OF YEAR	<u>\$ 13,965,179</u>	<u>\$ 11,990,452</u>	<u>\$ 837,774</u>	<u>\$ 26,793,405</u>

See accompanying notes to the basic financial statements.

# BOROUGH OF LANSDALE, PENNSYLVANIA

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2021

	Enterprise Funds			Total Proprietary Funds
	Electric Fund	Sewer Fund	421 West Main Street Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 20,559,114	\$ 5,976,828	\$ -	\$ 26,535,942
Cash paid to vendors	(12,175,818)	(2,460,774)	(38,529)	(14,675,121)
Cash paid to employees	(1,779,330)	(1,283,113)	-	(3,062,443)
Cash received for rentals	-	-	126,312	126,312
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>6,603,966</u>	<u>2,232,941</u>	<u>87,783</u>	<u>8,924,690</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers to General Fund	(5,000,000)	(1,000,000)	(100,000)	(6,100,000)
Transfers to Debt Service Fund	(700,000)	(500,000)	-	(1,200,000)
Transfers to Capital Projects Fund	(1,350,000)	-	-	(1,350,000)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	<u>(7,050,000)</u>	<u>(1,500,000)</u>	<u>(100,000)</u>	<u>(8,650,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(512,563)	(555,287)	-	(1,067,850)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(239,332)	(425,478)	-	(664,810)
Interest received	235	-	337	572
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(239,097)</u>	<u>(425,478)</u>	<u>337</u>	<u>(664,238)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(1,197,694)</u>	<u>(247,824)</u>	<u>(11,880)</u>	<u>(1,457,398)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>6,475,857</u>	<u>663,510</u>	<u>212,907</u>	<u>7,352,274</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 5,278,163</u>	<u>\$ 415,686</u>	<u>\$ 201,027</u>	<u>\$ 5,894,876</u>

**BOROUGH OF LANSDALE, PENNSYLVANIA**

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2021

	Enterprise Funds			Total Proprietary Funds
	Electric Fund	Sewer Fund	421 West Main Street Fund	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 5,909,656	\$ 1,418,496	\$ 50,974	\$ 7,379,126
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	412,171	399,700	36,117	847,988
(Increase) decrease in				
Accounts receivable	147,506	275,777	-	423,283
Other receivables	(24,613)	9,494	-	(15,119)
Intergovernmental receivables	-	81,808	-	81,808
Inventory	18,102	-	-	18,102
Increase (decrease) in				
Accounts payable	1,118	5,765	692	7,575
Accrued payroll	18,568	41,901	-	60,469
Customers' deposits	121,458	-	-	121,458
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 \$ <u>6,603,966</u>	 \$ <u>2,232,941</u>	 \$ <u>87,783</u>	 \$ <u>8,924,690</u>

*See accompanying notes to the basic financial statements.*

**BOROUGH OF LANSDALE, PENNSYLVANIA**

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

DECEMBER 31, 2021

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	<u>Police Pension Trust Fund</u>
ASSETS	
Cash and cash equivalents	\$ 244,894
Mutual funds	26,133,837
Prepaid benefits	<u>33,507</u>
 TOTAL ASSETS	 \$ <u><u>26,412,238</u></u>
 NET POSITION	
Net position restricted for pensions	\$ <u><u>26,412,238</u></u>

*See accompanying notes to the basic financial statements.*

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	<u>Police Pension Trust Fund</u>
ADDITIONS	
Contributions	
Employer	\$ 1,271,982
Plan members	140,221
TOTAL CONTRIBUTIONS	<u>1,412,203</u>
Investment earnings	
Net increase in fair value of investments	1,942,289
Interest	24
Dividends	1,207,252
TOTAL INVESTMENT EARNINGS	<u>3,149,565</u>
TOTAL ADDITIONS	<u>4,561,768</u>
DEDUCTIONS	
Benefits	1,182,023
Administrative expenses	1,100
TOTAL DEDUCTIONS	<u>1,183,123</u>
CHANGE IN NET POSITION	3,378,645
NET POSITION AT BEGINNING OF YEAR	<u>23,033,593</u>
NET POSITION AT END OF YEAR	<u>\$ 26,412,238</u>

*See accompanying notes to the basic financial statements.*

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The accompanying financial statements of the Borough of Lansdale, Pennsylvania (the "Borough"), include the Borough and its component units in accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus--An Amendment of GASB Statements No. 14 and No. 34*. The Lansdale Parking Authority (the "Authority"), the Lansdale Library Association (the "Library") and the Police Pension Trust Funds are considered to be component units because of their operational and financial relationship with the Borough as explained below.

**Blended Component Units**

The Authority was formed under the Municipal Authorities Act of 1945, as amended, and was incorporated in the Commonwealth of Pennsylvania on January 7, 1951. The Articles of Incorporation were amended on August 5, 1986, to extend the life of the Authority for the purpose of constructing and maintaining facilities for the provision of parking spaces and uses within the Borough. The Authority is governed by a five-member board, which is appointed by the Borough Council. Although it is legally separate from the Borough, the Authority is reported as if it were part of the primary government because it conducts business solely with the Borough through a lease rental agreement related to parking facilities in the Borough. Financial information from the Authority's audited financial statements for the year ended December 31, 2021, is combined in the accompanying financial statements by including financial information from the Authority in the Borough's various fund types (blending). Separately issued financial statements of the Authority may be obtained at the Borough's administration office.

The Library was organized on March 22, 1928, and incorporated in 1948 as a nonprofit corporation to maintain a free, public, non-sectarian library for the benefit of residents of Lansdale. In April 1971, the Borough Council approved a resolution designating the Library as an agent of the Borough, where the Library was to provide public library services to the residents of the Borough and the Borough would assist in the maintenance of the Library. The By-Laws of the Library were most recently amended to require that the governing Board of Trustees of the Library consist solely of the members of the Borough Council, effective January 1, 2001. Although the Library is legally separate from the Borough, it is under the control of the Borough Council and receives much of its support from the Borough. Financial information from the Library for the year ended December 31, 2021, is combined in the accompanying financial statements by including such financial information in the Borough's various fund types (blending). Separately issued financial statements of the Library may be obtained at the Borough's administration office.

**Police Pension Plan**

The Police Pension Plan is a single-employer defined benefit pension plan that provides pensions for all regular, full-time sworn police officers. Although the plan is a separate legal entity it is reported as if it is part of the government as it is governed by a committee comprised of members appointed by the Borough Council and the Borough is responsible for funding the plan. The plan is reported as a fiduciary fund.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Government-Wide and Fund Financial Statements**

The accompanying financial statements of the Borough are in accordance with the provisions of GASB Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments--Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and GASB Statement No. 41, *Budgetary Comparison Schedule--Perspective Differences*. The requirements of this new reporting model are described below.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

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

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

Separate financial statements are provided for Governmental Funds, Proprietary Funds and Fiduciary Funds, even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Governmental Funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. For this purpose, the Borough considers revenues to be available if they are collected within 60 days of the end of the fiscal period. Under this basis, certain revenues (those susceptible to accrual, readily measurable and available as to amount and anticipated as being readily collectible) are recorded on the accrual basis. All other revenues are recognized only when received in cash. Major revenues susceptible to accrual are taxes. Expenditures, with the exception of interest requirements on long-term debt, are accounted for on the accrual basis of accounting. The Borough reports the following major Governmental Funds:

- The *General Fund* is the Borough'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* is used to account for capital acquisitions and projects, which are not funded by the various bond issues.
- The *Debt Service Fund* is used to account for the accumulation of resources that are assigned for the payment of principal and interest on long-term obligations of governmental funds.
- The *Lansdale Parking Authority Revenue Fund* is used to account for expenditures related to the Authority.

The Borough reports the following major Proprietary Funds:

- The *Electric Fund* is used to account for the operation of the Borough's electric utility, which provides electric service to residents and businesses in the Borough.
- The *Sewer Fund* is used to account for the operation of the Borough's Wastewater Treatment Plant, which provides sewer service to residents and businesses in the Borough.
- The *421 West Main Street Fund* is used to account for the operation of the building at 421 West Main Street, which is owned by the Borough and rented to County agencies.

Additionally, the Borough reports the following Fiduciary Fund Type:

- The *Police Pension Trust Fund* is used to account for assets held by the Borough in trust in the employees' retirement system.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Proprietary Funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the Electric Fund, the Sewer Fund and the 421 West Main Street Fund are charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Stewardship, Compliance and Accountability**

***Budgets and Budgetary Accounting*** - The Borough follows the procedures outlined below, which comply with legal requirements in establishing the budgetary data reflected in the financial statements:

1. Budgets are legally adopted on an annual basis for the General, Parking and Highway Aid Funds. On or before December 1, the Borough Manager submits a proposed operating budget for the following year to Borough Council. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is legally adopted through the passage of an ordinance.
4. Budget transfers at the activity level must be approved by Borough Council. Professional management may make budget transfers at the object level without approval of Borough Council.
5. Budgets for the General, Parking and Highway Aid Funds are prepared on the modified accrual basis of accounting.

All appropriations lapse at year-end. Supplemental appropriations can be made at any time.

Based on the level at which budgets are legally adopted, expenditures may not exceed appropriations at the activity level in the General Fund, such as public safety and administration and in total in the Parking and Highway Aid Funds. As a matter of state law, expenditures cannot exceed total appropriations by fund.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Encumbrance Accounting*** - Encumbrance accounting, under which purchase orders and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all funds for which budgets are prepared. Encumbrances outstanding at year-end lapse. Encumbrances do not constitute expenditures or liabilities under accounting principles generally accepted in the United States of America.

**Assets, Liabilities and Equity**

***Deposits and Investments*** - The Borough's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the Borough to invest in certificates of deposit, obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool. Investments are stated at fair value.

***Inventories*** - Inventories of supplies in the Enterprise Funds are valued at cost and any inventory held for resale is reported at the lower of cost or market. The costs of these inventories are recorded as expenses when consumed.

***Real Estate Taxes*** - Real estate taxes are recorded as revenues when the taxes are levied.

Real estate taxes are levied on March 1 and are due on June 30 of each year. A 2% discount is provided for taxes paid prior to May 1. A 10% penalty is applied to taxes paid after June 30. Unpaid taxes are liened with the Borough on January 15 of the subsequent year.

***Earned Income Taxes*** - A 1% earned income tax is imposed on all residents and on nonresidents who work within the Borough limits. This tax is recorded as revenue when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first.

***Provision for Estimated Uncollectible Receivables*** - The Borough has made provisions for estimated uncollectible sewer rental receivables of \$11,003 and estimated uncollectible electric billings of \$2,650. No provision is considered necessary for other receivables.

***Restricted Assets*** - The Borough maintains cash and investments within the restricted assets held by its Electric Fund for various purposes as determined by Borough Council or Borough ordinances. A schedule of the purpose for which investments are held in the restricted assets of the Electric Fund as of December 31, 2021, is shown below:

Emergency Utility Fund	\$ 500,000
Construction Fund	1,214,327
	<u>1,714,327</u>
	<u>\$ 1,714,327</u>

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Assets** - Capital assets, which include property, plant, equipment and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Borough defines a capital asset as an asset with an initial, individual cost equal to or greater than \$5,000 or purchased with debt proceeds and must have an estimated useful life in excess of one year. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Assets acquired by gift or bequest are recorded at their acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation has been provided over the estimated useful lives of property, plant and equipment using the straight-line method as follows:

	<u>Years</u>
Buildings and building improvements	10-40
Furniture, fixtures and equipment	5-20
Infrastructure	20-30
Library books	10

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Borough has three items that qualify for reporting in this category. The deferred amount on refunding is reported in the government-wide statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflow of resources related to pensions is reported in the government-wide statement of net position and is the result of changes in plan assumptions. The deferred outflow of resources related to OPEB is reported in the government-wide statement of net position and is the result of differences between expected and actual experience, changes in assumptions and benefit payments subsequent to the measurement date.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Borough has three items that qualify for reporting in this category. Unavailable revenues, which arise only under a modified accrual basis of accounting, are reported only in the Governmental Funds balance sheet. The Governmental Funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflow of resources related to pensions is reported in the government-wide statement of net position and is the result of differences between expected and actual experience of the pension plan and the net difference between projected and actual earnings on pension plan investments. The deferred inflow of resources related to OPEB is reported in the government-wide statement of net position and is the result of differences between expected and actual experience and changes in assumptions.

**Long-Term Obligations** - In the government-wide financial statements and the Proprietary Fund Types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or Proprietary Fund Type statement of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds. Bond premiums or discounts and issuance costs are reported as deferred charges. Bonds payable are reported net of deferred amounts on refunding, which represent the difference between the reacquisition price and the net carrying amount of old debt that has been defeased in refunding transactions since 1993. This deferred amount is amortized as a component of interest expense over the lesser of the remaining life of the old debt or the life of the new debt.

In the fund financial statements, Governmental Fund Types recognize bond premiums and discounts, as well as issuance costs, during the current period. Bond proceeds are reported as other financing sources. Issuance costs, even if withheld from the actual net proceeds received, are reported as expenditures.

**Cash and Cash Equivalents** - For purposes of reporting cash flows for the Proprietary Funds, all highly liquid investments with original maturities of three months or less are considered short-term investments.

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

**Concentrations of Credit Risk** - The Borough's revenues and receivables for taxes and utility service are mostly derived from residents and businesses located in the Borough and are, therefore, subject to the economic conditions of the area.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Net Position Flow Assumption**

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

**Fund Balance**

The Borough has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the Borough's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- ***Nonspendable Fund Balance*** - Amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- ***Restricted Fund Balance*** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government) through constitutional provisions or by enabling legislation.
- ***Committed Fund Balance*** - Amounts constrained to specific purposes by the Borough itself, using its highest level of decision-making authority (Borough Council). To be reported as committed, amounts cannot be used for any other purpose unless the Borough takes the same highest level action to remove or change the constraint. The Borough Council passes a resolution in order to commit fund balance.
- ***Assigned Fund Balance*** - Amounts the Borough intends to use for a specific purpose. Intent can be expressed by Borough Council or by an official or body to which Borough Council delegates the authority. As of December 31, 2021, Borough Council has not delegated the authority to assign fund balance.
- ***Unassigned Fund Balance*** - Amounts available for any purpose. Positive amounts are reported only in the General Fund.

Borough Council establishes (and modifies or rescinds) fund balance commitments by passage of a motion. Assigned fund balance is intended to be used by the Borough for specific purposes but does not meet the criteria to be classified as restricted or committed.

The Borough will typically use restricted fund balances first, followed by committed resources and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE B - DEPOSITS AND INVESTMENTS**

**Deposits**

**Custodial Credit Risk** - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits may not be returned to it. As of December 31, 2021, \$1,266,927 of the total Borough's bank balance of \$30,150,797 was insured by the Federal Depository Insurance Corporation. Of the remaining bank balance of \$28,883,870, \$28,883,083 was exposed to credit risk because it was uninsured and collateralized in accordance with Act 72 of the Commonwealth of Pennsylvania Legislature, which permits the institution to pool collateral for all governmental deposits and has the collateral held by a custodian in the institution's name, and \$787 was invested in state investment pools, which is uninsured and uncollateralized.

**Investments**

The Borough categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are those that lack significant observable inputs. As of December 31, 2021, the Borough had the following investments:

Investment Type	Moody's Rating	Fair Value	Investment Maturities	
			Less Than 1 Year	1 to 5 Years
<b>PROPRIETARY ACTIVITIES</b>				
Federal Home Loan Bank	Aaa	\$ 306,515	\$ -	\$ 306,515
Federal Home Loan Mortgage	Aaa	267,346	-	267,346
Federal Farm Credit Bank	Aaa	672,117	-	672,117
Federal National Mortgage Assoc.	Aaa	912,080	-	912,080
US Treasury Notes	Aaa	759,893	-	759,893
Corporate bonds	unrated	734,749	-	734,749
		<u>\$ 3,652,700</u>	<u>\$ -</u>	<u>\$ 3,652,700</u>
<b>PENSION ACTIVITIES</b>				
Exchange traded funds	unrated	\$ 5,506,718	\$ 5,506,718	\$ -
Mutual funds	unrated	20,627,119	20,627,119	-
		<u>\$ 26,133,837</u>	<u>\$ 26,133,837</u>	<u>\$ -</u>

All investments were valued using Level 1 inputs (quoted prices in active markets), with the exception of corporate bonds, which are Level 2 inputs normally valued based on price data obtained from observed transactions and market place quotations from broker dealers and /or pricing vendors.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE B - DEPOSITS AND INVESTMENTS (Continued)**

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

**Credit Risk** - State statutes authorize the Borough to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool. The Borough's investment policy does not further limit its investment choices.

**Concentration of Credit Risk** - No single investment is greater than 5% of the Borough's total investments.

**NOTE C - CAPITAL ASSETS**

Changes in capital asset activity for the year ended December 31, 2021, were as follows:

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land and land improvements	\$ 3,771,979	\$ 727,506	\$ -	\$ 4,499,485
Infrastructure	10,960,379	-	-	10,960,379
Construction in progress	14,741,655	-	(14,741,655)	-
<b>TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED</b>	<b>29,474,013</b>	<b>727,506</b>	<b>(14,741,655)</b>	<b>15,459,864</b>
Capital assets being depreciated				
Buildings, structures and facilities	28,349,627	965,703	-	29,315,330
Furniture, fixtures, equipment and related assets	6,455,462	49,378	-	6,504,840
Library books	1,171,462	67,716	(51,161)	1,188,017
Infrastructure	25,291,221	15,519,745	-	40,810,966
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED</b>	<b>61,267,772</b>	<b>16,602,542</b>	<b>(51,161)</b>	<b>77,819,153</b>
Accumulated depreciation				
Buildings, structures and facilities	(6,616,800)	(714,150)	-	(7,330,950)
Furniture, fixtures, equipment and related assets	(4,245,410)	(271,079)	-	(4,516,489)
Library books	(896,002)	(54,559)	51,161	(899,400)
Infrastructure	(8,501,833)	(1,420,766)	-	(9,922,599)
<b>TOTAL ACCUMULATED DEPRECIATION</b>	<b>(20,260,045)</b>	<b>(2,460,554)</b>	<b>51,161</b>	<b>(22,669,438)</b>
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED, net</b>	<b>41,007,727</b>	<b>14,141,988</b>	<b>-</b>	<b>55,149,715</b>
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net</b>	<b>\$ 70,481,740</b>	<b>\$ 14,869,494</b>	<b>\$ (14,741,655)</b>	<b>\$ 70,609,579</b>

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE C - CAPITAL ASSETS (Continued)**

Depreciation expense was charged to governmental functions as follows:

Borough administration	\$ 355,829
Police department	543,832
Public works	1,020,300
Culture and recreation	445,360
Library	<u>95,233</u>
	<u>\$ 2,460,554</u>

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
<b>ELECTRIC FUND CAPITAL ASSETS NOT BEING DEPRECIATED</b>				
Construction in progress	\$ 248,873	\$ -	\$ (248,873)	\$ -
<b>ELECTRIC FUND CAPITAL ASSETS BEING DEPRECIATED</b>				
Transmission system	3,405,535	-	-	3,405,535
Distribution system	10,166,847	647,278	-	10,814,125
General equipment	2,960,308	114,158	-	3,074,466
Service building	<u>553,041</u>	<u>-</u>	<u>-</u>	<u>553,041</u>
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED</b>	<u>17,085,731</u>	<u>761,436</u>	<u>-</u>	<u>17,847,167</u>
Accumulated depreciation				
Transmission system	(2,847,824)	(13,714)	-	(2,861,538)
Distribution system	(6,891,856)	(256,996)	-	(7,148,852)
General equipment	(1,735,603)	(139,569)	-	(1,875,172)
Service building	<u>(537,203)</u>	<u>(1,892)</u>	<u>-</u>	<u>(539,095)</u>
<b>TOTAL ACCUMULATED DEPRECIATION</b>	<u>(12,012,486)</u>	<u>(412,171)</u>	<u>-</u>	<u>(12,424,657)</u>
<b>ELECTRIC FUND CAPITAL ASSETS, net</b>	<u>\$ 5,322,118</u>	<u>\$ 349,265</u>	<u>\$ (248,873)</u>	<u>\$ 5,422,510</u>

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE C - CAPITAL ASSETS (Continued)**

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
<b>SEWER FUND CAPITAL ASSETS</b>				
<b>NOT BEING DEPRECIATED</b>				
Construction in progress	\$ 1,609,005	\$ -	\$ (1,609,005)	\$ -
<b>SEWER FUND CAPITAL ASSETS</b>				
<b>BEING DEPRECIATED</b>				
Collection system	9,278,020	468,194	-	9,746,214
Pumping plant	4,162,309	1,526,109	-	5,688,418
Treatment and disposal plant	20,732,423	-	-	20,732,423
General plant	968,718	169,989	-	1,138,707
<b>TOTAL CAPITAL ASSETS</b>				
<b>BEING DEPRECIATED</b>	<u>35,141,470</u>	<u>2,164,292</u>	<u>-</u>	<u>37,305,762</u>
Accumulated depreciation				
Collection system	(6,572,898)	(136,385)	-	(6,709,283)
Pumping plant	(3,259,465)	(89,486)	-	(3,348,951)
Treatment and disposal plant	(17,757,799)	(136,375)	-	(17,894,174)
General plant	(774,099)	(37,454)	-	(811,553)
<b>TOTAL ACCUMULATED</b>				
<b>DEPRECIATION</b>	<u>(28,364,261)</u>	<u>(399,700)</u>	<u>-</u>	<u>(28,763,961)</u>
<b>SEWER FUND CAPITAL</b>				
<b>ASSETS, net</b>	<u>\$ 8,386,214</u>	<u>\$ 1,764,592</u>	<u>\$ (1,609,005)</u>	<u>\$ 8,541,801</u>
<b>421 WEST MAIN STREET CAPITAL</b>				
<b>ASSETS NOT BEING DEPRECIATED</b>				
Construction in progress	\$ 11,500	\$ -	\$ -	\$ 11,500
<b>421 WEST MAIN STREET CAPITAL</b>				
<b>ASSETS BEING DEPRECIATED</b>				
Building	166,451	-	-	166,451
Building improvements	1,294,081	-	-	1,294,081
<b>TOTAL CAPITAL ASSETS</b>				
<b>BEING DEPRECIATED</b>	<u>1,460,532</u>	<u>-</u>	<u>-</u>	<u>1,460,532</u>
Accumulated depreciation				
Building	(139,509)	(5,582)	-	(145,091)
Building improvements	(658,382)	(30,535)	-	(688,917)
<b>TOTAL ACCUMULATED</b>				
<b>DEPRECIATION</b>	<u>(797,891)</u>	<u>(36,117)</u>	<u>-</u>	<u>(834,008)</u>
<b>421 WEST MAIN STREET</b>				
<b>CAPITAL ASSETS, net</b>	<u>\$ 674,141</u>	<u>\$ (36,117)</u>	<u>\$ -</u>	<u>\$ 638,024</u>

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE D - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables at December 31, 2021 are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<b>GOVERNMENTAL FUNDS</b>		
General Fund	\$ 1,225,724	\$ -
Capital Projects Fund	<u>-</u>	<u>1,225,724</u>
	<u>\$ 1,225,724</u>	<u>\$ 1,225,724</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Interfund transfers at December 31, 2021, are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
<b>GOVERNMENTAL FUNDS</b>		
General Fund	\$ 6,100,000	\$ 2,191,623
Capital Projects Fund	1,800,000	-
Debt Service Fund	2,526,623	-
Other Governmental Funds	415,000	-
<b>PROPRIETARY FUNDS</b>		
Electric Fund	-	7,050,000
Sewer Fund	-	1,500,000
421 West Main Street Fund	<u>-</u>	<u>100,000</u>
	<u>\$ 10,841,623</u>	<u>\$ 10,841,623</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Funds as debt service payments become due and (3) use unrestricted revenues collected in the General Fund and/or Electric Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE E - LONG-TERM DEBT**

**Summary of Activity**

A summary of activity in the Borough's debt payable accounts during 2021 is as follows:

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Amount Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Energy Conservation loan of 2017	\$ 327,034	\$ -	\$ (108,802)	\$ 218,232	\$ 112,055
Note payable of 2017	2,166,000	-	(142,000)	2,024,000	146,000
General Obligation Bonds					
Series of 2019	9,855,000	-	(30,000)	9,825,000	30,000
Series of 2020	7,920,000	-	(1,155,000)	6,765,000	1,195,000
Series of 2020A	8,805,000	-	(275,000)	8,530,000	280,000
<b>TOTAL BONDS AND     LOANS PAYABLE</b>	<b>29,073,034</b>	<b>-</b>	<b>(1,710,802)</b>	<b>27,362,232</b>	<b>1,763,055</b>
Deferred bond premium	527,519	-	(69,186)	458,333	-
Net pension liability	1,604,459	-	(1,604,459)	-	-
Total OPEB liability	4,458,566	395,664	-	4,854,230	-
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$ 35,663,578</b>	<b>\$ 395,664</b>	<b>\$ (3,384,447)</b>	<b>\$ 32,674,795</b>	<b>\$ 1,763,055</b>

Payments on the bonds and loans payable pertaining to the Borough's governmental activities are made by the Debt Service Funds. Net pension liabilities and any total other postemployment benefit liabilities are liquidated by the General Fund.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE E - LONG-TERM DEBT (Continued)**

**Governmental Activities Debt**

General long-term debt (debt for general Borough purposes to which its full faith, credit and taxing power has been pledged) at December 31, 2021, is as follows:

**General Obligation Note, Series of 2017** - The General Obligation Note, Series of 2017, was issued on November 30, 2017, in the amount of \$2,575,000 to pay a portion of various capital projects, improving Borough roads and to pay the costs of issuing the Note.

<u>Interest Rate</u>	<u>Maturing October 1,</u>	<u>Amount</u>	<u>Interest</u>
2.590%	2022	\$ 146,000	\$ 52,422
2.590%	2023	150,000	48,640
2.590%	2024	154,000	44,755
2.590%	2025	158,000	40,767
2.590%	2026	162,000	36,674
2.590%	2027	166,000	32,479
2.590%	2028	170,000	28,179
2.590%	2029	174,000	23,776
2.590%	2030	179,000	19,270
2.590%	2031	184,000	14,633
2.590%	2032	188,000	9,868
2.590%	2033	193,000	4,999
		<u>\$ 2,024,000</u>	<u>\$ 356,462</u>

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE E - LONG-TERM DEBT (Continued)**

**Energy Conservation Loan of 2017** - The Energy Conservation Loan of 2017, was issued on January 26, 2017, in the amount of \$861,756 in order to fund a project to replace the streetlights in the Borough with energy efficient LED lights.

<u>Interest Rate</u>	<u>Year Ended December 31,</u>	<u>Amount</u>	<u>Interest</u>
2.950%	2022	\$ 112,055	\$ 9,006
2.950%	2023	<u>106,177</u>	<u>5,656</u>
		<u>\$ 218,232</u>	<u>\$ 14,662</u>

**General Obligation Bonds, Series of 2019** - The General Obligation Bonds, Series of 2019, were issued on September 4, 2019, in the amount of \$9,940,000 to currently refund a portion of the Borough's General Obligation Bonds, Series of 2014 and pay the costs of issuing the bonds. The refunding resulted in an economic gain of \$999,377, and a decrease in future cash flows of \$1,186,352.

<u>Interest Rate</u>	<u>Maturing October 15,</u>	<u>Amount</u>	<u>Interest</u>
2.000%	2022	\$ 30,000	\$ 263,678
2.000%	2023	30,000	263,078
2.000%	2024	30,000	262,478
2.000%	2025	35,000	261,878
2.000%	2026	35,000	261,178
2.000%	2027	395,000	260,478
2.000%	2028	725,000	252,578
2.100%	2029	740,000	238,078
3.000%	2030	750,000	222,538
3.000%	2031	780,000	200,038
3.000%	2032	805,000	176,638
3.000%	2033	825,000	152,488
2.750%	2034	850,000	127,738
2.750%	2035	1,870,000	104,363
2.750%	2036	<u>1,925,000</u>	<u>52,938</u>
		<u>\$ 9,825,000</u>	<u>\$ 3,100,165</u>

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE E - LONG-TERM DEBT (Continued)**

**General Obligation Bonds, Series of 2020** - The General Obligation Bonds, Series of 2020, were issued on March 25, 2020, in the amount of \$9,185,000 to currently refund all of the Borough's General Obligation Bonds, Series of 2010 and General Obligation Bonds, Series of 2014 and General Obligation Bonds, Series of 2015 and pay the costs related to the issuance of the Bonds. The refunding resulted in an economic gain of \$296,184, and a decrease in future cash flows of \$315,746.

<u>Interest Rate</u>	<u>Maturing October 1,</u>	<u>Amount</u>	<u>Interest</u>
4.000%	2022	\$ 1,195,000	\$ 210,000
4.000%	2023	1,245,000	162,200
4.000%	2024	1,295,000	112,400
2.000%	2025	1,345,000	60,600
2.000%	2026	1,370,000	33,700
2.000%	2027	315,000	6,300
		<u>\$ 6,765,000</u>	<u>\$ 585,200</u>

**General Obligation Bonds, Series of 2020A** - The General Obligation Bonds, Series of 2020A, were issued on May 28, 2020, in the amount of \$9,170,000 to currently refund all of the Borough's General Obligation Bonds, Series of 2012 and pay the costs related to the issuance of the Bonds. The refunding resulted in an economic gain of \$297,130, and a decrease in future cash flows of \$363,214.

<u>Interest Rate</u>	<u>Maturing December 1,</u>	<u>Amount</u>	<u>Interest</u>
3.000%	2022	\$ 280,000	\$ 195,885
3.000%	2023	285,000	187,485
3.000%	2024	295,000	178,935
3.000%	2025	305,000	170,085
2.000%	2026	315,000	160,935
2.000%	2027	820,000	154,635
2.000%	2028	835,000	138,235
2.000%	2029	850,000	121,535
2.300%	2030	870,000	104,535
2.300%	2031	885,000	84,525
2.300%	2032	905,000	64,170
2.300%	2033	930,000	43,355
2.300%	2034	955,000	21,965
		<u>\$ 8,530,000</u>	<u>\$ 1,626,280</u>

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE E - LONG-TERM DEBT (Continued)**

**Total Scheduled Annual Debt Service**

The Borough's total scheduled annual debt service on all long-term debt is as follows:

<u>Year Ending December 31,</u>	
2022	\$ 1,763,055
2023	1,816,177
2024	1,774,000
2025	1,843,000
2026	1,882,000
2027	1,696,000
2028	1,730,000
2029	1,764,000
2030	1,799,000
2031	1,849,000
2032	1,898,000
2033	1,948,000
2034	1,805,000
2035	1,870,000
2036	<u>1,925,000</u>
	<u>\$ 27,362,232</u>

**NOTE F - DEFINED CONTRIBUTION PENSION PLANS**

The Borough has established five different single-employer, defined contribution pension plans to provide pension benefits for its regular, full-time, non-police employees. Under each plan, an individual receives his own account to which all contributions are made. The employee determines how his account is invested. The accounts are maintained with ICMA-RC, which administer the assets of the employees' accounts. The provisions of the defined contribution plans are established by Borough Council and agreements with bargaining units.

Contributions made by the Borough equal the Borough's annual pension cost (APC) for these plans and have been charged to expense/expenditures as appropriate. The Borough made all its required contributions under these plans. There was no net pension obligation (NPO) for the year ended December 31, 2021.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE F - DEFINED CONTRIBUTION PENSION PLANS (Continued)**

The following table describes the provisions of and the details on the amounts and types of contributions to the various plans:

Covered Employees	Primary Plans	
	Administrative	Union
Obligation to contribute		
Employer	3% of compensation up to \$18,000, 7% of compensation in excess of \$18,000	1.5% of compensation if under age 45, 3.5% if between ages 45 and 55 and 10% if older than age 55
Employee	None	None
Vesting in employer contributions	100% after 5 years of service	10% after 6 years, increasing to 100% after 12 years of service
Current annual covered payroll (2021)	\$1,910,657	\$4,563,840
Total Borough payroll (\$9,666,395)		
Contributions made (2021)		
Employer	\$108,996	\$323,986
Employer contribution as a percentage of current annual covered payroll	5.7%	7.1%
Employees	Not applicable	\$51,234
Expenses paid by the Borough	None	None

The Borough also maintains a defined benefit pension plan for its uniformed employees (the Police Pension Plan). See Note G for information on this plan.

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Administrative	Secondary Plans	
	Union (Office)	Union (Public Works)
6% of base compensation	4% of base compensation	None
1% mandatory with optional up to a maximum of 10% of base compensation		
Immediate	10% after 6 years, increasing to 100% after 15 years of service, except 100% after 10 years if participant is at age 55	Not applicable
\$1,910,657	\$1,158,150	\$ -
\$102,929	\$52,168	None
5.4%	4.5%	Not applicable
\$31,458	\$19,555	\$ -
None	None	None

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE G - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)**

**Summary of Significant Accounting Policies**

Police Pension Plan investments are carried at fair value as reported by the investment managers. Short-term investments are reported at cost, which approximates fair value. Financial information of the Borough's Police Pension Plan is presented on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due as required by the Act. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Plan Description**

**Plan Administration** - The Borough administers the Police Pension Plan--a single-employer defined benefit pension plan that provides pensions for all regular, full-time sworn police officers. The plan is part of the Borough's financial reporting entity and is included in the Borough's financial statements as a Pension Trust Fund. The plan does not issue separate, stand-alone financial statements.

Management of the Police Pension Plan is vested in the Police Pension Board of Trustees, which consists of up to seven members--one Borough Council member, the Director of Finance, two police officers and three members of the public appointed by Borough Council. The Police Pension Board of Trustees is responsible for advising, reviewing, monitoring and making recommendations to Borough Council as to the administrative, operation and investment of the Police Pension Plan.

**Plan Membership** - At December 31, 2021, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	25
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>24</u>
	<u><u>50</u></u>

**Benefits Provided** - The Police Pension Plan provides retirement benefits as well as death and disability benefits under Pennsylvania Act 600. A member is eligible for normal retirement after attainment of age 50 and completion of 25 years of vesting service. The normal retirement pension is payable monthly during the member's lifetime, with payments continuing after the member's death to the surviving spouse, or eligible child, equal to 50% of the amount payable to the member at the time of the member's death. The amount of monthly pension is equal to 50% of average monthly compensation, plus a service increment equal to \$100 per month, per year of benefit service completed in excess of 25 years up to a maximum of \$500 additional per month. Average monthly compensation is based upon the last 36 months of employment.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE G - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)**

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

If an active member suffers a service related disability, a monthly disability pension is payable equal to 50% of the member's monthly salary at the time of disability, reduced by any Social Security disability benefits received by the member for the same injuries.

If an active member is killed in the line of duty, a monthly death benefit is payable to his surviving spouse, or eligible child, equal to 100% of the member's monthly salary at the time of death. 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 benefit the member would have been receiving had he been retired at the time of his death.

A member's benefits vest upon completion of 12 years of vesting service. The vested benefit is a deferred monthly pension beginning at normal retirement equal to the benefit accrued to the date of termination.

The benefit provisions of the Borough's Police Pension Plan are established by Borough ordinances.

**Contributions** - Pennsylvania Act 205 of 1984 (as amended) requires that annual contributions be based upon the minimum municipal obligation (MMO), which is based on the plan's actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds, which must be used for pension funding. A financial requirement established by the MMO, which exceeds state and member contributions, must be funded by the employer.

As a condition of participation, participants are required to make contributions to the plan. The amount of the contribution is equal to 3.5% of the participant's pay.

In 2021, the MMO obligation for the Police Pension Plan was \$1,271,982 for the year 2021. Contributions of \$1,271,982 were made by the Borough and included \$239,864 of subsidies received from the State.

Administrative costs, which may include, but are not limited to, investment management fees and actuarial services, are charged to the appropriate plan and funded through the MMO and/or plan earnings. On-behalf payments of fringe benefits and salaries for the Borough's employees were recognized as revenues and expenditures during the year.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE G - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)**

**Investments**

**Investment Policy** - The plan's policy in regard to the allocation of invested assets is established and may be amended by Borough Council. It is policy to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the adopted asset allocation policy as of December 31, 2021:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	35%
International equity	10%
Fixed income	40%
Cash	15%
	<u>100%</u>

**Concentrations** - No single investment is greater than 5% of the plan's total investments.

**Rate of Return** - For the year ended December 31, 2021, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 13.88%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability (Asset) of the Borough**

The components of the net pension liability (asset) of the Borough at December 31, 2021, were as follows:

Total pension liability	\$ 26,205,488
Plan fiduciary net position	<u>(26,412,238)</u>
NET PENSION LIABILITY (ASSET)	<u>\$ (206,750)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>100.79%</u>

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE G - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)**

**Actuarial Assumptions** - The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary increases	5% annual increase
Investment rate of return	7%

Mortality rates were based on the PubS-2010 projected 5 years past the valuation date with Scale MP-2020.

Due to the size of the plan, there have been no experience studies used to determine plan assumptions.

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 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 asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2021 (see the plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	5.5% - 7.5%
International equity	4.5% - 6.5%
Fixed income	1.0% - 3.0%
Cash	0.0% - 1.0%

**Discount Rate** - The discount rate is based on the long-term expected rate of return on plan investments that expected to be used to finance the payments of benefits. The plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the plan assets are expected to be invested using a strategy to achieve that return. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability to ultimately achieve a 100% funded status.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE G - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)**

**Changes in the Net Pension Liability (Asset)**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at December 31, 2020	\$ 24,638,052	\$ 23,033,593	\$ 1,604,459
Changes for the year			
Service cost	647,109	-	647,109
Interest cost	1,753,042	-	1,753,042
Changes of assumptions	310,468	-	310,468
Differences between expected and actual experience	38,840	-	38,840
Contributions			
Employer	-	1,032,118	(1,032,118)
State aid	-	239,864	(239,864)
Member	-	140,221	(140,221)
Net investment income	-	3,149,565	(3,149,565)
Benefit payments	(1,182,023)	(1,182,023)	-
Administrative expenses	-	(1,100)	1,100
NET CHANGES	<u>1,567,436</u>	<u>3,378,645</u>	<u>(1,811,209)</u>
Balances at December 31, 2021	<u>\$ 26,205,488</u>	<u>\$ 26,412,238</u>	<u>\$ (206,750)</u>

**Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate** - The following presents the net pension liability (asset) of the Borough, calculated using the discount rate of 7%, as well as what the Borough's net pension would be if it were calculated using a discount rate that is one percentage point lower (6%) or one percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability (asset)	\$ <u>3,038,969</u>	\$ <u>(206,750)</u>	\$ <u>(2,912,797)</u>

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE G - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)**

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - For the year ended December 31, 2021, the Borough recognized pension expense of \$42,750. At December 31, 2021, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 8,935
Changes of assumptions	379,204	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>2,338,493</u>
Total	<u>\$ 379,204</u>	<u>\$ 2,347,428</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2022	\$ (488,897)
2023	(854,152)
2024	(417,410)
2025	(251,198)
2026	43,433
Thereafter	<u>-</u>
	<u>\$ (1,968,224)</u>

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE H - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**Plan Description**

The Borough provides health benefits to eligible retired police officers and spouses through a single-employer defined benefit plan. The objective of the plan is to provide members with continued coverage in the Borough’s medical plan after attainment of age 50 and completion of 25 years of service. There is no separate benefit plan report available.

**Plan Membership**

At December 31, 2021, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	23
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>24</u>
	<u><u>47</u></u>

**Funding Policy**

To receive coverage upon retirement, the retiree is required to pay 25% of the premium cost for coverage. The Borough is required to pay an actuarially determined amount to support its payment of the remaining 75% of the premium cost for coverage for each member. The costs of administering the plan are paid by the Borough.

**Assumptions**

The following assumptions and actuarial methods and calculations were used:

**Interest Rate** - 1.93%, based on S&P Municipal Bond 20 Year High Grade Rate Index at January 1, 2021.

**Salary** - An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purpose, annual salary increases are assumed to be 5.0%.

**Health Care Cost Trend Rate** - 5.5% in 2021 through 2023. Rates gradually decrease from 5.4% in 2024 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

**Withdrawal** - Rates of withdrawal vary by age.

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	5.50%	35	2.50%	50	0.00%
25	5.00%	40	1.00%	55	0.00%
30	4.00%	45	0.50%	60	0.00%

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE H - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Mortality** - PubS-2010 mortality table, including rates for disabled retirees and contingent survivors.

**Disability** - SOA 1987 Group LTD Table - Males, 6-month elimination. Sample rates are shown below.

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	0.0764%	35	0.1242%	50	0.5396%
25	0.0854%	40	0.1760%	55	0.9770%
30	0.0986%	45	0.2944%	60	1.4774%

**Retirement** - Latest of age 52, age at the completion of 27 years of service, or age on the valuation date.

**Percent of Eligible Retirees Electing Coverage in Plan** - 75% of employees are assumed to elect medical coverage at retirement. It is also assumed that 50% of those retirees who do not elect coverage at retirement will re-elect coverage at age 62. It is assumed that 100% of employees elect the life insurance benefit at retirement.

**Percent Married at Retirement** - 75% of employees are assumed to be married and have a spouse covered by the plan at retirement.

**Spouse Age** - Wives are assumed to be two years younger than their husbands.

**Retiree Contributions** - Retiree contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate.

**Actuarial Value of Assets** - Equal to the Market Value of Assets

**Actuarial Cost Method - Entry Age Normal** - Under the Entry Age Normal Cost Method, the Normal Cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The Accrued Liability as of the valuation date is the excess of the present value of future benefits over the present value of future Normal Cost. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of Assets. Actuarial gains and losses serve to reduce or increase the Unfunded Accrued Liability.

**Changes in Assumptions** - In the 2021 actuarial valuation, the discount rate changed from 3.26% to 1.93%. The trend assumption was updated.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE H - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

***Changes in the Total OPEB Liability***

	<u>Total OPEB Liability</u>
Balance at December 31, 2020	\$ <u>4,458,566</u>
Changes for the year	
Service cost	315,156
Interest cost	152,534
Differences between expected and actual experience	(429,434)
Changes of assumptions	532,321
Benefit payments	<u>(174,913)</u>
NET CHANGES	<u>395,664</u>
Balance at December 31, 2021	\$ <u><u>4,854,230</u></u>

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate***

The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current discount rate:

	<u>1% Decrease 0.93%</u>	<u>Current Discount Rate 1.93%</u>	<u>1% Increase 2.93%</u>
Total OPEB Liability	\$ <u>5,331,231</u>	\$ <u>4,854,230</u>	\$ <u>4,426,667</u>

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

The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ <u>4,284,709</u>	\$ <u>4,854,230</u>	\$ <u>5,531,209</u>

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE H - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*** - For the year ended December 31, 2021, the Borough recognized OPEB expense of \$526,568. At December 31, 2021, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 120,273	\$ 368,086
Changes in assumptions	644,584	107,201
Benefits payments subsequent to the measurement date	<u>194,286</u>	<u>-</u>
	<u>\$ 959,143</u>	<u>\$ 475,287</u>

\$194,286 was reported as deferred outflows of resources related to OPEB resulting from Borough benefit payments subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	
2022	\$ 58,878
2023	58,878
2024	58,875
2025	38,518
2026	38,520
Thereafter	<u>35,901</u>
	<u>\$ 289,570</u>

**NOTE I - RISK RETENTION**

The Borough has purchased commercial insurance policies for potential losses due to workers' compensation, automobile, property damage and other liabilities. The insurance policies have various amounts of deductibles. There are no exposures that are not at least partially mitigated by commercial insurance.

There has been no significant reduction in insurance coverage. No settlements have exceeded insurance coverage for any of the past three fiscal years.

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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**NOTE J - RISKS AND UNCERTAINTIES**

On March 11, 2020, the World Health Organization declared the novel coronavirus ("COVID-19") outbreak a pandemic which has impacted the global economy. Although no significant financial impact has occurred thus far, the COVID-19 pandemic is still on-going and the duration and extent of the related financial impact on the Borough's net position and statement of activities is uncertain and cannot be reasonably estimated at this time.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**BOROUGH OF LANSDALE, PENNSYLVANIA****BUDGETARY COMPARISON SCHEDULE****GENERAL FUND****YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts (GAAP)		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Taxes	\$ 7,570,000	\$ 7,570,000	\$ 8,288,866	\$ 718,866
Licenses and permits	731,600	731,600	970,734	239,134
Fines and forfeitures	75,000	75,000	41,270	(33,730)
Interest and rent	120,850	120,850	70,550	(50,300)
Grants and gifts	764,500	764,500	736,772	(27,728)
Departmental earnings	551,150	551,150	406,638	(144,512)
Miscellaneous	977,000	977,000	960,474	(16,526)
TOTAL REVENUES	<u>10,790,100</u>	<u>10,790,100</u>	<u>11,475,304</u>	<u>685,204</u>
EXPENDITURES				
Current				
Borough administration	2,343,911	2,343,911	2,106,213	(237,698)
Public safety	7,334,950	7,334,950	7,214,575	(120,375)
Highways/public works	1,804,500	1,804,500	1,769,511	(34,989)
Code enforcement, planning and zoning	1,043,500	1,043,500	936,962	(106,538)
Parks and recreation	1,517,040	1,517,040	1,261,094	(255,946)
Community development	25,000	25,000	4,050	(20,950)
Public services	629,576	629,576	646,882	17,306
TOTAL EXPENDITURES	<u>14,698,477</u>	<u>14,698,477</u>	<u>13,939,287</u>	<u>(759,190)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(3,908,377)</u>	<u>(3,908,377)</u>	<u>(2,463,983)</u>	<u>1,444,394</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	-	-	3,777	3,777
Transfers in	6,100,000	6,100,000	6,100,000	-
Transfers out				
Debt Service Funds	(1,326,623)	(1,326,623)	(1,326,623)	-
Other	(865,000)	(865,000)	(865,000)	-
TOTAL OTHER FINANCING SOURCES	<u>3,908,377</u>	<u>3,908,377</u>	<u>3,912,154</u>	<u>3,777</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,448,171</u>	<u>\$ 1,448,171</u>

*See note to the budgetary comparison schedule.*

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
NOTE TO THE BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED DECEMBER 31, 2021

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**NOTE A - BUDGETARY INFORMATION**

Commonwealth of Pennsylvania statutes require borough governments establish budgetary systems and adopt annual operating budgets. The Borough's annual budget includes the General Fund and is based on estimates of revenues and expenditures approved by Borough Council. The Borough adopts the budget on the same basis of accounting as reported in the fund financial statements. The Borough follows these procedures in establishing the budgetary data reflected in the financial statements:

**Borough Budget Process**

- Starting in September, the Borough holds public budget hearings for the purpose of receiving oral and written comments from the public in regard to the proposed budget for the following year.
- Public meetings are conducted on the proposed budget. The proposed budget is available for public inspection for 20 days prior to final adoption.
- After the 20-day inspection period but prior to December 31, Borough Council adopts the final budget by enacting an appropriate resolution.
- Formal budgetary process is employed as a planning device. The adopted budget is on the modified accrual basis. Budget amounts are as originally adopted or as amended by Borough Council.

**Level of Control**

- The Borough maintains budgetary controls at the activity level in the General Fund and the fund level for the Parking and Highway Aid Funds.

**Lapsing of Appropriations**

- Unexpended appropriations lapse at year-end.

**Management Amendment Authority**

During the course of the year, departmental needs may change, emergencies may occur, or additional revenue may arise. As a result, funds are transferred between line items of a department's budget or additional revenue may need to be budgeted for a specific project or grant. Adjustments to the budget are made on a line item basis during the year and approved by Borough Council.

# BOROUGH OF LANSDALE, PENNSYLVANIA

## SCHEDULE OF CHANGES IN THE NET POLICE PENSION PLAN LIABILITY AND RELATED RATIOS LAST EIGHT FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 647,109	\$ 633,116	\$ 602,968
Interest	1,753,042	1,651,489	1,577,465
Changes of benefit terms	-	-	-
Differences between expected and actual experience	38,840	-	(20,754)
Changes of assumptions	310,468	-	-
Benefit payments	<u>(1,182,023)</u>	<u>(1,212,281)</u>	<u>(1,093,900)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	1,567,436	1,072,324	1,065,779
Total pension liability, beginning	<u>24,638,052</u>	<u>23,565,728</u>	<u>22,499,949</u>
TOTAL PENSION LIABILITY, ENDING (a)	<u>\$ 26,205,488</u>	<u>\$ 24,638,052</u>	<u>\$ 23,565,728</u>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions			
Employer	\$ 1,032,118	\$ 1,017,803	\$ 921,205
State aid	239,864	246,192	256,025
Member	140,221	113,108	112,682
Net investment income	3,149,565	2,252,816	3,339,089
Other income	-	-	25,192
Benefit payments, including refunds of member contributions	<u>(1,182,023)</u>	<u>(1,212,281)</u>	<u>(1,093,900)</u>
Administrative expense	<u>(1,100)</u>	<u>(4,000)</u>	<u>(4,000)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	3,378,645	2,413,638	3,556,293
Plan fiduciary net position, beginning	<u>23,033,593</u>	<u>20,619,955</u>	<u>17,063,662</u>
PLAN FIDUCIARY NET POSITION, ENDING (b)	<u>\$ 26,412,238</u>	<u>\$ 23,033,593</u>	<u>\$ 20,619,955</u>
NET PENSION LIABILITY, ENDING (a)-(b)	<u>\$ (206,750)</u>	<u>\$ 1,604,459</u>	<u>\$ 2,945,773</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>100.79%</u>	<u>93.49%</u>	<u>87.50%</u>
COVERED PAYROLL	<u>\$ 2,967,457</u>	<u>\$ 2,813,569</u>	<u>\$ 2,367,932</u>
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>-6.97%</u>	<u>57.03%</u>	<u>124.40%</u>

### NOTES TO SCHEDULE

*Benefit changes* : In 2016, benefit terms were modified for the addition of a Deferred Retirement Option Plan.

*Changes of assumptions* : In 2021, the mortality assumption was changed from the IRS 2017 Static Combined Table for Small Plans to the PubS-2020 projected 5 years past the valuation date with Scale MP-2020. In 2017, the mortality rates were based on the IRS 2017 Static Combined Table for Small Plans. In prior years, the mortality rates were based on the RP-2000 Tables. In 2015 the assumed cost-of-living increase was 3.0%. In prior year, the assumption was that the cost-of-living increase was 4.0%.

This schedule is intended to show information for ten years, all available information is displayed. Additional information will be displayed as it becomes available.

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	526,954	\$ 501,861	\$ 467,468	\$ 445,208	\$ 464,879
	1,507,322	1,444,312	1,324,630	1,266,913	1,218,096
	-	-	333,123	-	-
	-	(177,335)	-	72,907	-
	-	738,669	-	(225,083)	-
	<u>(1,081,101)</u>	<u>(1,182,204)</u>	<u>(872,577)</u>	<u>(825,860)</u>	<u>(769,465)</u>
	953,175	1,325,303	1,252,644	734,085	913,510
	<u>21,546,774</u>	<u>20,221,471</u>	<u>18,968,827</u>	<u>18,234,742</u>	<u>17,321,232</u>
\$	<u><u>22,499,949</u></u>	<u><u>21,546,774</u></u>	<u><u>20,221,471</u></u>	<u><u>18,968,827</u></u>	<u><u>18,234,742</u></u>
\$	343,176	\$ 881,678	\$ 967,144	\$ 940,183	\$ 868,240
	585,549	-	-	-	-
	79,326	88,372	87,906	89,592	88,781
	(165,777)	1,753,336	681,493	(186,697)	446,425
	-	-	-	-	-
	(1,081,101)	(1,182,204)	(872,577)	(825,860)	(769,465)
	<u>(10,461)</u>	<u>(10,300)</u>	<u>(9,900)</u>	<u>-</u>	<u>(3,600)</u>
	(249,288)	1,530,882	854,066	17,218	630,381
	<u>17,312,950</u>	<u>15,782,068</u>	<u>14,928,002</u>	<u>14,910,784</u>	<u>14,280,403</u>
\$	<u><u>17,063,662</u></u>	<u><u>17,312,950</u></u>	<u><u>15,782,068</u></u>	<u><u>14,928,002</u></u>	<u><u>14,910,784</u></u>
\$	<u><u>5,436,287</u></u>	<u><u>4,233,824</u></u>	<u><u>4,439,403</u></u>	<u><u>4,040,825</u></u>	<u><u>3,323,958</u></u>
	<u>75.84%</u>	<u>80.35%</u>	<u>78.05%</u>	<u>78.70%</u>	<u>81.77%</u>
\$	<u><u>2,547,579</u></u>	<u><u>2,542,416</u></u>	<u><u>2,457,938</u></u>	<u><u>2,432,222</u></u>	<u><u>2,502,173</u></u>
	<u>213.39%</u>	<u>166.53%</u>	<u>180.61%</u>	<u>166.14%</u>	<u>132.84%</u>

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**SCHEDULE OF POLICE PENSION PLAN CONTRIBUTIONS**  
**LAST EIGHT FISCAL YEARS**

	<u>2021</u>	<u>2020</u>
ACTUARIALLY DETERMINED CONTRIBUTION	\$ 1,271,982	\$ 1,263,995
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	<u>1,271,982</u>	<u>1,263,995</u>
CONTRIBUTION (EXCESS) DEFICIENCY	<u>\$ -</u>	<u>\$ -</u>
COVERED PAYROLL	<u>\$ 2,967,457</u>	<u>\$ 2,813,569</u>
CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL	<u>42.86%</u>	<u>44.92%</u>

**NOTES TO SCHEDULE**

Actuarially determined contribution rates are calculated by September 30 of each year for the upcoming calendar year.

Methods and assumptions used to determine contribution rates:

Valuation date:  
 Actuarial cost method  
 Amortization method  
 Remaining amortization period  
 Asset valuation method  
 Inflation  
 Salary increases  
 Investment rate of return  
 Retirement age  
 Mortality

This pension schedule is intended to present information for ten years. Additional years' information will be displayed as it becomes available.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,177,230	\$ 928,725	\$ 881,678	\$ 967,144	\$ 940,183	\$ 868,240
<u>1,177,230</u>	<u>928,725</u>	<u>881,678</u>	<u>967,144</u>	<u>940,183</u>	<u>868,240</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ <u>2,367,932</u>	\$ <u>2,547,579</u>	\$ <u>2,542,416</u>	\$ <u>2,457,938</u>	\$ <u>2,432,222</u>	\$ <u>2,502,173</u>
<u>49.72%</u>	<u>36.46%</u>	<u>34.68%</u>	<u>39.35%</u>	<u>38.66%</u>	<u>34.70%</u>

January 1, 2019  
Entry age normal  
Level dollar, closed  
11 years  
Market value  
3%  
5% annual increase  
7.0%  
Normal retirement age  
IRS 2017 Static Combined Table  
for Small Plans

January 1, 2017  
Entry age normal  
Level dollar, closed  
11 years  
Market value  
3%  
5% annual increase  
7.0%  
Normal retirement age  
IRS 2017 Static Combined Table  
for Small Plans

January 1, 2015  
Entry age normal  
Level dollar, closed  
11 years  
Market value  
3%  
5% annual increase  
7.0%  
Normal retirement age  
RP 2000 Table

**BOROUGH OF LANSDALE, PENNSYLVANIA**

SCHEDULE OF POLICE PENSION PLAN

INVESTMENT RETURNS

LAST EIGHT FISCAL YEARS

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	<u>2021</u>	<u>2020</u>	<u>2019</u>
ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	<u>13.88%</u>	<u>10.29%</u>	<u>17.73%</u>

**NOTE TO SCHEDULE**

This pension schedule is intended to present information for ten years. Additional years' information will be displayed as it becomes available.

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<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>0.11%</u>	<u>11.58%</u>	<u>1.85%</u>	<u>-5.66%</u>	<u>3.22%</u>

**BOROUGH OF LANSDALE, PENNSYLVANIA****SCHEDULE OF CHANGES IN THE TOTAL OTHER POSTEMPLOYMENT  
BENEFIT PLAN LIABILITY AND RELATED RATIOS  
LAST FOUR FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 315,156	\$ 275,563	\$ 242,025	\$ 212,117
Interest	152,534	153,132	123,682	129,535
Differences between expected and actual experience	(429,434)	-	192,438	-
Changes of assumptions	532,321	169,644	(171,524)	142,517
Benefit payments	<u>(174,913)</u>	<u>(155,219)</u>	<u>(94,150)</u>	<u>(88,581)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	395,664	443,120	292,471	395,588
TOTAL OPEB LIABILITY, BEGINNING	<u>4,458,566</u>	<u>4,015,446</u>	<u>3,722,975</u>	<u>3,327,387</u>
TOTAL OPEB LIABILITY, ENDING	<u>\$ 4,854,230</u>	<u>\$ 4,458,566</u>	<u>\$ 4,015,446</u>	<u>\$ 3,722,975</u>
COVERED PAYROLL	<u>\$ 3,101,863</u>	<u>\$ 2,784,658</u>	<u>\$ 2,784,658</u>	<u>\$ 2,745,728</u>
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>156.49%</u>	<u>160.11%</u>	<u>144.20%</u>	<u>135.59%</u>

**NOTES TO SCHEDULE**

No assets are accumulated in a trust to pay benefits related to this plan.

Changes in assumptions: In the 2018 actuarial valuation, the discount rate changed from 3.71% to 3.16%. The trend assumption was updated.

Changes in assumptions: In the 2019 actuarial valuation, the discount rate changed from 3.16% to 3.64%. The trend assumption was updated.

Changes in assumptions: In the 2020 actuarial valuation, the discount rate changed from 3.64% to 3.26%. The trend assumption was updated.

Changes in assumptions: In the 2021 actuarial valuation, the discount rate changed from 3.26% to 1.93%. The trend assumption was updated.

This schedule is to present the requirement to show information for ten (10) years. However, until a full ten-year trend is compiled, information for only those years for which information is available is shown.

**SUPPLEMENTAL MAJOR FUND INFORMATION AND  
NONMAJOR GOVERNMENTAL FUNDS SCHEDULES**

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Taxes			
Real estate	\$ 4,500,000	\$ 4,537,186	\$ 37,186
Earned income tax	2,275,000	2,679,926	404,926
Emergency municipal services	345,000	326,324	(18,676)
Penalties and interest	55,000	111,463	56,463
Real estate transfer	395,000	633,967	238,967
<b>TOTAL TAXES</b>	<u>7,570,000</u>	<u>8,288,866</u>	<u>718,866</u>
Licenses and permits			
Beverage	5,000	-	(5,000)
Building and occupancy	130,000	120,173	(9,827)
Business and mercantile	195,000	197,334	2,334
Zoning permits and fees	1,000	46,370	45,370
Plumbing	40,000	116,870	76,870
Cable TV fees	285,000	328,575	43,575
Other	75,600	161,412	85,812
<b>TOTAL LICENSES AND PERMITS</b>	<u>731,600</u>	<u>970,734</u>	<u>239,134</u>
Fines and forfeitures			
Motor vehicle code violations	45,000	19,985	(25,015)
Violations of ordinances	30,000	21,285	(8,715)
<b>TOTAL FINES AND FORFEITURES</b>	<u>75,000</u>	<u>41,270</u>	<u>(33,730)</u>
Interest and rent	120,850	70,550	(50,300)
Grants and gifts	764,500	736,772	(27,728)
Departmental earnings			
Police services	206,500	57,654	(148,846)
Inspection services	10,000	6,487	(3,513)
Public works	33,000	47,713	14,713
Recreational facilities	301,650	294,784	(6,866)
<b>TOTAL DEPARTMENTAL EARNINGS</b>	<u>551,150</u>	<u>406,638</u>	<u>(144,512)</u>
Miscellaneous			
Miscellaneous	337,000	320,474	(16,526)
Reimbursement of expenditures			
Sewer Fund	220,000	220,000	-
Electric Fund	420,000	420,000	-
<b>TOTAL MISCELLANEOUS</b>	<u>977,000</u>	<u>960,474</u>	<u>(16,526)</u>
<b>TOTAL REVENUES</b>	<u>10,790,100</u>	<u>11,475,304</u>	<u>685,204</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in			
421 W. Main Street Fund	100,000	100,000	-
Electric Fund	5,000,000	5,000,000	-
Sewer Fund	1,000,000	1,000,000	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>6,100,000</u>	<u>6,103,777</u>	<u>3,777</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 16,890,100</u>	<u>\$ 17,579,081</u>	<u>\$ 688,981</u>

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**SCHEDULE OF FUNCTIONAL EXPENDITURES BY ACTIVITY AND**  
**OTHER FINANCING USES**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2021**

	Budget	Actual	Over (Under) Budget
<b>EXPENDITURES</b>			
Borough administration			
Elected officials	\$ 30,920	\$ 29,863	\$ (1,057)
Office of Borough Manager/Secretary	604,500	612,882	8,382
Finance department	439,500	461,673	22,173
Borough building	201,869	178,427	(23,442)
Tax collector	61,000	62,408	1,408
General Borough administration	1,006,122	760,960	(245,162)
<b>TOTAL BOROUGH ADMINISTRATION</b>	<u>2,343,911</u>	<u>2,106,213</u>	<u>(237,698)</u>
Public safety (Police Department)			
Service wages	3,410,000	3,341,547	(68,453)
Crossing guards	85,000	59,615	(25,385)
Civil Service Commission	20,000	18,298	(1,702)
General police personnel	3,378,700	3,314,968	(63,732)
General administration	336,250	364,777	28,527
Police headquarters	40,400	30,290	(10,110)
Police vehicles	64,600	85,080	20,480
<b>TOTAL PUBLIC SAFETY</b>	<u>7,334,950</u>	<u>7,214,575</u>	<u>(120,375)</u>
Highways/public works			
General, public works	1,627,500	1,560,936	(66,564)
Street cleaning	61,500	86,215	24,715
Streets and alleys, maintenance and repairs	73,000	54,349	(18,651)
Curbs, construction	25,500	39,745	14,245
Storm sewers, maintenance, repairs and construction	17,000	18,344	1,344
<b>TOTAL HIGHWAYS/PUBLIC WORKS</b>	<u>1,804,500</u>	<u>1,769,511</u>	<u>(34,989)</u>
Code enforcement, planning and zoning			
Code enforcement	963,500	896,977	(66,523)
Planning commission	65,500	30,864	(34,636)
Zoning board	14,500	9,121	(5,379)
<b>TOTAL CODE ENFORCEMENT, PLANNING AND ZONING</b>	<u>1,043,500</u>	<u>936,962</u>	<u>(106,538)</u>
Parks and recreation			
Administration	483,820	400,330	(83,490)
Parks maintenance	244,100	228,025	(16,075)
Labor, park maintenance	375,600	323,350	(52,250)
Recreation and park facilities	106,600	108,762	2,162
Programs	306,920	200,627	(106,293)
<b>TOTAL PARKS AND RECREATION</b>	<u>1,517,040</u>	<u>1,261,094</u>	<u>(255,946)</u>
Community development			
Economic development	25,000	4,050	(20,950)
<b>SUBTOTAL FORWARD</b>	<u>\$ 14,068,901</u>	<u>\$ 13,292,405</u>	<u>\$ (776,496)</u>

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**SCHEDULE OF FUNCTIONAL EXPENDITURES BY ACTIVITY AND**  
**OTHER FINANCING USES**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2021**

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
EXPENDITURES			
SUBTOTAL FORWARDED	\$ 14,068,901	\$ 13,292,405	\$ (776,496)
Public services			
Fire company	445,576	457,758	12,182
Historical Society	38,500	37,309	(1,191)
Other	145,500	151,815	6,315
TOTAL PUBLIC SERVICES	<u>629,576</u>	<u>646,882</u>	<u>17,306</u>
TOTAL EXPENDITURES	<u>14,698,477</u>	<u>13,939,287</u>	<u>(759,190)</u>
OTHER FINANCING USES			
Transfers out			
Debt Service Funds	1,326,623	1,326,623	-
Capital Project Fund	450,000	450,000	-
Library	415,000	415,000	-
TOTAL OTHER FINANCING USES	<u>2,191,623</u>	<u>2,191,623</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 16,890,100</u>	<u>\$ 16,130,910</u>	<u>\$ (759,190)</u>

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
DESCRIPTION OF NONMAJOR SPECIAL REVENUE FUNDS  
YEAR ENDED DECEMBER 31, 2021

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*Special Revenue Funds* are used to account for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes as follows:

- The Library Fund is used to account for operations of the Lansdale Library Association.
- The Highway Aid Fund is used to account for state revenues required to be used primarily for building and improving local roads and highways.
- The Parking Fund is used to account for parking meter collections and fines required to be used to make lease rental payments to the Lansdale Parking Authority.

**BOROUGH OF LANSDALE, PENNSYLVANIA**

## COMBINING BALANCE SHEET

## OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2021

	Special Revenue Funds			Total Other Governmental Funds
	Library Fund	Highway Aid Fund	Parking Fund	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 248,061	\$ 323,154	\$ 599,375	\$ 1,170,590
Beneficial interest in a charitable trust	59,388	-	-	59,388
<b>TOTAL ASSETS</b>	<b>\$ 307,449</b>	<b>\$ 323,154</b>	<b>\$ 599,375</b>	<b>\$ 1,229,978</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 3,535	\$ -	\$ -	\$ 3,535
Accrued payroll	-	4,290	498	4,788
<b>TOTAL LIABILITIES</b>	<b>3,535</b>	<b>4,290</b>	<b>498</b>	<b>8,323</b>
<b>FUND BALANCES</b>				
Restricted				
Highway and streets projects	-	318,864	-	318,864
Library	303,914	-	-	303,914
Committed, parking projects	-	-	598,877	598,877
<b>TOTAL FUND BALANCES</b>	<b>303,914</b>	<b>318,864</b>	<b>598,877</b>	<b>1,221,655</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 307,449</b>	<b>\$ 323,154</b>	<b>\$ 599,375</b>	<b>\$ 1,229,978</b>

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**OTHER GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	Special Revenue Funds			Total Other Governmental Funds
	Library Fund	Highway Aid Fund	Parking Fund	
<b>REVENUES</b>				
Interest and rent	\$ 6,533	\$ 322	\$ 1,704	\$ 8,559
Grants and gifts	154,714	444,221	-	598,935
Parking collections and rentals	-	-	74,973	74,973
Library deposits	22,975	-	-	22,975
<b>TOTAL REVENUES</b>	<u>184,222</u>	<u>444,543</u>	<u>76,677</u>	<u>705,442</u>
<b>EXPENDITURES</b>				
Highways/public works	-	136,492	-	136,492
Library	500,778	-	-	500,778
Public services	-	-	55,132	55,132
<b>TOTAL EXPENDITURES</b>	<u>500,778</u>	<u>136,492</u>	<u>55,132</u>	<u>692,402</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(316,556)</u>	<u>308,051</u>	<u>21,545</u>	<u>13,040</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in General Fund	<u>415,000</u>	<u>-</u>	<u>-</u>	<u>415,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	98,444	308,051	21,545	428,040
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>205,470</u>	<u>10,813</u>	<u>577,332</u>	<u>793,615</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 303,914</u>	<u>\$ 318,864</u>	<u>\$ 598,877</u>	<u>\$ 1,221,655</u>

**BOROUGH OF LANSDALE, PENNSYLVANIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES--BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	Highway Aid Fund		Parking Fund	
	Budget	Actual	Budget	Actual
REVENUES				
Interest	\$ 5,000	\$ 322	\$ 5,000	\$ 1,704
Grants	410,000	444,221	-	-
Parking collections and rentals	-	-	100,250	74,973
Other	-	-	-	-
TOTAL REVENUES	<u>415,000</u>	<u>444,543</u>	<u>105,250</u>	<u>76,677</u>
EXPENDITURES				
Highways/public works	415,000	136,492	-	-
Public services	-	-	105,250	55,132
TOTAL EXPENDITURES	<u>415,000</u>	<u>136,492</u>	<u>105,250</u>	<u>55,132</u>
NET CHANGE IN FUND BALANCES	-	308,051	-	21,545
FUND BALANCES AT BEGINNING OF YEAR	<u>10,813</u>	<u>10,813</u>	<u>577,332</u>	<u>577,332</u>
FUND BALANCES AT END OF YEAR	<u>\$ 10,813</u>	<u>\$ 318,864</u>	<u>\$ 577,332</u>	<u>\$ 598,877</u>

## **STATISTICAL SECTION**

## Statistical Section

This part of the Lansdale Borough Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the Borough's overall financial health.

### **Contents**

#### **Financial trends**

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

#### **Revenue capacity**

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

#### **Debt capacity**

These schedules present information to help the reader assess the affordability of the Borough's current levels of outstanding debt and the Borough'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 the Borough's financial activities take place.

#### **Operation information**

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

Sources Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The Borough implemented GASB Statement 34 for fiscal year ending December 31, 2003; schedules presenting government-wide information include information are presented beginning in that year.

**Borough of Lansdale**  
**Net Position by Components**  
**Last Ten Fiscal Years**

	Fiscal Year									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental activities										
Net Investment in Capital Assets	\$ 42,973,137	\$ 41,080,684	\$ 35,405,878	\$ 31,598,973	\$ 25,034,485	\$ 31,197,153	\$ 30,399,146	\$ 27,346,835	\$ 34,036,743	\$ 31,626,661
Restricted for										
Electric Utility Activities	-	-	-	-	-	-	-	-	-	-
Highway and Street Projects	318,864	10,813	821,737	694,628	6,517,314	2,066,231	2,498,515	4,792,517	7,596,152	10,755,939
Building Projects	-	-	-	-	1,575,703	1,569,319	3,562,716	14,239,701	9,483,372	9,656,175
Library	303,914	205,470	169,674	155,763	222,414	274,002	327,520	329,552		
Unrestricted	<u>15,749,605</u>	<u>12,558,444</u>	<u>12,650,704</u>	<u>12,396,274</u>	<u>13,430,948</u>	<u>8,144,980</u>	<u>9,747,617</u>	<u>8,736,727</u>	<u>4,663,855</u>	<u>2,408,304</u>
Total governmental activities net position	<u>\$ 59,345,520</u>	<u>\$ 53,855,411</u>	<u>\$ 49,047,993</u>	<u>\$ 44,845,638</u>	<u>\$ 46,780,864</u>	<u>\$ 43,251,685</u>	<u>\$ 46,535,514</u>	<u>\$ 55,445,332</u>	<u>\$ 55,780,122</u>	<u>\$ 54,447,079</u>
Business-type activities										
Net Investment in Capital Assets	\$ 14,602,335	\$ 14,382,473	\$ 14,367,640	\$ 13,318,328	\$ 13,554,178	\$ 13,164,647	\$ 12,793,002	\$ 9,314,655	\$ 9,373,874	\$ 9,982,608
Restricted for										
Electric Utility Activities	1,714,327	1,714,327	1,714,327	1,695,085	1,680,475	1,675,692	1,675,100	1,674,643	1,674,462	1,674,081
Highway and Street Projects	-	-	-	-	-	-	-	-	-	-
Building Projects	-	-	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>10,476,743</u>	<u>11,966,907</u>	<u>12,533,027</u>	<u>12,635,883</u>	<u>11,854,847</u>	<u>13,035,895</u>	<u>11,330,545</u>	<u>8,344,011</u>	<u>10,248,002</u>	<u>9,346,631</u>
Total business-type activities net position	<u>\$ 26,793,405</u>	<u>\$ 28,063,707</u>	<u>\$ 28,614,994</u>	<u>\$ 27,649,296</u>	<u>\$ 27,089,500</u>	<u>\$ 27,876,234</u>	<u>\$ 25,798,647</u>	<u>\$ 19,333,309</u>	<u>\$ 21,296,338</u>	<u>\$ 21,003,320</u>
Primary government										
Net Investment in Capital Assets	\$ 57,575,472	\$ 55,463,157	\$ 49,773,518	\$ 44,917,301	\$ 38,588,663	\$ 44,361,800	\$ 43,192,148	\$ 36,661,490	\$ 43,410,617	\$ 41,609,269
Restricted for										
Electric Utility Activities	1,714,327	1,714,327	1,714,327	1,695,085	1,680,475	1,675,692	1,675,100	1,674,643	1,674,462	1,674,081
Highway and Street Projects	318,864	10,813	821,737	694,628	6,517,314	2,066,231	2,498,515	4,792,517	7,596,152	10,755,939
Building Projects	-	-	-	-	1,575,703	1,569,319	3,562,716	14,239,701	9,483,372	9,656,175
Library	303,914	205,470	169,674	155,763	222,414	274,002	327,520	329,552		
Unrestricted	<u>26,226,348</u>	<u>24,525,351</u>	<u>25,183,731</u>	<u>25,032,157</u>	<u>25,285,795</u>	<u>21,180,875</u>	<u>21,078,162</u>	<u>17,080,738</u>	<u>14,911,857</u>	<u>11,754,935</u>
Total Net Position	<u>\$ 86,138,925</u>	<u>\$ 81,919,118</u>	<u>\$ 77,662,987</u>	<u>\$ 72,494,934</u>	<u>\$ 73,870,364</u>	<u>\$ 71,127,919</u>	<u>\$ 72,334,161</u>	<u>\$ 74,778,641</u>	<u>\$ 77,076,460</u>	<u>\$ 75,450,399</u>

Source: Borough of Lansdale Records, Statement of Net Position

**Borough of Lansdale**  
**Changes in Net Position**  
**Last Ten Fiscal Years**

	Fiscal Year									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses										
Governmental activities										
Borough Administration	\$ 2,410,945	\$ 2,053,482	\$ 2,847,894	\$ 2,741,172	\$ 2,517,561	\$ 2,270,574	\$ 2,208,179	\$ 2,054,947	\$ 1,960,084	\$ 1,768,337
Police Department	6,861,447	6,810,297	6,947,379	6,829,350	6,267,588	7,469,563	6,395,943	6,138,006	5,883,473	5,567,892
Public Works	3,394,614	2,954,072	1,830,011	4,391,667	2,918,060	2,848,081	3,123,652	3,770,911	2,915,931	2,348,222
Culture and Recreation	1,731,467	1,621,579	1,973,516	1,837,586	1,632,654	1,881,084	1,659,651	1,561,808	1,482,045	1,425,532
Code Enforcement	936,962	941,713	917,149	779,770	967,701	985,724	896,737	784,893	663,329	595,914
Library	528,295	510,943	529,655	520,329	586,782	577,915	601,185	531,229	510,814	515,319
Public Services	954,239	1,460,981	2,815,245	2,322,300	1,197,410	1,499,735	677,081	741,232	864,623	1,081,710
Interest on Long-Term Debt	<u>728,371</u>	<u>1,092,091</u>	<u>1,213,392</u>	<u>1,008,307</u>	<u>1,005,688</u>	<u>1,023,923</u>	<u>1,173,445</u>	<u>1,067,048</u>	<u>776,718</u>	<u>714,131</u>
Total Governmental activities expenses	<u>\$ 17,546,340</u>	<u>\$ 17,445,158</u>	<u>\$ 19,074,241</u>	<u>\$ 20,430,481</u>	<u>\$ 17,093,444</u>	<u>\$ 18,556,599</u>	<u>\$ 16,735,873</u>	<u>\$ 16,650,074</u>	<u>\$ 15,057,017</u>	<u>\$ 14,017,057</u>
Business-type activities										
Electric	\$ 14,412,881	\$ 12,536,185	\$ 13,359,942	\$ 13,742,564	\$ 13,874,041	\$ 13,951,054	\$ 14,435,529	\$ 16,221,654	\$ 15,467,631	\$ 14,102,581
Sewer	4,183,479	4,706,532	4,383,435	4,427,410	4,170,435	4,223,618	3,878,417	3,844,571	3,763,262	3,377,635
421 West Main Street	<u>75,338</u>	<u>74,705</u>	<u>95,621</u>	<u>69,963</u>	<u>67,377</u>	<u>61,852</u>	<u>61,699</u>	<u>58,843</u>	<u>65,666</u>	<u>55,908</u>
Total business-type activities expenses	<u>\$ 18,671,698</u>	<u>\$ 17,317,422</u>	<u>\$ 17,838,998</u>	<u>\$ 18,239,937</u>	<u>\$ 18,111,853</u>	<u>\$ 18,236,524</u>	<u>\$ 18,375,645</u>	<u>\$ 20,125,068</u>	<u>\$ 19,296,559</u>	<u>\$ 17,536,124</u>
Total primary governmental expenses	<u>\$ 36,218,038</u>	<u>\$ 34,762,580</u>	<u>\$ 36,913,239</u>	<u>\$ 38,670,418</u>	<u>\$ 35,205,297</u>	<u>\$ 36,793,123</u>	<u>\$ 35,111,518</u>	<u>\$ 36,775,142</u>	<u>\$ 34,353,576</u>	<u>\$ 31,553,181</u>

**Borough of Lansdale**  
**Changes in Net Position**  
**Last Ten Fiscal Years**

	Fiscal Year									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Program Revenues										
Governmental activities										
Charges for services										
Borough Administration	\$ 2,705,607	\$ 2,655,705	\$ 2,010,291	\$ 1,366,596	\$ 2,098,837	\$ 1,266,760	\$ 1,357,859	\$ 1,313,373	\$ 1,377,414	\$ 1,569,875
Police Department	57,161	87,478	87,557	96,152	109,206	197,404	91,215	128,371	84,798	84,572
Public Works	423,123	37,187	9,600	186,475	615,667	71,969	25,163	125,400	263,600	106,928
Culture and Recreation	316,620	128,372	340,464	316,971	325,582	302,408	291,129	263,437	279,669	320,887
Code Enforcement	468,025	306,402	218,658	242,018	344,729	312,539	398,202	294,246	184,100	167,382
Library	22,975	30,029	44,219	45,167	43,884	45,062	47,337	48,369	51,036	51,562
Public Services	2,452	45,467	145,854	4,193	2,173,116	63,635	3,367	2,315	32,437	18,219
Operating grants & contributions										
Borough Administration	736,772	719,870	766,846	781,067	662,762	739,850	550,592	634,345	645,342	508,202
Public Works	444,221	491,710	468,031	472,652	448,725	436,830	366,564	327,584	310,114	314,864
Culture and Recreation	-	-	-	-	150	-	-	-	-	-
Library	154,714	56,819	85,793	65,478	97,425	80,643	141,200	84,428	59,341	86,502
Capital grants & contributions										
Public Works	327,230	13,000	68,464	-	166,109	13,061	442,708	1,537,367	2,388,977	592,781
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Public Services	62,500	596,912	1,840,588	445,009	61,850	-	-	-	-	-
Total governmental activities program revenues	<u>\$ 5,721,400</u>	<u>\$ 5,168,951</u>	<u>\$ 6,086,365</u>	<u>\$ 4,021,778</u>	<u>\$ 7,148,042</u>	<u>\$ 3,530,161</u>	<u>\$ 3,715,336</u>	<u>\$ 4,759,235</u>	<u>\$ 5,676,828</u>	<u>\$ 3,821,774</u>
Business-type activities										
Charges for service										
Electric	\$ 20,314,763	\$ 19,956,327	\$ 20,408,821	\$ 20,615,785	\$ 19,983,115	\$ 20,045,915	\$ 20,782,881	\$ 19,402,927	\$ 19,396,729	\$ 19,324,351
Sewer	5,609,749	5,490,399	5,529,949	5,501,516	5,324,300	5,595,603	5,472,464	4,848,306	5,205,812	3,773,588
421 West Main Street	126,312	130,550	126,312	97,924	113,518	55,846	79,268	115,147	113,848	121,853
Operating grants & contributions										
Sewer	-	-	-	-	-	-	-	-	-	7,000,000
Capital grants & contributions										
Sewer	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>\$ 26,050,824</u>	<u>\$ 25,577,276</u>	<u>\$ 26,065,082</u>	<u>\$ 26,215,225</u>	<u>\$ 25,420,933</u>	<u>\$ 25,697,364</u>	<u>\$ 26,334,613</u>	<u>\$ 24,366,380</u>	<u>\$ 24,716,389</u>	<u>\$ 30,219,792</u>
Total primary government program revenues	<u>\$ 31,772,224</u>	<u>\$ 30,746,227</u>	<u>\$ 32,151,447</u>	<u>\$ 30,237,003</u>	<u>\$ 32,568,975</u>	<u>\$ 29,227,525</u>	<u>\$ 30,049,949</u>	<u>\$ 29,125,615</u>	<u>\$ 30,393,217</u>	<u>\$ 34,041,566</u>
Net (Expense)/Revenue										
Governmental activities	\$ (11,824,940)	\$ (12,276,207)	\$ (12,987,876)	\$ (16,408,703)	\$ (9,945,402)	\$ (15,026,438)	\$ (13,020,537)	\$ (11,890,839)	\$ (9,380,189)	\$ (10,195,283)
Business-type activities	7,379,126	8,259,854.00	8,226,084	7,975,288	7,309,080	7,460,840	7,958,968	4,241,312	5,419,830	12,683,668
Total primary government net expense	<u>\$ (4,445,814)</u>	<u>\$ (4,016,353)</u>	<u>\$ (4,761,792)</u>	<u>\$ (8,433,415)</u>	<u>\$ (2,636,322)</u>	<u>\$ (7,565,598)</u>	<u>\$ (5,061,569)</u>	<u>\$ (7,649,527)</u>	<u>\$ (3,960,359)</u>	<u>\$ 2,488,385</u>

**Borough of Lansdale**  
**Changes in Net Position**  
**Last Ten Fiscal Years**

	Fiscal Year									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General revenues and other changes in net position										
Governmental activities										
Earned Income Tax	\$ 3,006,250	\$ 2,763,586	\$ 2,696,828	\$ 2,542,485	\$ 2,452,281	\$ 2,427,476	\$ 2,362,863	\$ 2,390,536	\$ 2,343,480	\$ 2,005,600
Real Property Tax	4,662,325	4,494,219	4,256,454	4,259,793	3,452,002	3,536,590	3,413,280	2,601,020	2,565,054	2,613,432
Real Estate Transfer Tax	633,967	439,378	450,094	536,719	449,796	326,974	506,990	303,354	241,831	216,960
Unrestricted Investment Earnings	71,089	121,442	425,017	254,363	119,209	43,297	25,993	22,198	19,709	16,207
Gain on Sale of Capital Assets	3,777	-	-	-	(4,136,676)	-	-	-	-	-
Miscellaneous	287,641	315,000	315,833	-	-	-	-	-	-	-
Transfers	<u>8,650,000</u>	<u>8,950,000</u>	<u>7,567,379</u>	<u>7,543,920</u>	<u>8,120,400</u>	<u>5,408,272</u>	<u>1,516,056</u>	<u>6,238,941</u>	<u>5,150,000</u>	<u>13,085,889</u>
Total governmental activities	<u>\$ 17,315,049</u>	<u>\$ 17,083,625</u>	<u>\$ 15,711,605</u>	<u>\$ 15,137,280</u>	<u>\$ 10,457,012</u>	<u>\$ 11,742,609</u>	<u>\$ 7,825,182</u>	<u>\$ 11,556,049</u>	<u>\$ 10,320,074</u>	<u>\$ 17,938,088</u>
Business-type activities										
Unrestricted Investment Earnings	\$ 572	\$ 138,859	\$ 306,993	\$ 128,428	\$ 24,586	\$ 25,019	\$ 22,426	\$ 34,600	\$ 23,188	\$ 35,233
Transfers	<u>(8,650,000)</u>	<u>(8,950,000)</u>	<u>(7,567,379)</u>	<u>(7,543,920)</u>	<u>(8,120,400)</u>	<u>(5,408,272)</u>	<u>(1,516,056)</u>	<u>(6,238,941)</u>	<u>(5,150,000)</u>	<u>(13,085,889)</u>
Total business-type activities	<u>\$ (8,649,428)</u>	<u>\$ (8,811,141)</u>	<u>\$ (7,260,386)</u>	<u>\$ (7,415,492)</u>	<u>\$ (8,095,814)</u>	<u>\$ (5,383,253)</u>	<u>\$ (1,493,630)</u>	<u>\$ (6,204,341)</u>	<u>\$ (5,126,812)</u>	<u>\$ (13,050,656)</u>
Total primary government	<u>\$ 8,665,621</u>	<u>\$ 8,272,484</u>	<u>\$ 8,451,219</u>	<u>\$ 7,721,788</u>	<u>\$ 2,361,198</u>	<u>\$ 6,359,356</u>	<u>\$ 6,331,552</u>	<u>\$ 5,351,708</u>	<u>\$ 5,193,262</u>	<u>\$ 4,887,432</u>
Changes in Net Assets										
Governmental activities	\$ 5,490,109	\$ 4,807,418	\$ 2,723,729	\$ (1,271,423)	\$ 511,610	\$ (3,283,829)	\$ (5,195,355)	\$ (334,790)	\$ 939,885	\$ 7,742,805
Business-type activities	<u>(1,270,302)</u>	<u>(551,287)</u>	<u>965,698</u>	<u>559,796</u>	<u>(786,734)</u>	<u>2,077,587</u>	<u>6,465,338</u>	<u>(1,963,029)</u>	<u>293,018</u>	<u>(366,988)</u>
Total primary government	<u>\$ 4,219,807</u>	<u>\$ 4,256,131</u>	<u>\$ 3,689,427</u>	<u>\$ (711,627)</u>	<u>\$ (275,124)</u>	<u>\$ (1,206,242)</u>	<u>\$ 1,269,983</u>	<u>\$ (2,297,819)</u>	<u>\$ 1,232,903</u>	<u>\$ 7,375,817</u>

Source: Borough of Lansdale Records, Statement of Activities

**Borough of Lansdale**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

	Fiscal Year									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund										
Nonspendable										
Prepaid Items	\$ 53,015	\$ 53,015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed										
Capital Projects	3,676,633	3,676,633	8,263,500	8,171,786	8,096,460	8,050,354	8,043,512	8,032,978	8,022,466	8,019,081
Other Post Employment Benefits	4,243,448	4,233,364	3,711,215	3,639,157	3,319,984					
Unrestricted	<u>10,802,484</u>	<u>9,364,397</u>	<u>4,052,919</u>	<u>3,458,238</u>	<u>2,735,557</u>	<u>1,831,400</u>	<u>2,027,409</u>	<u>1,717,446</u>	<u>1,937,092</u>	<u>2,553,367</u>
Total General Fund	<u>\$18,775,580</u>	<u>\$17,327,409</u>	<u>\$ 16,027,634</u>	<u>\$ 15,269,181</u>	<u>\$ 14,152,001</u>	<u>\$ 9,881,754</u>	<u>\$ 10,070,921</u>	<u>\$ 9,750,424</u>	<u>\$ 9,959,558</u>	<u>\$ 10,572,448</u>
All other governmental funds										
Nonspendable										
Prepaid Items		\$ -	\$ 160	\$ 160	\$ 160	\$ 160	\$ 160	\$ 160	\$ 160	\$ 160
Restricted										
Highway and Street Projects	318,864	10,813	3,276,888	4,339,012	6,517,394	2,066,231	2,498,515	4,792,517	7,596,152	20,412,114
Building Projects		-	45,201	1,595,205	1,575,703	1,569,319	3,562,716	14,239,701	9,483,372	-
Library	303,914	205,470	169,674	155,763	222,414	274,002	327,520	329,552	-	-
Committed										
Parking Projects	4,058,425	4,196,968	4,499,727	4,729,771	5,794,431	4,126,950	4,961,068	4,997,001	-	-
Assigned										
Debt Service Fund	116,810	39,227	-	-	-	14,485	-	-	-	-
Parking Projects		-	-	-	-	-	-	-	5,065,519	5,233,528
Library		-	-	-	-	-	-	-	336,329	353,189
Unrestricted	<u>(1,144,431)</u>	<u>(2,038,102)</u>	<u>(56,893)</u>	<u>(128,327)</u>	<u>(124,321)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 3,653,582</u>	<u>\$ 2,414,376</u>	<u>\$ 7,934,757</u>	<u>\$ 10,691,584</u>	<u>\$ 13,985,781</u>	<u>\$ 8,051,147</u>	<u>\$ 11,349,979</u>	<u>\$ 24,358,931</u>	<u>\$ 22,481,532</u>	<u>\$ 25,998,991</u>
Total Governmental Funds	<u>\$22,429,162</u>	<u>\$19,741,785</u>	<u>\$ 23,962,391</u>	<u>\$ 25,960,765</u>	<u>\$ 28,137,782</u>	<u>\$ 17,932,901</u>	<u>\$ 21,420,900</u>	<u>\$ 34,109,355</u>	<u>\$ 32,441,090</u>	<u>\$ 36,571,439</u>

Source: Borough of Lansdale Records, Balance Sheet Governmental Funds

**Borough of Lansdale**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues</b>										
Taxes	\$ 8,288,866	\$ 7,703,776	\$ 7,395,668	\$ 7,309,266	\$ 6,383,856	\$ 6,310,284	\$ 6,272,329	\$ 5,278,675	\$ 5,150,365	\$ 4,779,865
Licenses and Permits	970,734	812,326	767,775	585,085	796,362	750,839	852,305	716,430	613,889	596,131
Fines and Forfeitures	41,270	43,177	67,917	61,002	62,261	69,036	105,883	106,946	139,810	118,378
Interest and Rent	79,716	129,755	429,914	242,541	122,386	46,022	29,360	24,513	22,024	17,669
Grants and Gifts	3,091,402	3,231,669	3,718,951	1,880,038	2,089,438	1,272,352	1,515,880	2,583,726	3,444,632	1,768,512
Departmental Earnings	406,638	245,933	456,029	434,621	482,620	532,848	414,564	435,531	398,839	447,769
Parking Collections and Rentals	74,973	36,727	109,784	115,228	121,543	84,420	93,814	100,518	92,585	74,275
Library Deposits	22,975	30,029	44,219	45,151	43,855	45,052	46,620	47,265	48,886	50,739
Reimbursements and Miscellaneous	1,392,666	1,075,777	1,119,952	912,277	3,548,786	772,889	682,903	766,504	935,872	764,508
<b>Total Revenue</b>	<b>\$ 14,369,240</b>	<b>\$ 13,309,169</b>	<b>\$ 14,110,209</b>	<b>\$ 11,585,209</b>	<b>\$ 13,651,107</b>	<b>\$ 9,883,742</b>	<b>\$ 10,013,658</b>	<b>\$ 10,060,108</b>	<b>\$ 10,846,902</b>	<b>\$ 8,617,846</b>
<b>Expenditures</b>										
<b>Current</b>										
Borough Administration	\$ 2,106,457	\$ 1,744,944	\$ 2,812,447	\$ 2,435,728	\$ 2,198,575	\$ 1,907,400	\$ 1,960,749	\$ 1,801,447	\$ 1,764,877	\$ 1,582,702
Police Department	7,264,703	6,958,944	6,498,912	5,873,640	5,687,586	6,666,216	6,325,281	5,654,687	5,477,975	5,261,127
Highways/Public Works	4,334,916	10,228,529	5,668,487	5,029,210	3,480,167	3,355,851	10,088,405	11,532,301	7,608,449	4,942,702
Code Enforcement, Planning and Zoning	936,962	941,713	917,149	779,770	967,701	985,724	896,737	784,893	663,329	595,914
Parks and Recreation	1,798,769	2,128,037	1,709,910	1,624,867	1,578,598	1,480,382	1,394,459	1,320,322	1,413,932	1,642,042
Library	500,778	469,007	514,342	574,885	589,639	577,200	573,537	522,381	495,446	476,789
Public Services	954,239	1,482,162	2,815,245	2,322,300	1,197,410	1,499,735	677,081	741,232	864,623	1,081,710
<b>Debt Service</b>										
Principal	1,710,802	1,936,792	11,532,875	1,641,502	1,450,904	1,298,138	1,242,107	1,084,635	1,057,052	1,034,542
Interest and other charges	737,994	880,738	1,200,803	1,024,443	998,968	1,009,395	1,201,509	1,038,866	781,568	754,022
<b>Total Expenditures</b>	<b>\$ 20,345,620</b>	<b>\$ 26,770,866</b>	<b>\$ 33,670,170</b>	<b>\$ 21,306,345</b>	<b>\$ 18,149,548</b>	<b>\$ 18,780,041</b>	<b>\$ 24,359,865</b>	<b>\$ 24,480,764</b>	<b>\$ 20,127,251</b>	<b>\$ 17,371,550</b>
<b>Excess of revenues over/(under) expenditures</b>	<b>\$ (5,976,380)</b>	<b>\$ (13,461,697)</b>	<b>\$ (19,559,961)</b>	<b>\$ (9,721,136)</b>	<b>\$ (4,498,441)</b>	<b>\$ (8,896,299)</b>	<b>\$ (14,346,207)</b>	<b>\$ (14,420,656)</b>	<b>\$ (9,280,349)</b>	<b>\$ (8,753,704)</b>

**Borough of Lansdale**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Other financing sources (uses)										
Proceeds from Bond Issuance	\$ -	\$ 18,355,000	\$ 9,940,000	\$ -	\$ -	\$ -	\$ 9,650,000	\$ 10,000,000	\$ -	\$ 10,000,000
Proceeds from Notes Issued		-	-	-	3,565,353					
Premiums on refunding bonds issued		543,886	54,208	-	-	-	224,713	-	-	-
Pymt to refunded bond escrow agent		(18,607,795)	-	-	-	-	(9,732,989)	(150,020)	-	(157,757)
Debt Service, Principal		-	-	-	-	-	-	-	-	-
Proceeds from the sale of capital assets	3,777	-	-	198	-	-	-	-	-	-
Transfers in	10,841,623	11,165,663	10,805,904	10,573,423	9,953,273	9,293,000	8,765,893	8,540,851	7,203,620	14,687,889
Transfers out	(2,191,623)	(2,215,663)	(3,238,525)	(3,029,503)	(1,832,873)	(3,884,728)	(7,249,837)	(2,301,910)	(2,053,620)	(1,602,000)
Total other financing sources (uses)	\$ 8,653,777	\$ 9,241,091	\$ 17,561,587	\$ 7,544,118	\$ 11,685,753	\$ 5,408,272	\$ 1,657,780	\$ 16,088,921	\$ 5,150,000	\$ 22,928,132
Net change in fund balance	\$ 2,677,397	\$ (4,220,606)	\$ (1,998,374)	\$ (2,177,018)	\$ 7,187,312	\$ (3,488,027)	\$ (12,688,427)	\$ 1,668,265	\$ (4,130,349)	\$ 14,174,428
Debt service as a percentage of non-capital expenditures*	94.61%	30.15%	45.20%	14.00%	15.35%	14.01%	11.15%	9.50%	10.05%	11.48%

Source: Borough of Lansdale Records, Statement of Revenues, Expenditures & Changes in Fund Balances Governmental Funds

\* Debt Service as a percentage of non-capital expenditures is calculated as follows: Total Debt Service (Principal + Interest and Other Charges)/Total Expenditures

**Borough of Lansdale**  
**General Government Tax Revenue by Source**  
**Last Ten Fiscal Years**

<u>Year Ending</u> <u>December 31<sup>st</sup></u>	<u>Real Property</u> <u>Tax</u>	<u>Earned Income</u> <u>Tax</u>	<u>Real Estate</u> <u>Transfer</u>	<u>Total</u>
2012	2,613,432	2,005,600	216,960	4,835,992
2013	2,564,054	2,343,480	241,831	5,149,365
2014	2,601,020	2,390,536	303,354	5,294,910
2015	3,413,280	2,362,863	506,990	6,283,133
2016	3,536,590	2,427,476	326,974	6,291,040
2017	3,452,002	2,452,281	449,796	6,354,079
2018	4,259,793	2,542,485	536,719	7,338,997
2019	4,256,454	2,696,828	450,094	7,403,376
2020	4,494,219	2,763,586	439,378	7,697,183
2021	4,662,325	3,006,250	633,967	8,302,542

Notes:

<sup>(1)</sup> On January 1, 2002 the North Penn School District enacted a 1/2% Earned Income Tax. The Borough residents remit 1/2% to the district and 1/2% to the Borough

Source:

Borough of Lansdale, Montgomery County, Pennsylvania Annual Financial Statements and Borough documents

**Borough of Lansdale**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Years**

<u>Year Ending December 31<sup>st</sup></u>	<u>Real Property Assessed Value</u> <sup>(1)</sup>	<u>Less: Tax Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Estimated Actual Values of Real Property</u>	<u>Ratio of Total Assessed Value to Estimated Actual Value</u> <sup>(2)</sup>	<u>Lansdale Borough Real Estate Millage Rate</u>
2012	739,416,533	140,658,410	598,758,123	898,877,380	82.26%	3.500
2013	749,592,473	139,752,580	609,839,893	911,247,840	82.26%	3.500
2014	757,362,183	127,237,500	630,124,683	920,693,147	82.26%	3.500
2015	773,289,423	127,848,370	645,441,053	992,159,896	77.94%	4.500
2016	773,355,428	131,529,700	641,825,728	1,087,395,146	71.12%	4.500
2017	780,618,988	131,671,470	648,947,518	1,100,703,593	70.92%	4.500
2018	788,183,388	132,288,140	655,895,248	1,135,874,604	69.39%	5.500
2019	798,475,508	132,290,210	666,185,298	1,210,178,096	65.98%	5.500
2020	809,437,228	134,256,320	675,180,908	1,257,085,305	64.39%	5.750
2021	812,784,128	134,459,000	678,325,128	1,262,283,162	64.39%	6.250

Notes: <sup>(1)</sup> Assessed values prior to 1998 are computed at 17% of 1978 market value. During 1998, Montgomery County completed a countywide reassessment. Assessed value was set equal to 100% of the estimated actual value. The Borough real estate tax millage was reduced accordingly in order to be in compliance with the law governing assessing tax rates and the increase in revenue generated.

<sup>(2)</sup> Information provided by Pennsylvania State Tax Equalization Board (STEB) for Montgomery County, PA.

Sources: Borough of Lansdale, Montgomery County, Pennsylvania annual financial statements, and Lansdale Borough Tax Department (Montgomery County, PA Real Estate Assessment Roll).

**Borough of Lansdale**  
**Property Tax Rates**  
**Direct Overlapping Governments**  
**Per \$1,000 of Assessed Value**  
**Last Ten Fiscal Years**

Year	Lansdale Borough			Overlapping Rates		All Government Totals
	Operating Millage	Debt Service Millage	Total Borough Millage	Montgomery County Total Millage	North Penn SD Total Millage	
2012	2.9700	0.5300	3.5000	2.6950	22.3256	28.5206
2013	2.9700	0.5300	3.5000	3.1520	22.7049	29.3569
2014	2.9700	0.5300	3.5000	3.1520	23.1819	29.8339
2015	2.9700	1.5300	4.5000	3.4590	23.6223	31.5813
2016	2.9700	1.5300	4.5000	3.4590	24.1890	32.1480
2017	2.9700	1.5300	4.5000	3.8490	24.6704	33.0194
2018	3.8500	1.6500	5.5000	3.8490	25.5090	34.8580
2019	3.8500	1.6500	5.5000	3.8490	26.0957	35.4447
2020	4.0500	1.7000	5.7500	3.8490	26.0957	35.6947
2021	4.4000	1.8500	6.2500	3.8490	27.5369	37.6359

Sources: Lansdale Borough Tax Department, Montgomery County Board of Assessment, North Penn School District annual budgets, and Lansdale Borough Council Ordinances

**Borough of Lansdale  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

Taxpayer	Type of Business	2021		2012 <sup>(b)</sup>		Percentage of Total Taxable Assessed Valuation	Percentage of Total Taxable Assessed Valuation
		Taxable Assessed Valuation	Rank	Taxable Assessed Valuation	Rank		
Lansdale Multi-Family Development	Apartment Complex	\$ 15,824,330	1	1.95%	\$ 12,659,464	3	1.59%
1180 Church Rd	Industrial	12,680,000	2	1.56%	8,842,640	1	1.11%
Wissahickon Park Assoc.	Apartment Complex	11,960,410	3	1.47%	9,512,160		1.19%
Elm Terrace Gardens	Assisted Living	11,860,430	4	1.46%	N/A	-	-
FA-LEI Silk Factory Assoc LLC	Apartment Complex	9,125,110	5	1.12%	N/A	-	-
St Mary's Manor	Assisted Living	9,000,000	6	1.11%	9,080,860	2	1.14%
Broadmore Associates	Apartment Complex	8,324,450	7	1.02%	6,446,300	8	0.81%
North Penn Holdings LLC	Industrial	8,080,678	8	0.99%	8,080,678	5	1.01%
HC Spectrum Partners LP	Shopping Center	6,800,000	9	0.84%	6,800,000	7	0.85%
Pleasantville Gardens Associates	Apartment Complex	5,657,960	10	0.70%	4,950,000	9	0.62%
Totals		\$ 99,313,368		10.27%	\$ 66,372,102		6.73%

Notes: <sup>(a)</sup> Total Assessed Valuation equal to: \$ 812,784,128.

<sup>(b)</sup> Total Assessed Valuation for 2012 equal to: \$589,825,073

Sources: Lansdale Borough Tax Department, Montgomery County Board of Assessments, and Lansdale Borough records.

**Borough of Lansdale**  
**Property Tax Levies Collections**  
**Last Ten Years**

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percentage of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Collections to Tax Levy</u>
2012	2,587,958	2,470,048	95.44%	74,022	2,544,070	98.30%
2013	2,623,574	2,507,519	95.58%	93,049	2,600,568	99.12%
2014	2,650,768	2,501,173	94.36%	107,767	2,608,940	98.42%
2015	3,479,802	3,348,176	96.22%	127,055	3,475,231	99.87%
2016	3,480,099	3,388,261	97.36%	57,620	3,445,881	99.02%
2017	3,480,112	3,429,895	98.56%	38,250	3,468,145	99.66%
2018	4,335,009	4,185,021	96.54%	71,638	4,256,659	98.19%
2019	4,391,615	4,177,108	95.12%	-	4,177,108	95.12%
2020	4,654,264	4,420,910	94.99%	-	4,420,910	94.99%
2021	4,904,803	4,537,186	92.50%		4,537,186	92.50%

Notes: In 1999, the Borough of Lansdale reduced its property tax millage by 50% in conjunction with the enactment of a 1% Earned Income Tax.

Sources: Borough of Lansdale, Montgomery County, Pennsylvania Annual Financial Statements and Lansdale Borough Tax Department

**Borough of Lansdale**  
**Revenue Base - Electric Sales**  
**Largest Own-Source Revenue**  
**Last Ten Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Operating Revenues										
Charges for Services										
Sales of Electricity										
Residential	\$ 9,948,645	\$ 9,962,828	\$ 9,422,017	\$ 9,479,857	\$ 8,970,537	\$ 9,176,826	\$ 9,348,835	\$ 8,496,783	\$ 8,296,186	\$ 8,196,860
General Services	5,395,788	5,439,323	5,976,117	5,981,370	5,776,305	5,774,141	6,050,800	5,867,128	6,085,728	6,349,403
Primary	<u>4,563,758</u>	<u>4,630,725</u>	<u>4,834,711</u>	<u>4,858,164</u>	<u>4,852,567</u>	<u>4,685,824</u>	<u>4,873,382</u>	<u>4,651,556</u>	<u>4,685,002</u>	<u>4,419,976</u>
Total Charges for Services	19,908,191	20,032,876	20,232,845	20,319,391	19,599,409	19,636,791	20,273,017	19,015,467	19,066,916	18,966,239
Penalties	120,047	40,171	207,108	223,918	202,948	218,039	253,831	233,635	237,629	239,646
Miscellaneous Services and Rentals	<u>286,525</u>	<u>(116,720)</u>	<u>(31,132)</u>	<u>72,476</u>	<u>180,758</u>	<u>191,085</u>	<u>256,033</u>	<u>153,825</u>	<u>92,184</u>	<u>118,466</u>
Total Operating Revenues	20,314,763	19,956,327	20,408,821	20,615,785	19,983,115	20,045,915	20,782,881	19,402,927	19,396,729	19,324,351
Operating Expenses										
Cost of Providing Electric Service										
Purchased Power	9,540,684	8,275,502	9,103,606	9,506,560	9,958,099	9,962,210	10,690,669	12,597,769	12,180,283	10,866,654
Transmission	72,264	34,575	42,608	54,338	36,140	24,812	42,077	26,536	16,369	25,232
Distribution	1,662,271	1,239,784	1,379,869	1,431,690	1,282,440	1,116,481	1,174,697	1,085,755	942,645	1,075,145
Customer accounts	869,209	720,190	650,323	600,037	621,945	586,573	579,538	553,637	428,375	438,344
Administrative and general	1,848,508	1,833,740	1,780,458	1,777,654	1,620,541	1,957,717	1,706,098	1,725,554	1,658,302	1,453,429
Depreciation	<u>412,171</u>	<u>432,394</u>	<u>403,078</u>	<u>372,285</u>	<u>354,876</u>	<u>303,261</u>	<u>242,450</u>	<u>232,403</u>	<u>241,657</u>	<u>243,777</u>
Total Operating Expenses	14,405,107	12,536,185	13,359,942	13,742,564	13,874,041	13,951,054	14,435,529	16,221,654	15,467,631	14,102,581
Operating Income:	<u>5,909,656</u>	<u>7,420,142</u>	<u>7,048,879</u>	<u>6,873,221</u>	<u>6,109,074</u>	<u>6,094,861</u>	<u>6,347,352</u>	<u>3,181,273</u>	<u>3,929,098</u>	<u>5,221,770</u>
Non-Operating Revenues										
State Grant	-	-	-	-	-	-	-	-	-	-
Interest earned	235	-	202,491	69,146	8,639	11,395	17,303	24,070	16,725	20,245
Interest and amortization on bonded debt	<u>-</u>	<u>95,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenues	235	95,896	202,491	69,146	8,639	11,395	17,303	24,070	16,725	20,245
Income Before Interfund Transfers	5,909,891	7,516,038	7,251,370	6,942,367	6,117,713	6,106,256	6,364,655	3,205,343	3,945,823	5,242,015
Interfund Transfers	<u>(7,050,000)</u>	<u>(7,350,000)</u>	<u>(5,667,379)</u>	<u>(6,114,597)</u>	<u>(6,480,000)</u>	<u>(4,716,932)</u>	<u>(4,047,284)</u>	<u>(5,140,057)</u>	<u>(4,590,000)</u>	<u>(5,235,500)</u>
Change in Net Position	<u>\$ (1,140,109)</u>	<u>\$ 166,038</u>	<u>\$ 1,583,991</u>	<u>\$ 827,770</u>	<u>\$ (362,287)</u>	<u>\$ 1,389,324</u>	<u>\$ 2,317,371</u>	<u>\$ (1,934,714)</u>	<u>\$ (644,177)</u>	<u>\$ 6,515</u>

Source: Borough of Lansdale Records, Statement of Revenues, Expenses and Changes in Net Assets, Proprietary Funds

**Borough of Lansdale  
Revenue Rates - Electric  
Largest Own-Source Revenue  
Last Ten Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Residential Rates</b>										
Residential Service - per kwh hour	\$ 0.16510	\$ 0.16510	\$ 0.16510	\$ 0.16510	\$ 0.16510	\$ 0.16510	\$ 0.16510	\$ 0.16510	\$ 0.14950	\$ 0.14950
Residential Hot Water - per kwh hour	-	-	-	-	-	0.09534	0.09534	0.09534	0.09534	0.09534
Residential Electric Space Heating - per kwh hour	-	-	-	-	-	0.10990	0.10990	0.10990	0.10990	0.10990
Monthly Customer Charge	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.25	12.00	12.00
<b>General Service Rates</b>										
General Service w/o Demand	\$ 13.25	\$ 13.25	\$ 13.25	\$ 13.25	\$ 13.25	\$ 13.25	\$ 13.25	\$ 10.71	\$ 10.71	\$ 10.71
General Service with Demand	13.25	13.25	13.25	13.25	13.25	13.25	13.25	10.36	10.36	10.36
Monthly Customer Charge	38.65	38.65	38.65	38.65	38.65	38.65	38.65	38.65	35.00	35.00
<b>Primary Service Rates</b>										
Demand Charge Per Month	\$ 429.40	\$ 429.40	\$ 429.40	\$ 429.40	\$ 429.40	\$ 429.40	\$ 429.40	\$ 429.40	\$ 429.40	\$ 429.40
Primary Energy Charge - per kwh hour	0.14940	0.14940	0.14940	0.14940	0.14940	0.14940	0.14940	0.13530	0.13530	0.13530
Monthly Customer Charge	110.44	110.44	110.44	110.44	110.44	110.44	110.44	110.44	35.00	35.00

Note: KWH = Kilowatt Hours

Source: Borough of Lansdale, Montgomery County, Pennsylvania records

**Borough of Lansdale  
Other Information  
Largest Own-Source Revenue  
Last Ten Fiscal Years**

	Fiscal Year									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Energy Consumption - (KWH)										
Residential Service	54,033,398	43,737,133	59,942,944	42,378,801	47,343,109	49,738,312	49,802,011	48,780,543	49,286,731	48,916,970
General Service	28,074,060	22,567,923	25,135,573	25,148,120	28,923,582	29,441,751	30,698,488	32,712,252	33,805,446	35,418,944
Primary Service	<u>34,436,463</u>	<u>29,828,083</u>	<u>34,280,348</u>	<u>30,487,112</u>	<u>35,910,900</u>	<u>36,423,460</u>	<u>36,679,220</u>	<u>39,035,020</u>	<u>39,996,700</u>	<u>39,211,164</u>
Total Energy (KWH) Consumption	116,543,921	96,133,139	119,358,865	98,014,033	112,177,591	115,603,523	117,179,719	120,527,815	123,088,877	123,547,078
Number of Electric Accounts										
Residential Service	7,635	7,574	7,485	7,323	7,174	7,141	7,061	7,047	7,043	7,020
General Service	1,153	1,139	1,139	1,157	1,150	1,167	1,125	1,115	1,114	1,151
Primary Service	<u>22</u>	<u>23</u>	<u>26</u>	<u>23</u>	<u>26</u>	<u>27</u>	<u>28</u>	<u>58</u>	<u>27</u>	<u>35</u>
Total Electric Accounts	8,810	8,736	8,650	8,503	8,350	8,335	8,214	8,220	8,184	8,206

Note: KWH = Kilowatt Hours

Source: Borough of Lansdale, Montgomery County, Pennsylvania records, Billed Consumption Report & Monthly Billing Report

**Borough of Lansdale**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Years**

Fiscal Year	Governmental Activities				Business-Type Activities			Primary Government	Percentage of Personal Income	Per Capita	
	General Obligation Bonds	General Obligation Notes	Capital Leases	Deferred Bond Discount	Deferred Bond Premium	General Obligation Bonds	General Obligation Notes				Capital Leases
2012	26,385,000	341,932	-	-	-	-	-	111,580	26,838,512	5.92%	1,650
2013	25,415,000	254,880	-	(232,182)	-	-	-	-	25,437,698	5.61%	1,564
2014	34,420,000	165,245	-	(219,498)	-	-	-	-	34,365,747	7.58%	2,112
2015	33,350,000	83,138	-	(292,940)	219,606	-	-	-	33,140,198	7.31%	2,037
2016	32,135,000	-	-	(276,228)	199,177	-	-	-	31,858,772	7.03%	1,958
2017	30,805,000	3,444,449	-	(259,515)	178,749	-	-	-	34,168,683	7.54%	2,100
2018	29,430,000	3,177,702	-	(242,803)	158,320	-	-	-	32,523,219	7.17%	1,999
2019	28,256,000	2,758,826	-	(116,634)	190,711	-	-	-	31,088,903	6.86%	1,911
2020	26,580,000	2,493,031	-	-	527,518	-	-	-	29,600,549	6.53%	1,819
2021	25,120,000	2,242,232	-	-	458,333	-	-	-	27,820,565	5.32%	1,482

Sources: Borough of Lansdale, Montgomery County, Pennsylvania Annual Financial Statements.

**Borough of Lansdale**  
**Ratio of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<u>Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Gross General Obligation Debt</u>	<u>Self- Liquidating Portion of Debt</u>	<u>Restricted Debt Service Fund Balance</u>	<u>Net General Obligation Debt</u>	<u>Ratio of General Obligation Debt to Assessed Value</u>	<u>General Obligation Debt per Capita</u>
2012	16,269	739,416,533	26,838,512	-	-	26,838,512	3.630%	1,650
2013	16,269	749,592,473	25,437,698	-	-	25,437,698	3.394%	1,564
2014	16,269	757,362,183	34,365,747	-	-	34,365,747	4.538%	2,112
2015	16,269	773,289,423	33,140,198	-	-	33,140,198	4.286%	2,037
2016	16,269	773,355,428	31,858,772	-	-	31,858,772	4.120%	1,958
2017	16,269	780,618,988	34,168,683	-	-	34,168,683	4.377%	2,100
2018	16,269	788,183,388	32,523,219	-	-	32,523,219	4.126%	1,999
2019	16,269	798,475,508	31,088,903	-	-	31,088,903	3.894%	1,911
2020	16,239	809,437,228	29,600,552	-	-	29,600,552	3.657%	1,823
2021	18,733	812,511,718	27,820,565	-	-	27,820,565	3.424%	1,485

Sources: Borough of Lansdale, Montgomery County, Pennsylvania Annual Financial Statements, Montgomery County Board of Assessment, and U.S. Department of Commerce, Bureau of the Census

**Borough of Lansdale**  
**Direct and Overlapping Governmental Activities Debt**  
**December 31, 2021**

<u>Jurisdiction</u>		<u>Gross Debt Outstanding</u>	Percentage Applicable to <u>Borough of Lansdale</u>	<u>Amount Applicable to Borough of Lansdale</u>
North Penn School District	(1)	\$ 76,829,000	11.50%	\$ 8,835,335
County of Montgomery	(2)	<u>395,085,000</u>	1.29%	<u>5,104,498</u>
Total - Overlapping Debt		\$ 471,914,000		\$ 13,939,833
Borough of Lansdale		\$ 27,820,565	100.00%	\$ 27,820,565

Notes: (1) 11.5% of total North Penn School District Debt as of June 30, 2021

(2) 1.29% of total Montgomery County debt as of December 31, 2021, based on the ratio of Lansdale's assessed valuation to Montgomery County's 2020 assessed valuation.

Sources: Borough of Lansdale, Montgomery County, Pennsylvania Annual Financial Statements, County of Montgomery, Pennsylvania Annual Financial Statements, and North Penn School District Annual Financial Statements.

**Borough of Lansdale**  
**Computation of Legal Debt Margin**  
**December 31, 2021**

Borrowing Base Revenues: <sup>(1)</sup>		
2019		18,494,421
2020		18,346,458
2021		<u>18,577,820</u>
Total Revenues:		<u>\$ 55,418,699</u>
Debt Limit for General Obligation Bonds:		
Average Borrowing Base Revenues	\$	18,472,900
Debt Limit Percent		<u>250%</u>
Debit Limit	\$	46,182,249
Total amount of debt applicable to debt limit		<u>25,120,000</u>
Legal debt margin	\$	<u>21,062,249</u>
Debt Limit for General Obligation Bonds and Lease Rental Debt		
Average Borrowing Base Revenues	\$	18,472,900
Debt Limit Percent		<u>350%</u>
Debit Limit	\$	64,655,149
Total amount of debt applicable to debt limit		<u>27,362,232</u>
Legal debt margin	\$	<u>37,292,917</u>

Notes: <sup>(1)</sup> Borrowing base revenues represent total revenues less Enterprise Fund operating revenue, interest, state and federal grants, proceeds from sale of assets, and bond proceeds.

Source: Borough of Lansdale, Montgomery County, Pennsylvania Annual Financial Statements

**Borough of Lansdale  
Legal Debt Margin Information  
Last Ten Years**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Limit	\$ 36,704,458	\$ 38,606,808	\$ 37,509,316	\$ 34,167,381	\$ 36,857,350	\$ 42,728,323	\$ 41,103,428	\$ 46,927,992	\$ 46,927,993	\$ 46,182,249
Total Net Debt applicable to limit	<u>26,385,000</u>	<u>25,415,000</u>	<u>34,420,000</u>	<u>33,350,000</u>	<u>30,805,000</u>	<u>30,805,000</u>	<u>29,430,000</u>	<u>28,256,000</u>	<u>26,580,000</u>	<u>25,120,000</u>
Legal Debt Margin	<u>\$ 10,319,458</u>	<u>\$ 13,191,808</u>	<u>\$ 3,089,316</u>	<u>\$ 817,381</u>	<u>\$ 6,052,350</u>	<u>\$ 11,923,323</u>	<u>\$ 11,673,428</u>	<u>\$ 18,671,992</u>	<u>\$ 20,347,993</u>	<u>\$ 21,062,249</u>
Total Net Debt applicable to the limit as a percentage of debt limit	71.89%	65.83%	91.76%	97.61%	83.58%	72.10%	71.60%	60.21%	56.64%	54.39%

Source: Borough of Lansdale, Montgomery County, Pennsylvania Annual Financial Statements

**Borough of Lansdale  
Revenue Bond Coverage  
Last Ten Years**

<u>Year</u>	<u>Gross Revenues</u> <sup>(1)</sup>	<u>Operating Expenses</u> <sup>(2)</sup>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u> <sup>(3)</sup>			<u>Coverage</u> <sup>(4)</sup>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2011	19,828,017	15,043,282	4,784,735	-	-	-	N/A
2012	19,324,351	14,102,581	5,221,770	-	-	-	N/A
2013	19,396,729	15,467,631	3,929,098	-	-	-	N/A
2014	19,402,927	16,221,654	3,181,273	-	-	-	N/A
2015	20,782,881	14,435,529	6,347,352	-	-	-	N/A
2016	20,045,915	13,951,054	6,094,861	-	-	-	N/A
2017	19,983,115	13,874,041	6,109,074	-	-	-	N/A
2018	20,615,785	13,742,564	6,873,221	-	-	-	N/A
2019	20,408,821	13,359,942	7,048,879	-	-	-	N/A
2020	20,984,177	15,504,292	5,479,885	-	-	-	N/A
2021	20,314,763	14,405,107	5,909,656	-	-	-	N/A

Notes: <sup>(1)</sup> Total Operating Revenues

<sup>(2)</sup> Total Operating Expenses, including depreciation

<sup>(3)</sup> Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the Sewer Fund, or by the Parking Autl or debt defeasance transactions

<sup>(4)</sup> The Borough of Lansdale is required to maintain coverage of 1.25 times debt service requirements

Sources: Borough of Lansdale, Montgomery County, Pennsylvania Annual Financial Statements and bond offering official statements

**Borough of Lansdale**  
**Demographic and Economic Statistics**  
**Last Ten Years**

<u>Year</u>	<u>Population</u> <sup>(1)</sup>	<u>Per Capita Income</u> <sup>(1)</sup>	<u>Personal Income</u> <sup>(1)</sup>	<u>School District Enrollment</u> <sup>(2)</sup>	<u>Number of Dropouts</u> <sup>(2)</sup>	<u>Dropouts as a Percentage of Enrollment</u>	<u>Unemployment Rate</u> <sup>(3)</sup>
2012	16,269	27,872	453,449,568	12,576	26	0.21%	6.7%
2013	16,269	27,872	453,449,568	12,604	14	0.11%	6.7%
2014	16,269	27,872	453,449,568	12,826	16	0.12%	5.6%
2015	16,269	27,872	453,449,568	12,704	14	0.11%	4.9%
2016	16,269	27,872	453,449,568	12,772	9	0.07%	4.9%
2017	16,269	27,872	453,449,568	12,808	29	0.23%	3.5%
2018	16,269	27,872	453,449,568	12,677	27	0.21%	3.9%
2019	16,269	27,872	453,449,568	12,373	26	0.21%	3.5%
2020	16,269	27,872	453,449,568	12,785	21	0.16%	8.3%
2021	18,773	27,872	523,241,056	12,518	25	0.20%	3.9%

Notes: <sup>(1)</sup> U.S. Census Bureau. <http://censtats.census.gov/data/PA/1604241432.pdf>

<sup>(2)</sup> North Penn School District records

<sup>(3)</sup> Bureau of Labor Statistics Data. <http://data.bls.gov/cgi-bin/dsrv>

**Borough of Lansdale  
Principal Employers  
Current and Nine Years Ago**

Employer	Description	2021			2012 <sup>(2)</sup>		
		Employees	Rank	of Total Borough Employment <sup>(1)</sup>	Employees	Rank	of Total Borough Employment
North Penn School District	School District	432	1	5.68%			
Delaware Valley Comfort At Home	Home Health Care	423	2	5.56%			
Caregivers America LLC	Home Health Care	303	3	3.99%			
Precise Point Inc	Home Health Care	275	4	3.62%			
Merck Sharp & Dohme Corp	Pharmaceutical	261	5	3.43%			
Express Services Inc.	Employment Agency	237	6	3.12%			
North Penn YMCA	Fitness	209	7	2.75%			
701 Lansdale Operating LLC	Nursing Home	188	8	2.47%			
Synergy Home Care	Home Health Care	161	9	2.12%			
Borough of Lansdale	Municipal Government	113	10	1.49%			
Totals		2,602		28.54%	-		0.00%

Notes: <sup>(1)</sup> Total number of individuals employed in the Borough in 2021: 8,574

<sup>(2)</sup> Complete employment information for 2012 is not available

Source: Berkheimer Tax Administrator records

**Borough of Lansdale**  
**Full Time Equivalent Borough Government Employees by Function**  
**Last Ten Fiscal Years**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government	9	10	10	11	11	15	13	12	14	14
Public Safety										
Officers	24	24	24	23	24	25	25	25	24	27
Civilians	7	7	7	7	7	7	7	7	8	8
Fire Safety										
Officers	1	1	1	1	1	1	2	2	2	2
Code Enforcement & Zoning	7	7	7	7	7	6	6	6	5	6
Public Works										
Highway and Streets	11	11	11	11	11	11	11	11	11	12
Electric	17	17	17	16	16	16	17	17	18	12
Culture and Recreation	6	6	6	6	7	7	7	7	7	7
WWTP	<u>12</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>15</u>	<u>14</u>	<u>12</u>
Totals:	94	95	96	96	97	102	103	102	103	100

Source: Borough of Lansdale, Montgomery County, Pennsylvania records

**Borough of Lansdale**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Police								
Part I Crimes	220	316	295	287	254	283	197	228
Part II Crimes	1,183	873	761	697	757	839	1,701	1,147
Fire Safety								
Alarm/Total Reponses	161	141	144	156	144	160	206	216
Building/Dwelling Structure	- 1	1	-	2	2	2	-	-
Vehicle	108	90	81	96	88	85	35	43
Other	29	19	18	21	17	20	12	27
Code Enforcement & Zoning	122	100	110	121	108	115	214	199
Building Permits	263	298	281	311	340	382	328	77
Electrical Permits	147	146	147	173	246	229	205	168
Sign Permits	34	35	35	31	43	47	21	23
Occupancy Permits	66	107	87	93	159	176	84	133
Plumbing Permits	110	125	118	116	176	238	206	132
Land Development	6	2	4	4	3	5	2	4
Zoning Hearing Board	8	9	13	8	10	3	6	10
Highway and Streets								
Street Resurfacing	1	1	1	1	1	1	4	3
Culture and Recreation								
Pool Memberships	3,285	3,324	3,088	2,925	2,630	2,526	2,499	2,472
Program Registration	219	880	857	968	1,146	937	1,058	978
Concert Series Attendance	7,975	7,270	9,090	9,450	8,925	9,685	7,700	7,225

Source: Borough of Lansdale, Montgomery County, Pennsylvania records

**Borough of Lansdale**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Function</b>										
General Government										
Municipal Building	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicle Units	13	14	14	14	14	14	14	16	14	
Fire Stations	1	1	1	1	1	1	1	1	1	1
Highway and Streets										
Street Miles	49	49	49	49	49	49	49	49	49	49
Streetlights - Residential	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120
Streetlights - Hwy	64	64	64	64	64	64	64	64	64	64
Traffic Signals	20	20	20	20	20	20	20	21	21	21
Culture and Recreation										
Park Sites	22	22	22	22	22	22	22	22	22	22
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Libraries	1	1	1	1	1	1	1	1	1	1

Source: Borough of Lansdale, Montgomery County, Pennsylvania records

**Borough of Lansdale  
Schedule of Insurance  
As of December 31, 2021**

<u>Name of Company</u>	<u>Policy Period</u>		<u>Type of Coverage</u>	<u>Liability Limits</u>	<u>Deductible</u>	<u>Annual Premium</u>
	<u>From</u>	<u>To</u>				
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	Real & Personal Property	\$1,000,000,000	\$1,000	\$136,634
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	Property - Flood	100,000,000	25,000	
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	Property - Earthquake	50,000,000	1,000	
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	Property - Terrorism	25,000,000	1,000	
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	Boiler & Machinery	100,000,000	1,000	
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	Inland Marine	1,000,000,000	1,000	
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	Crime	2,000,000	1,000	2,724
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	Business Income/Extra Expense	500,000/50,000,000	1,000	
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	General Liability	10,000,000	0	55,537
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	Sewer Back-up	10,000,000	0	
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	Employee Benefits Liability	1,000,000	2,500	
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	Abuse or Mollestation	10,000,000	-	
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	Pesticide and Herbicide	10,000,000	-	
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	Automobile	10,000,000	500	36,069
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	Public Official Liability	10,000,000	7,500	36,030
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	Employment Practices	10,000,000	7,500	
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	Law Enforcement Professional Liabili	10,000,000	7,500	33,653
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	Fiduciary Liability	1,000,000	2,500	
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	Cyber/Privacy Liability	10,000,000	2,500	
Delaware Valley Property & Liability Trust	1/1/21	1/1/22	Umbrella	8,000,000	-	
D.V.W.C.T.	1/1/21	1/1/22	Workers Compensation	1,000,000	-	290,529.00
Selective	1/1/21	1/1/22	Automobile - Fire Company	1,000,000	-	9,168
Indian Harbor	1/1/18	1/1/22	Pollution	3,000,000	25,000	22,708
<b>Total Premium:</b>					<b>\$</b>	<b>623,052</b>

Source: Borough of Lansdale, Montgomery County, Pennsylvania records

**Borough of Lansdale**  
**Police Pension Plan - Selected Data**  
**Last Ten Years**

Year Ended December 31	Number of Active Members	Contributions			Number of Retired Members
		Members	Borough	Total	
2012	20	84,142	931,568	1,015,710	21
2013	24	86,328	833,200	919,528	21
2014	23	88,781	868,240	957,021	22
2015	24	89,592	929,127	1,018,719	22
2016	24	87,906	967,144	1,055,050	22
2017	23	88,732	881,678	970,410	25
2018	26	94,383	928,725	1,023,108	25
2019	25	104,806	1,177,230	1,282,036	25
2020	25	113,095	1,271,982	1,385,077	25
2021	25	123,997	1,120,156	1,244,153	26

Notes: <sup>(1)</sup> Members' contributions were reduced from 5% to 2.5% as part of a collective bargaining agreement.

Source: Actuarial valuation reports and Borough of Lansdale, Montgomery County, Pennsylvania records.

**Borough of Lansdale  
Employee Pension Plans  
Annual Contributions by Borough  
Last Ten Years**

<b>Year Ended December 31</b>	<b>Primary Plans</b>		<b>Secondary Plans</b>		
	<b>Administrative</b>	<b>Union</b>	<b>Administrative</b>	<b>Union (AFSCME)</b>	<b>Union (Molders)</b>
2012	76,528	205,001	76,647	44,768	None
2013	79,849	215,383	93,754	44,317	None
2014	96,134	226,178	91,639	32,709	None
2015	105,991	205,863	91,660	41,756	None
2016	104,421	254,912	89,953	47,604	None
2017	131,483	271,167	102,941	88,626	None
2018	121,050	284,997	100,388	54,126	None
2019	115,532	330,558	95,941	70,419	None
2020	124,266	312,550	105,331	75,034	None
2021	125,048	308,781	120,030	94,429	None

**Borough of Lansdale  
Salaries of Elected Officials  
December 31, 2021**

<u>Official Title</u>	<u>Annual Salary</u>
Mayor	\$ 2,400
Councilman, President	2,400
Councilman, Vice President	2,400
Councilman	2,400
Councilman	2,400
Councilman	2,400
Councilman	2,400
Councilman	2,400
Councilman	2,400
Councilman	2,400
Tax Collector	25,800

Source: Borough of Lansdale, Montgomery County, Pennsylvania records.

**Borough of Lansdale**  
**Miscellaneous Statistics**  
**December 31, 2021**

**Date Founded** 1872  
**Form of Government** Elected Borough Council and Mayor  
**Area** 2.99 square miles  
**Miles of Road** 49  
**Fire Protection** 1 volunteer stations  
**Police Protection** 25 full time Officers (including Chief)  
 1 part-time Officers  
 14 vehicle patrol units  
**Recreation** 22 sites, including 2 swimming pools  
**Libraries** Lansdale Public Library

**Transportation:**

**Bus Service** The Southeastern Pennsylvania Transportation Authority (SEPTA) and private bus companies operate in the Borough.  
**Railway** Two branch lines pass through the Borough and stop at one station located in the Borough

**Education:**

Number of Schools (Fall, 2021)	Public	Nonpublic
Elementary	2	1
Middle	1	
Secondary		1

**Hospitals:**

The following hospitals serve the Borough and the greater North Penn area:  
 Abington-Lansdale Hospital, Lansdale  
 Grandview Hospital, Sellersville  
 Abington Hospital, Abington

**Borough Employees:**

Full Time 104  
 Part Time 25

**Population:**

2010	2000	1990	1980
16,269	16,071	16,233	16,526

**Borough of Lansdale**  
**Miscellaneous Statistics**  
**December 31, 2021**

**Age Group Comparisons:**

	<b>Borough</b>				<b>State</b>				<b>U.S.</b>			
	2010	2000	1990	1980	2010	2000	1990	1980	2010	2000	1990	1980
<b>% Under 20</b>	21.4%	24.5%	21.6%	24.6%	22.0%	26.5%	23.5%	26.3%	24.0%	25.7%	25.6%	28.1%
<b>% 20 - 64</b>	64.4%	60.0%	62.2%	62.0%	62.6%	53.7%	61.1%	60.8%	63.0%	61.9%	61.8%	60.7%
<b>% over 65</b>	14.2%	15.5%	16.2%	13.4%	15.4%	19.8%	15.4%	12.9%	13.0%	12.4%	12.6%	11.2%
<b>Median ( years )</b>	38.9	37.0	34.6	32.7	39.8	38.0	35.0	32.9	37.2	35.3	32.9	30.00

**Average Household Size (persons):**

	2010	2000	1990	1980
<b>Lansdale Borough</b>	2.36	2.36	2.41	2.61
<b>U.S.</b>	2.59	2.62	2.63	2.75

**Number of Married couple families as a percentage of all households:**

	2010	2000	1990
<b>Lansdale Borough</b>	48.20%	46.80%	51.60%
<b>U.S.</b>	49.70%	51.70%	55.10%

**Married couple families by presence of children under 18:**

	2010	2000	1990
<b>With children</b>	1218	1,374	1,467
<b>Without children</b>	1587	1,722	2,051
<b>Difference</b>	369	348	584

Source: United States Department of Commerce, Bureau of the Census, 2010 and Borough of Lansdale, Montgomery County, Pennsylvania records