



**Borough of Lansdale, Pennsylvania
Annual Comprehensive Financial Report
Fiscal Year Ended, December 31, 2022**

BOROUGH OF LANSDALE, PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended December 31, 2022

Prepared by:

The Office of the Director of Finance

INTRODUCTORY SECTION

BOROUGH OF LANSDALE, PENNSYLVANIA

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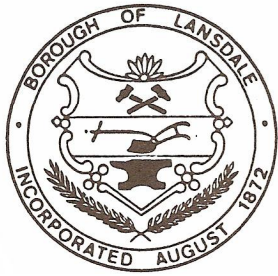
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BOROUGH OF LANSDALE

One Vine Street ■ Lansdale, Pennsylvania 19446-3601

■ FAX 215-361-8399

■ 215-368-1691

October 24, 2023

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, 2022 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, 2022, 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, 2022, 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

In 2022, Lansdale Borough celebrated an historic milestone as we reached our 150th anniversary of incorporation. Throughout the year, we highlighted the key milestone and accomplishment with a year-long celebration bringing back events from the past and by honoring those who were instrumental in the growth of Lansdale. Not only was the community invested in this celebration, but Borough elected officials and staff were paramount in making this sesquicentennial celebration Lansdale-worthy.

Included in the returning events were the Strawberry Festival which was held in the Fairmount Fire Company station with proceeds going to the fire company; A Day in the Park was held where community members joined each other on the actual day of incorporation to celebrate with local food, beverage and music; Dealers through the Decades car show remembered the numerous car dealerships that were—and in some cases—still are located in the Borough and how the introduction of automobiles influenced life in Lansdale.

In addition to the celebration events, key members of Lansdale were recognized for the roles they played in who we are as a Borough today. Early in the year we honored our long-time Parks and Recreation Director, Carl W. Saldutti, by planting 150 trees in Borough parks. Carl's longevity is a testament to his dedication to Lansdale and his ability to work with various levels of community, staff and elected officials.

Also recognized as part of the anniversary celebration was former Mayor Michael DiNunzio, more simply known by Borough residents as "Mayor Mike." Owner of a shoe repair and luggage business, he became active in civic affairs upon returning home from World War II service in Europe. He was actively involved in countless community organizations, especially the Lansdale Rotary Club, the Volunteer Nurses Association and our historical society. Most of all, he was the town's greatest booster during his 26 years as mayor beginning in 1982. Any cause that he felt benefitted the Borough received an energy bounce when he got involved. His infectious smile, firm handshake and power of persuasion gained funds and supporters for projects all over town making it a perfect fit to honor him by naming the newly constructed gazebo in Memorial Park after him.

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. The Borough of Lansdale submitted for this award for 2021 and expects to receive the award, but the review of the report hasn't been completed by the GFOA.

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.

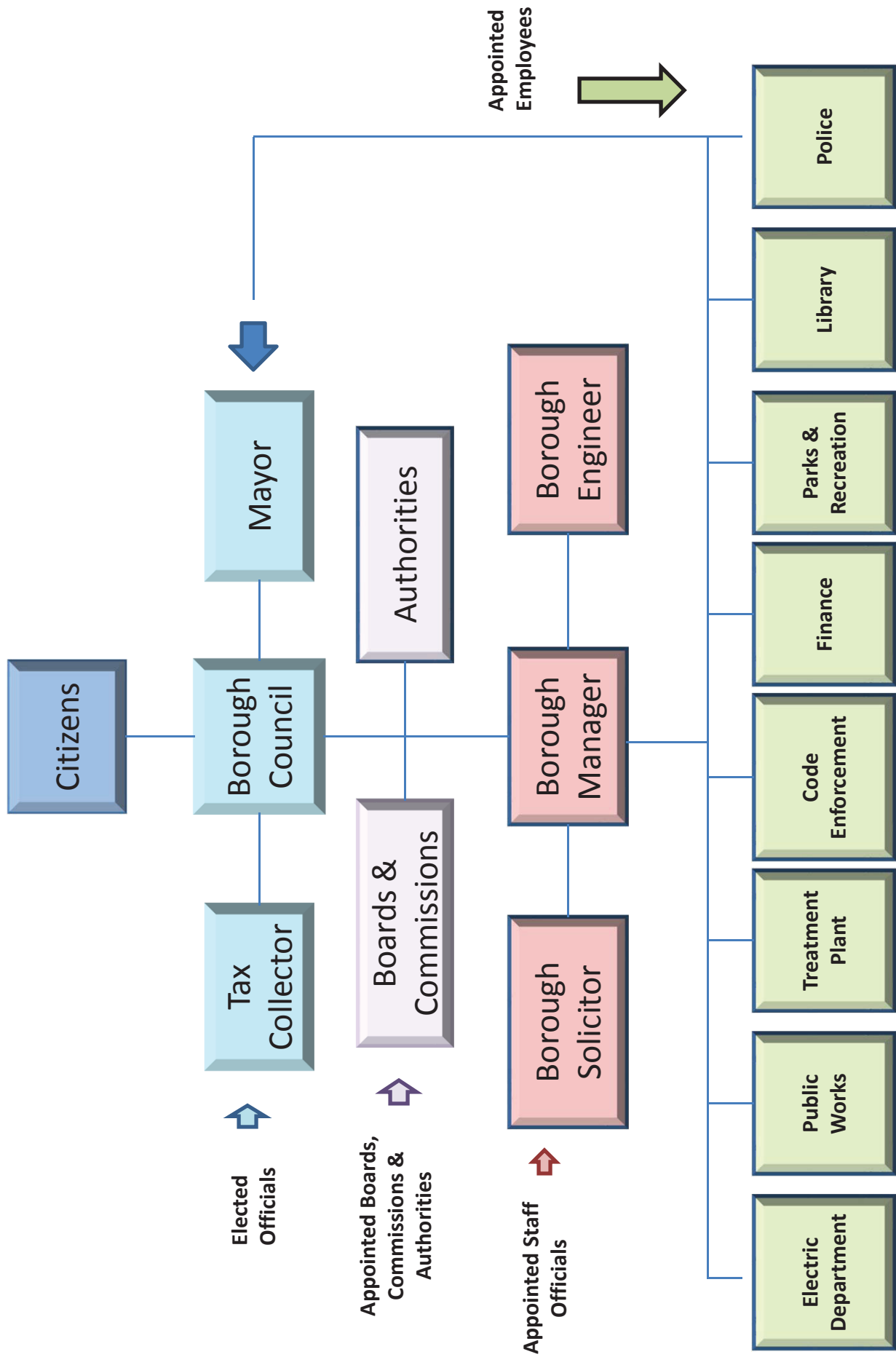
In closing, without the leadership of the Mayor and Borough Council and the unwavering support and encouragement of the Borough Manager, preparation of this report would not have been possible.

Sincerely,

Glenn Dickerson
Director of Finance

December 31, 2021 GFOA Certificate
not yet made available by GFOA

Lansdale Borough Organizational Chart



BOROUGH OF LANSDALE
LIST OF OFFICIALS
December 31, 2022

Mayor	Garry Herbert
Council President	Denton Burnell
Council Vice-President	Mary Fuller
Council Member-Ward I	BJ Breish
Council Member-Ward I	Rachael Bollens
Council Member-Ward II	Meg Currie Teoh
Council Member-Ward II	Andrew Carroll
Council Member-Ward II	Richard DiGregorio
Council Member-Ward III	Mark Ladley
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.

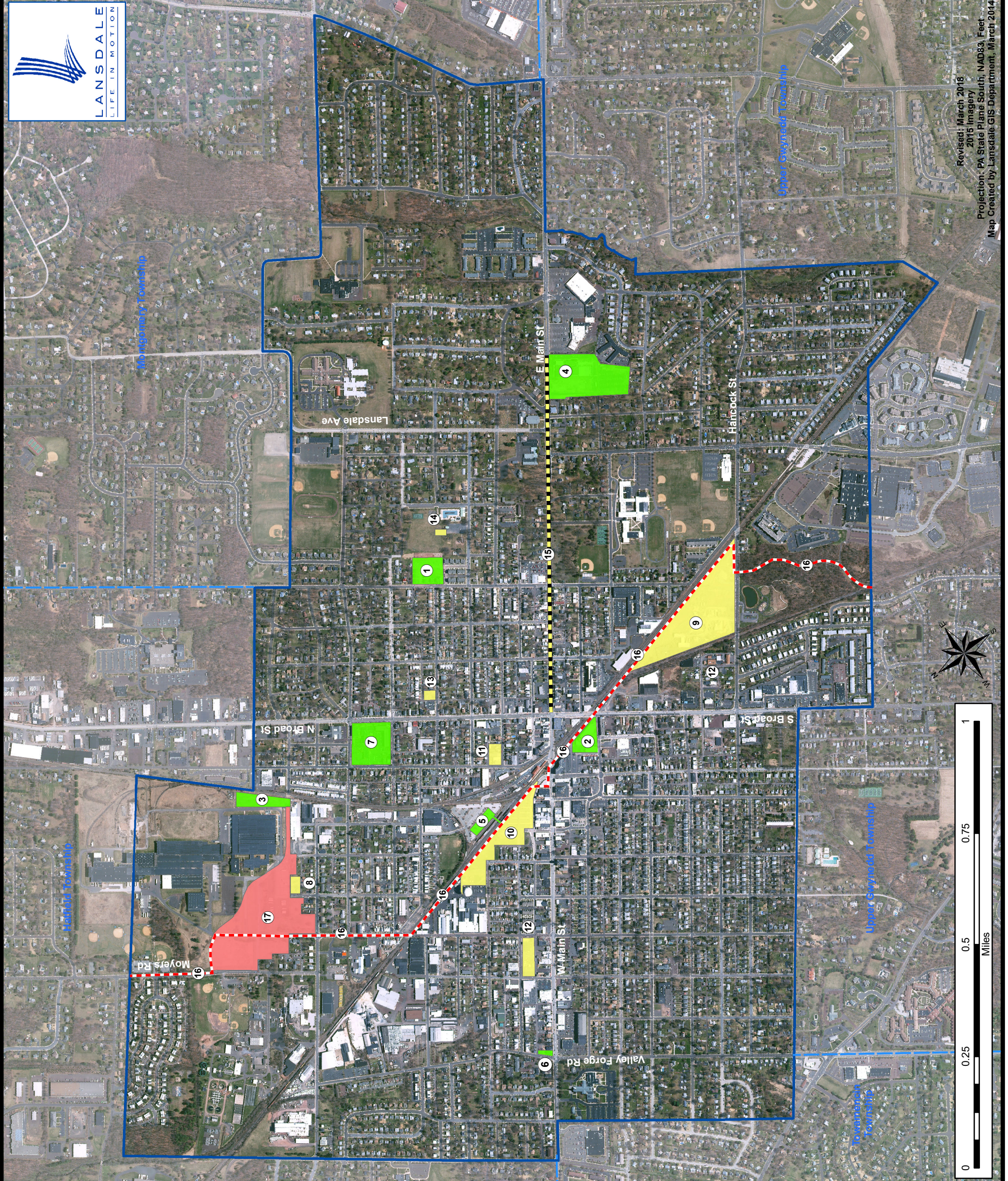
Borough of Lansdale

Land Development 2019

- 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: Lansdale Station**
Developer: Septa
Approved: 2014
Product: Parking Garage: 681 Spaces
- 6 Unique Aid: 859-861 W Main St**
Developer: Andlia 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

- 8 Temple Equity Partners, LLC: 815 N Towamencin Ave**
Developer: T.B.D
Approved: 2012
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 Walnut 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:** - - - - -
- 16 Liberty Bell Trail** - - - - -

- 17 North Penn Park View: 1000 N Cannon Ave**
Developer: TBD
Approved: 2008/ Needs Current Review
Product: 175 Townhomes



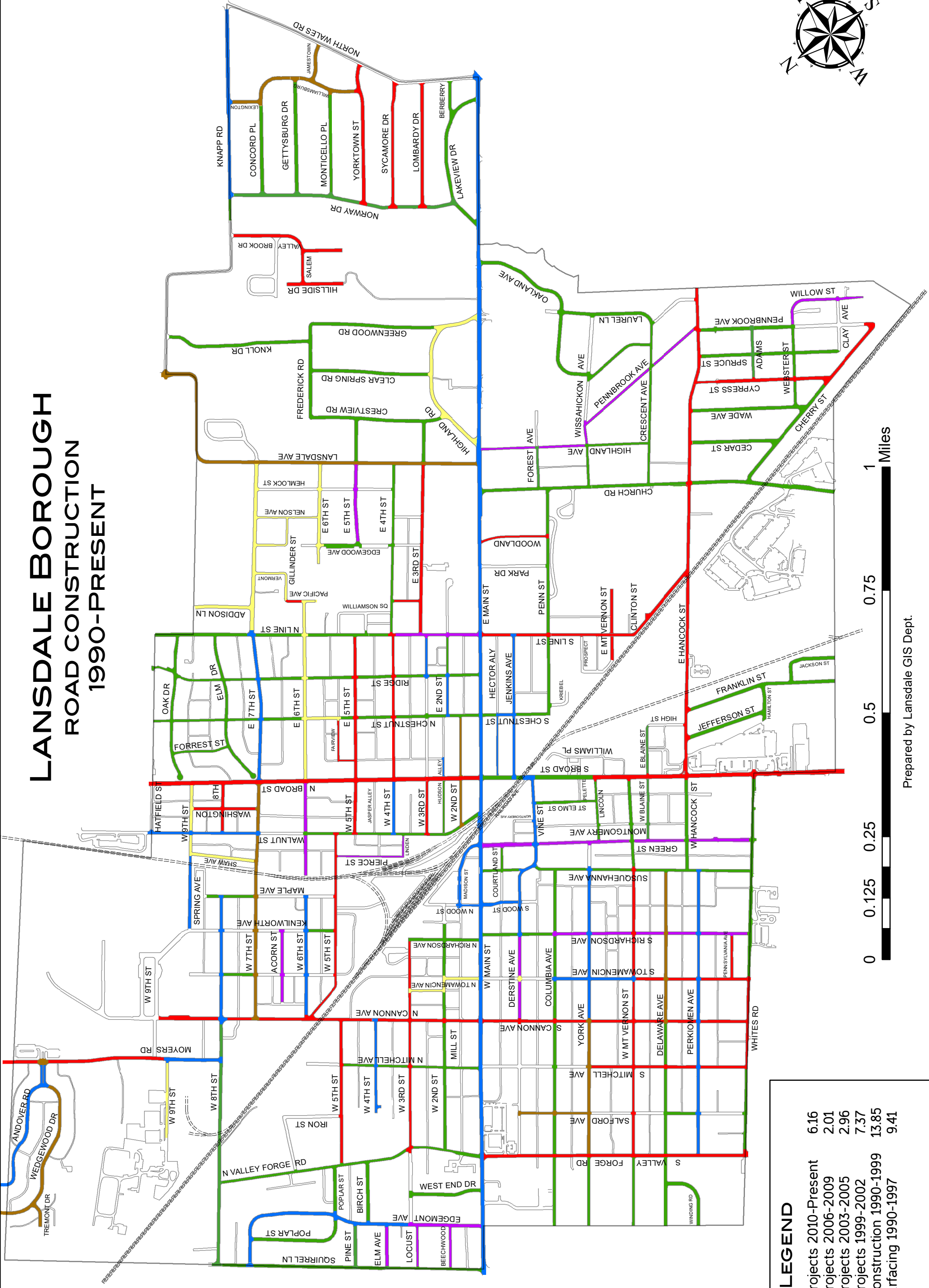
Revised: March 2018
2015 Imagery
Projection: PA State Plane South, NAD83, Feet
Map Created by Lansdale GIS Department, March 2014

Completed Projects

Ongoing Projects

Future Projects

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

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, 2022, 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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.

Emphasis of Matter

As disclosed in Note J, for the year ended December 31, 2022, the Borough of Lansdale adopted new accounting guidance, implementing Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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
October 24, 2023

BOROUGH OF LANSDALE, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2022

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, 2022. 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 \$89,691,284 (net position). Of this amount, \$25,688,314 may be used to meet the government's ongoing obligations to citizens and creditors.
- The Borough's total net position increased by \$4,446,390. As of the close of the current fiscal year, the Borough of Lansdale's Governmental Funds reported combined ending fund balances of \$23,144,365. Approximately \$9,964,651, 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 \$9,964,651 or 65% 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, 2022

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, 2022

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, 2022

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 \$89,668,636 at the close of the most recent fiscal year.

The largest portion of the Borough of Lansdale's net position (68.7%) is the net investment in capital assets.

Borough of Lansdale's Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
ASSETS						
Current and other assets	\$ 26,217,253	\$ 24,326,866	\$ 14,182,342	\$ 13,420,048	\$ 40,399,595	\$ 37,746,914
Capital assets						
Depreciable	53,086,705	55,149,715	14,074,650	14,590,835	67,161,355	69,740,550
Nondepreciable	19,863,315	15,459,864	11,500	11,500	19,874,815	15,471,364
TOTAL ASSETS	99,167,273	94,936,445	28,268,492	28,022,383	127,435,765	122,958,828
DEFERRED OUTFLOWS OF RESOURCES						
Deferred amount on refunding, net	168,749	184,123	-	-	168,749	184,123
Pension activity	3,589,815	379,204	-	-	3,589,815	379,204
OPEB activity	724,221	959,153	-	-	724,221	959,153
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,482,785	1,522,480	-	-	4,482,785	1,522,480
LIABILITIES						
Long-term liabilities outstanding	34,661,212	32,674,795	-	-	34,661,212	32,674,795
Other liabilities	4,757,848	1,615,895	1,385,244	1,228,978	6,143,092	2,844,873
TOTAL LIABILITIES	39,419,060	34,290,690	1,385,244	1,228,978	40,804,304	35,519,668
DEFERRED INFLOWS OF RESOURCES						
Lease activity	-	-	892,671	-	892,671	-
Pension activity	-	2,347,428	-	-	-	2,347,428
OPEB activity	530,291	475,287	-	-	530,291	475,287
TOTAL DEFERRED INFLOWS OF RESOURCES	530,291	2,822,715	892,671	-	1,422,962	2,822,715
NET POSITION						
Net investment in capital assets	47,130,443	42,973,137	14,086,150	14,602,335	61,216,593	57,575,472
Restricted	1,044,796	622,778	1,741,581	1,714,327	2,786,377	2,337,105
Unrestricted	15,525,468	15,749,605	10,162,846	10,476,743	25,688,314	26,226,348
TOTAL NET POSITION	\$ 63,700,707	\$ 59,345,520	\$ 25,990,577	\$ 26,793,405	\$ 89,691,284	\$ 86,138,925

3.1% 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 \$4,446,390 during the current fiscal year.

BOROUGH OF LANSDALE, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2022

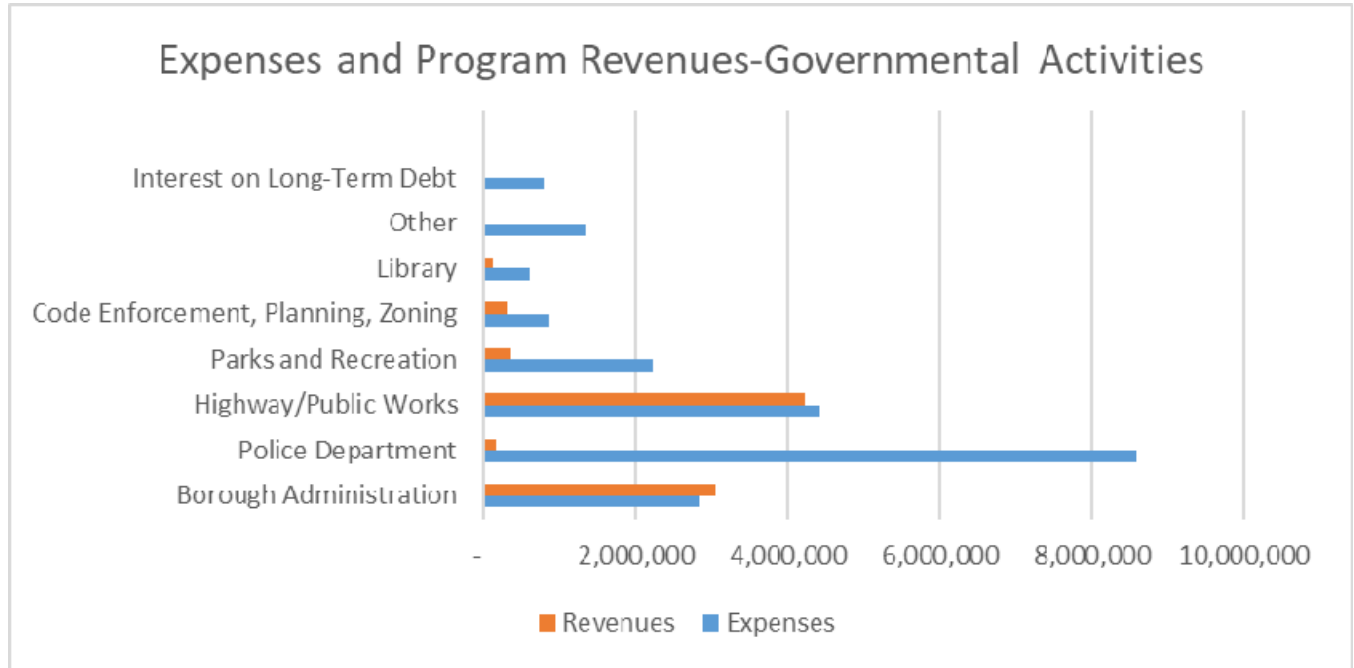
Governmental Activities

Governmental activities increased the Borough of Lansdale's net position by \$5,249,218.

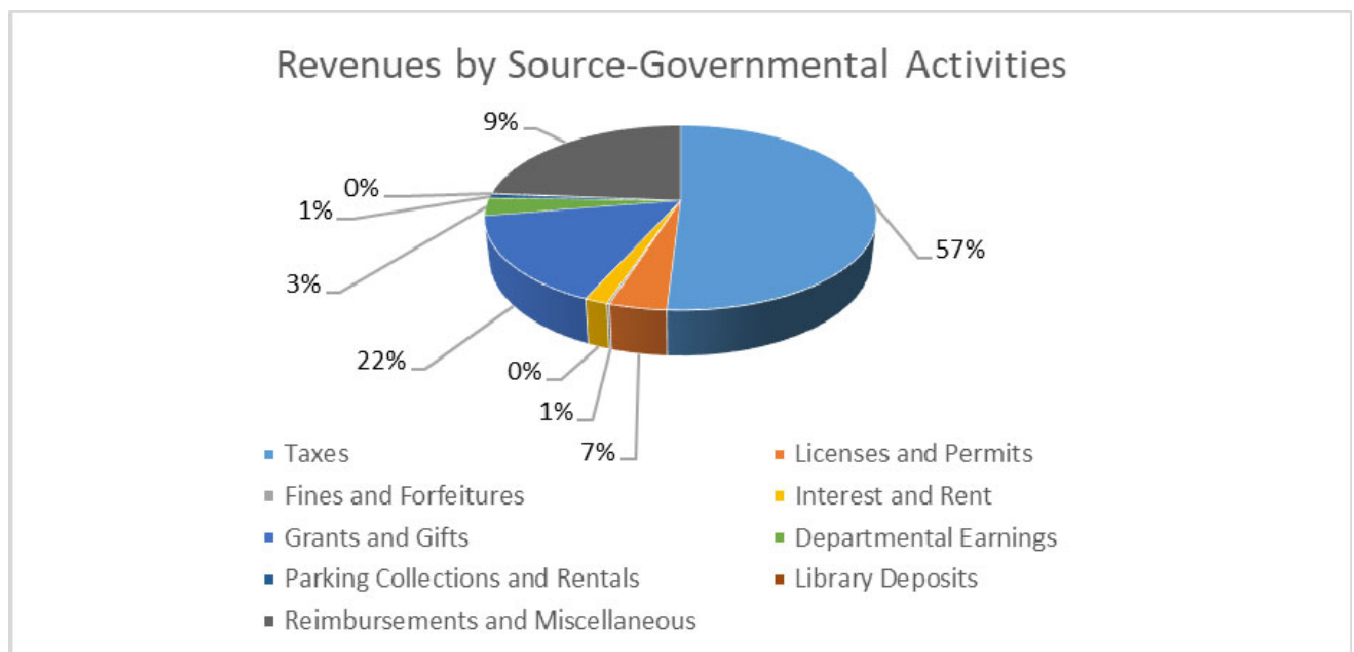
	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program revenues						
Charges for services	\$ 6,304,660	\$ 3,999,740	\$ 26,983,862	\$ 26,050,824	\$ 33,288,522	\$ 30,050,564
Operating grants and contributions	1,350,252	1,335,707	-	-	1,350,252	1,335,707
Capital grants and contributions	567,596	389,730	-	-	567,596	389,730
General revenues						
Taxes	9,444,162	8,302,542	-	-	9,444,162	8,302,542
Unrestricted investment earnings	290,179	71,089	2,451	572	292,630	71,661
Miscellaneous	546,943	287,641	-	-	546,943	287,641
TOTAL REVENUES	18,503,792	14,386,449	26,986,313	26,051,396	45,490,105	40,437,845
EXPENSES						
Administration	2,846,376	2,410,945	-	-	2,846,376	2,410,945
Police department	8,590,092	6,861,447	-	-	8,590,092	6,861,447
Highway/public works	4,423,606	3,394,614	-	-	4,423,606	3,394,614
Culture and recreation	2,214,279	1,731,467	-	-	2,214,279	1,731,467
Code enforcement/planning/zoning	865,509	936,962	-	-	865,509	936,962
Library	612,780	528,295	-	-	612,780	528,295
Other	1,348,157	954,239	-	-	1,348,157	954,239
Interest on long-term debt	777,777	728,371	-	-	777,777	728,371
Electric	-	-	14,979,984	14,412,881	14,979,984	14,412,881
Sewer	-	-	4,306,827	4,183,479	4,306,827	4,183,479
421 West Main Street	-	-	78,328	75,338	78,328	75,338
TOTAL EXPENSES	21,678,576	17,546,340	19,365,139	18,671,698	41,043,715	36,218,038
CHANGE IN NET POSITION BEFORE TRANSFERS	(3,174,784)	(3,159,891)	7,621,174	7,379,698	4,446,390	4,219,807
TRANSFERS						
Transfers	8,424,002	8,650,000	(8,424,002)	(8,650,000)	-	-
CHANGE IN NET POSITION	5,249,218	5,490,109	(802,828)	(1,270,302)	4,446,390	4,219,807
NET POSITION AT BEGINNING OF YEAR, restated						
	58,451,489	53,855,411	26,793,405	28,063,707	85,244,894	81,919,118
NET POSITION AT END OF YEAR	<u>\$ 63,700,707</u>	<u>\$ 59,345,520</u>	<u>\$ 25,990,577</u>	<u>\$ 26,793,405</u>	<u>\$ 89,691,284</u>	<u>\$ 86,138,925</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2022

The Highway/Public Works expenses increased by \$1,028,992 (30%) due to increased road resurfacing and highway maintenance projects.



Capital outlay in 2022 was \$4,403,451, which was funded mainly through the 2012 and 2014 General Obligation Bonds, the 2017 infrastructure note and capital savings.

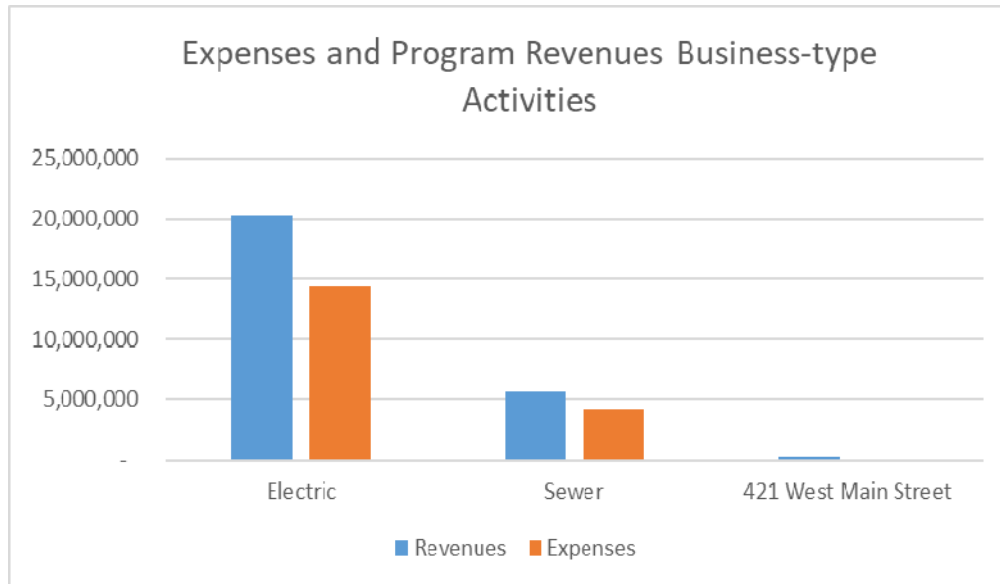


BOROUGH OF LANSDALE, PENNSYLVANIA
MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2022

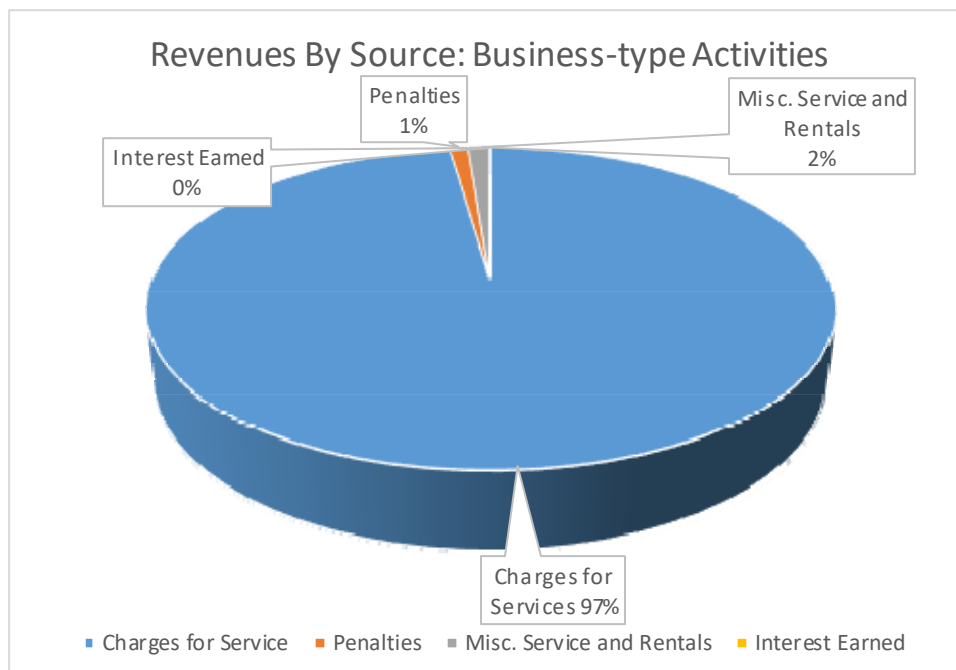
In 2022, the Borough received \$567,596 in Grants and Gifts which represents approximately 3 percent (3%) of revenues for Governmental Activities. Grants are up as a result of more grant opportunities that were taken advantage of to help fund outstanding Borough projects. Total tax collection for 2022 totaled \$9,444,162 which amounts to fifty-one percent (51%) of the revenues for Governmental Activities. Of the total tax collection, fifty-three percent (53%) or \$5,035,130 is real estate tax collection.

Business-Type Activities

Business-type activities decreased the Borough of Lansdale’s net position by \$802,828.



Program Revenue for the Electric Fund amounted to \$21,055,900; those for the Sewer Fund totaled \$5,787,924; and those for the 421 West Main Street Fund equal \$140,038. Net (expenses) revenue and changes in net position were -\$379,370, -\$400,680 and -\$22,778, respectively.



BOROUGH OF LANSDALE, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2022

Charges for service generated \$26,348,310 in revenue during 2022, representing ninety-nine percent (99%) of total revenue for Business-type Activities. Seventy-eight percent (78%) of this revenue was sale of electricity totaling \$20,619,978 and twenty-two percent (22%) was sewer rents in the amount of \$5,728,332.

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, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Borough of Lansdale's Governmental Funds reported combined ending fund balances of \$23,144,366, an increase of \$1,619,215 in comparison with the prior year. Approximately 43% of this total amount (\$9,964,651) 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 (\$4,877,926), is restricted for the Library (\$239,934), is committed to parking projects (\$3,644,784), is committed to other post-employment benefits (\$4,257,333), 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 \$9,964,651. 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 65% and 117.7% of total General Fund expenditures, respectively.

The fund balance of the Borough of Lansdale's General Fund decreased by \$731,036 during the current fiscal year. This decrease results from increased tax collections as a result of 1 mil increase, that increase is offset by a decrease in transfers from other funds to the General Fund. The Borough Budget for expenditures in 2022 was \$15,543,132 and the actual expenditures were \$15,329,629, a difference of (\$213,503). The Borough Budget for revenues was \$12,038,000 and the actual revenues were \$12,961,141 generating \$923,141 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, 2022

Capital Projects Fund

The Capital Projects Fund accounts for the majority of capital projects and purchases for the Borough of Lansdale. In 2022, \$6,264,323 was spent on various projects. Street and storm water projects continue to be the main expenditures, with \$5,895,245 of the total expenditures of the fund spent on these projects. Other expenditures included park improvements of \$269,121 and \$54,756 spent on public safety.

The fund balance of the Borough of Lansdale's Capital Project Fund increased by \$2,341,981 during the current fiscal year.

Lansdale Parking Authority Fund

The Lansdale Parking Authority Fund accounts for the activity of the Lansdale Parking Authority. In 2022, \$502,218 was spent on administration and projects of the Lansdale Parking Authority. Pass through grants is the main expenditure, with \$333,117 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 \$470,699 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 2022, \$2,503,376 was spent on debt service between principal \$1,763,055 and interest \$739,676.

The fund balance of the Borough of Lansdale's Debt Service Fund decreased by \$10,088 during the current fiscal year. This decrease 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 \$7,319,030; those for the Sewer Fund amounted to \$3,146,274; and those for the West Main Street Fund amounted to \$197,542. The activity in net position for all three funds was a decrease of \$379,370, a decrease of \$400,680 and a decrease of \$22,778, 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, 2022

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 \$923,141
 - An actual overage of \$1,195,168 in Total Taxes.
 - Real Estate Transfer Taxes was \$681,384 greater than anticipated.
 - Earned Income Taxes were \$458,697 greater than anticipated.
 - An actual overage of \$144,155 in interest and rent.
 - Interest rates up in 2022.
 - An actual shortfall of \$38,424 in Fines and Forfeitures.
 - Decrease in vehicle traffic as recovery from Covid Pandemic continues.
- **Expenditures** - Total difference from budgeted to actual was (\$213,503).
 - Variance due mainly to the increased cost of supplies because of the rise in inflation.

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, 2022, amounts to \$87,036,170 (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, 2022

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

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Infrastructure	\$ 40,384,239	\$ 41,848,746	\$ -	\$ -	\$ 40,384,239	\$ 41,848,746
Land and land improvements	4,499,485	4,499,485	-	-	4,499,485	4,499,485
Construction in progress	4,403,451	-	11,500	11,500	4,414,951	11,500
Buildings and facilities	21,297,921	21,984,380	605,954	626,524	21,903,875	22,610,904
Furniture and fixtures	2,067,849	1,988,351	-	-	2,067,849	1,988,351
Books	297,075	288,617	-	-	297,075	288,617
Electric system	-	-	5,025,198	5,422,510	5,025,198	5,422,510
Sewer system	-	-	8,443,498	8,541,801	8,443,498	8,541,801
	<u>\$ 72,950,020</u>	<u>\$ 70,609,579</u>	<u>\$ 14,086,150</u>	<u>\$ 14,602,335</u>	<u>\$ 87,036,170</u>	<u>\$ 85,211,914</u>

Additional information on the Borough of Lansdale's capital assets can be found in Note C on pages 53 through 55 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 \$25,988,325. 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	
	2022	2021	2022	2021	2022	2021
General obligation bonds and notes	<u>\$ 25,988,325</u>	<u>\$ 27,362,232</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,988,325</u>	<u>\$ 27,362,232</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 57 through 60 of this report.

BOROUGH OF LANSDALE, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2022

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.

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, 2022

	Governmental Activities	Business-Type Activities	Totals
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash and cash equivalents	\$ 25,379,778	\$ 5,419,447	\$ 30,799,225
Investments	-	3,423,777	3,423,777
Beneficial interest in a charitable trust	46,949	-	46,949
Receivables, net of allowance for uncollectibles			
Taxes, real estate	242,151	-	242,151
Electric and sewer	-	3,471,153	3,471,153
Other	588,360	153,957	742,317
Internal balances	(93,000)	93,000	-
Prepaid items	53,015	22,951	75,966
Inventories	-	682,738	682,738
Lease Receivable	-	915,319	915,319
Capital assets			
Depreciable capital assets, net	53,086,705	14,074,650	67,161,355
Nondepreciable capital assets	19,863,315	11,500	19,874,815
TOTAL ASSETS	99,167,273	28,268,492	127,435,765
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding, net of accumulated amortization	168,749	-	168,749
Deferred outflows of resources, pension activity	3,589,815	-	3,589,815
Deferred outflows of resources, OPEB activity	724,221	-	724,221
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,482,785	-	4,482,785
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 103,650,058	\$ 28,268,492	\$ 131,918,550
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
LIABILITIES			
Accounts payable	\$ 407,804	\$ 282,922	\$ 690,726
Accrued payroll	573,012	302,611	875,623
Accrued interest	89,811	-	89,811
Other current liabilities	826,053	-	826,053
Liabilities payable for customer deposits	-	799,711	799,711
Unearned revenue	1,044,991	-	1,044,991
Bonds and notes payable			
Due within one year	1,885,363	-	1,885,363
Due in more than one year	24,102,962	-	24,102,962
Net pension liability, due in more than one year	5,517,966	-	5,517,966
Total OPEB liability, due in more than one year	4,971,098	-	4,971,098
TOTAL LIABILITIES	39,419,060	1,385,244	40,804,304
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources, Lease activity	-	892,671	892,671
Deferred inflows of resources, OPEB activity	530,291	-	530,291
TOTAL INFLOWS OF RESOURCES	530,291	892,671	1,422,962
NET POSITION			
Net investment in capital assets	47,130,443	14,086,150	61,216,593
Restricted			
Electric utility activities	-	1,741,581	1,741,581
Highways and street projects	804,862	-	804,862
Library	239,934	-	239,934
Unrestricted	15,525,468	10,162,846	25,688,314
TOTAL NET POSITION	63,700,707	25,990,577	89,691,284
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 103,650,058	\$ 28,268,492	\$ 131,918,550

See accompanying notes to the basic financial statements.

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BOROUGH OF LANSDALE, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
Borough administration	\$ 2,846,376	\$ 2,267,176	\$ 778,407	\$ -
Police department	8,590,092	161,885	-	-
Public works	4,423,606	3,173,420	482,160	567,596
Culture and recreation	2,214,279	369,595	-	-
Code enforcement	865,509	298,719	-	-
Library	612,780	31,413	89,685	-
Public services	1,348,157	2,452	-	-
Interest on long-term debt	<u>777,777</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>21,678,576</u>	<u>6,304,660</u>	<u>1,350,252</u>	<u>567,596</u>
BUSINESS-TYPE ACTIVITIES				
Electric	14,979,984	21,055,900	-	-
Sewer	4,306,827	5,787,924	-	-
421 West Main Street	<u>78,328</u>	<u>140,038</u>	<u>-</u>	<u>-</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>19,365,139</u>	<u>26,983,862</u>	<u>-</u>	<u>-</u>
TOTAL BOROUGH ACTIVITIES	<u>\$ 41,043,715</u>	<u>\$ 33,288,522</u>	<u>\$ 1,350,252</u>	<u>\$ 567,596</u>
GENERAL REVENUES				
Taxes				
Earned income tax				
Real property tax				
Real estate transfer taxes				
Unrestricted investment earnings				
Miscellaneous				
TRANSFERS				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
NET POSITION AT BEGINNING OF YEAR, restated				
NET POSITION AT END OF YEAR				

See accompanying notes to the basic financial statements.

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Governmental</u>	<u>Business-Type</u>	
<u>Activities</u>	<u>Activities</u>	<u>Totals</u>
\$ 199,207	\$ -	\$ 199,207
(8,428,207)	-	(8,428,207)
(200,430)	-	(200,430)
(1,844,684)	-	(1,844,684)
(566,790)	-	(566,790)
(491,682)	-	(491,682)
(1,345,705)	-	(1,345,705)
<u>(777,777)</u>	<u>-</u>	<u>(777,777)</u>
<u>(13,456,068)</u>	<u>-</u>	<u>(13,456,068)</u>
-	6,075,916	6,075,916
-	1,481,097	1,481,097
<u>-</u>	<u>61,710</u>	<u>61,710</u>
<u>-</u>	<u>7,618,723</u>	<u>7,618,723</u>
<u>(13,456,068)</u>	<u>7,618,723</u>	<u>(5,837,345)</u>
3,267,936	-	3,267,936
5,035,130	-	5,035,130
1,141,096	-	1,141,096
290,179	2,451	292,630
546,943	-	546,943
8,424,002	(8,424,002)	-
<u>18,705,286</u>	<u>(8,421,551)</u>	<u>10,283,735</u>
5,249,218	(802,828)	4,446,390
<u>58,451,489</u>	<u>26,793,405</u>	<u>85,244,894</u>
<u>\$ 63,700,707</u>	<u>\$ 25,990,577</u>	<u>\$ 89,691,284</u>

BOROUGH OF LANSDALE, PENNSYLVANIA

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2022

	General Fund	Capital Projects Fund	Lansdale Parking Authority Revenue Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 18,748,117	\$ 1,770,138	\$ 3,071,869	\$ 116,810	\$ 1,672,844	\$ 25,379,778
Beneficial interest in a charitable trust	-	-	-	-	46,949	46,949
Receivables, net of allowance for uncollectible accounts						
Taxes, real estate	242,151	-	-	-	-	242,151
Other	414,070	174,290	-	-	-	588,360
Due from other funds	1,380,567	-	-	-	-	1,380,567
Prepaid items	53,015	-	-	-	-	53,015
TOTAL ASSETS	\$ 20,837,920	\$ 1,944,428	\$ 3,071,869	\$ 116,810	\$ 1,719,793	\$ 27,690,820
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 133,017	\$ 260,342	\$ -	\$ 10,088	\$ 4,357	\$ 407,804
Due to other funds	-	1,380,567	93,000	-	-	1,473,567
Accrued payroll	568,287	-	-	-	4,725	573,012
Other current liabilities	826,053	-	-	-	-	826,053
Unearned revenues	1,044,991	-	-	-	-	1,044,991
TOTAL LIABILITIES	2,572,348	1,640,909	93,000	10,088	9,082	4,325,427
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue, property taxes	221,028	-	-	-	-	221,028
FUND BALANCES						
Nonspendable, prepaid items	53,015	-	-	-	-	53,015
Restricted						
Highway and street projects	-	-	-	-	804,862	804,862
Building and infrastructure projects	-	303,519	-	-	-	303,519
Library	-	-	-	-	239,934	239,934
Committed						
Capital projects	3,769,545	-	-	-	-	3,769,545
Parking projects	-	-	2,978,869	-	665,915	3,644,784
Other post employment benefits	4,257,333	-	-	-	-	4,257,333
Assigned						
Debt service	-	-	-	106,722	-	106,722
Unassigned	9,964,651	-	-	-	-	9,964,651
TOTAL FUND BALANCES	18,044,544	303,519	2,978,869	106,722	1,710,711	23,144,365
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 20,837,920	\$ 1,944,428	\$ 3,071,869	\$ 116,810	\$ 1,719,793	\$ 27,690,820

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, 2022

TOTAL GOVERNMENTAL FUNDS BALANCES	\$ 23,144,365
<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
Construction in progress	4,403,451
Infrastructure	51,964,126
Building, structures and facilities	29,315,330
Furniture, fixtures, equipment and related assets	6,772,256
Library books	1,206,718
Accumulated depreciation	(25,211,346)
<p>Other long-term assets are not available to pay current period expenditures and are deferred in the funds.</p>	
	221,028
<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>	
	(389,148)
<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	168,749
<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>	
	3,783,745
<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	(89,811)
Bonds and notes payable	(25,599,177)
Net pension liability	(5,517,966)
Total OPEB liability	<u>(4,971,098)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 63,700,707</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, 2022

	General Fund	Capital Projects Fund	Lansdale Parking Authority Revenue Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 9,405,084	\$ -	\$ -	\$ -	\$ -	\$ 9,405,084
Licenses and permits	732,622	-	-	-	-	732,622
Fines and forfeitures	36,576	-	-	-	-	36,576
Interest and rent	239,965	16,722	31,939	-	10,581	299,207
Grants and gifts	778,407	1,543,831	-	-	571,845	2,894,083
Departmental earnings	569,294	-	-	-	-	569,294
Parking collections and rentals	-	-	-	-	130,398	130,398
Library deposits	-	-	-	-	31,413	31,413
Miscellaneous	1,199,193	3,167,489	-	-	-	4,366,682
TOTAL REVENUES	12,961,141	4,728,042	31,939	-	744,237	18,465,359
EXPENDITURES						
Current						
Borough administration	2,525,354	-	-	645	-	2,525,999
Public safety	7,440,826	54,756	-	-	-	7,495,582
Highways/public works	2,246,501	5,895,245	-	-	-	8,141,746
Code enforcement, planning and zoning	865,509	-	-	-	-	865,509
Parks and recreation	1,476,022	269,121	-	-	-	1,745,143
Library	-	-	-	-	600,078	600,078
Public services	775,417	-	502,638	-	70,102	1,348,157
Debt service						
Principal	-	-	-	1,763,055	-	1,763,055
Interest and other charges	-	45,201	-	739,676	-	784,877
TOTAL EXPENDITURES	15,329,629	6,264,323	502,638	2,503,376	670,180	25,270,146
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,368,488)	(1,536,281)	(470,699)	(2,503,376)	74,057	(6,804,787)
OTHER FINANCING SOURCES (USES)						
Transfers in	3,465,134	3,878,262	-	2,493,288	415,000	10,251,684
Transfers out	(1,827,682)	-	-	-	-	(1,827,682)
TOTAL OTHER FINANCING SOURCES (USES)	1,637,452	3,878,262	-	2,493,288	415,000	8,424,002
NET CHANGE IN FUND BALANCES	(731,036)	2,341,981	(470,699)	(10,088)	489,057	1,619,215
FUND BALANCES AT BEGINNING OF YEAR, restated	18,775,580	(2,038,462)	3,449,568	116,810	1,221,655	21,525,151
FUND BALANCES AT END OF YEAR	\$ 18,044,544	\$ 303,519	\$ 2,978,869	\$ 106,722	\$ 1,710,712	\$ 23,144,366

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, 2022

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 1,619,215

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 (\$4,933,604) exceeds depreciation (\$2,593,163) in the current period.

2,340,441

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.

39,078

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	1,763,055
Amortization of bond premiums	69,185
Amortization of deferred amount on refunding	<u>(15,374)</u>
	<u>1,816,866</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	7,100
Pension plan expense	(166,677)
OPEB plan expense	<u>(406,805)</u>
	<u>(566,382)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 5,249,218

See accompanying notes to the basic financial statements.

BOROUGH OF LANSDALE, PENNSYLVANIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

	Enterprise Funds			Total Proprietary Funds
	Electric Fund	Sewer Fund	421 West Main Street Fund	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 3,914,254	\$ 78,793	\$ 184,819	\$ 4,177,866
Investments	1,232,560	2,191,217	-	3,423,777
Accounts receivable for utility service, less allowances for uncollectible accounts of \$2,650 (electric) and \$11,003 (sewer)	2,397,458	1,073,695	-	3,471,153
Receivable liened	46,234	107,723	-	153,957
Inventories	682,738	-	-	682,738
Prepaid expenses	743	22,208	-	22,951
Lease receivable, current	62,389	-	137,197	199,586
Due from other funds	93,000	-	-	93,000
TOTAL CURRENT ASSETS	8,429,376	3,473,636	322,016	12,225,028
NONCURRENT ASSETS				
Cash and cash equivalents	1,241,581	-	-	1,241,581
Property, plant and equipment				
Construction in progress	-	-	11,500	11,500
Building and building improvements at depreciated cost	-	-	605,954	605,954
Utility plant in service at depreciated cost	5,025,198	8,443,498	-	13,468,696
TOTAL PROPERTY, PLANT AND EQUIPMENT	5,025,198	8,443,498	617,454	14,086,150
OTHER ASSETS				
Lease receivable, noncurrent	242,907	-	472,826	715,733
TOTAL NONCURRENT ASSETS	6,509,686	8,443,498	1,090,280	16,043,464
TOTAL ASSETS	14,939,062	11,917,134	1,412,296	28,268,492
LIABILITIES AND DEFERRED INFLOWS				
CURRENT LIABILITIES				
Payable from nonrestricted assets				
Accounts payable	122,372	159,547	1,003	282,922
Accrued payroll	134,796	167,815	-	302,611
TOTAL CURRENT LIABILITIES	257,168	327,362	1,003	585,533
NONCURRENT LIABILITIES				
Customers' deposits	799,711	-	-	799,711
TOTAL LIABILITIES	1,056,879	327,362	1,003	1,385,244
DEFERRED INFLOWS				
Lease Activities	296,374	-	596,297	892,671
TOTAL LIABILITIES AND DEFERRED INFLOWS	1,353,253	327,362	597,300	2,277,915
NET POSITION				
Net investment in capital assets	5,025,198	8,443,498	617,454	14,086,150
Restricted for electric utility activities	1,241,581	-	-	1,241,581
Unrestricted	7,319,030	3,146,274	197,542	10,662,846
TOTAL NET POSITION	\$ 13,585,809	\$ 11,589,772	\$ 814,996	\$ 25,990,577

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, 2022

	Enterprise Funds			Total Proprietary Funds
	Electric Fund	Sewer Fund	421 West Main Street Fund	
OPERATING REVENUES				
Charges for services				
Sales of electricity				
Residential	\$ 9,678,777	\$ -	\$ -	\$ 9,678,777
General services	5,396,091	-	-	5,396,091
Primary	5,545,110	-	-	5,545,110
Sewer rents	-	5,728,332	-	5,728,332
TOTAL CHARGES FOR SERVICES	20,619,978	5,728,332	-	26,348,310
Penalties	232,026	51,266	-	283,292
TOTAL OPERATING REVENUES	20,852,004	5,779,598	-	26,631,602
OPERATING EXPENSES				
Cost of providing electrical service				
Purchased power	10,051,048	-	-	10,051,048
Transmission	64,455	-	-	64,455
Distribution	1,692,446	-	-	1,692,446
Customer accounts	841,963	-	-	841,963
Administrative and general	1,889,350	-	-	1,889,350
Cost of providing sewer service				
Sanitary sewers	-	349,163	-	349,163
Disposal plant	-	2,299,836	-	2,299,836
Administrative and general	-	1,229,737	-	1,229,737
Cost of maintaining rental property	-	-	42,791	42,791
Depreciation	397,312	471,502	35,536	904,350
TOTAL OPERATING EXPENSES	14,936,574	4,350,238	78,327	19,365,139
OPERATING INCOME	5,915,430	1,429,360	(78,327)	7,266,463
NONOPERATING REVENUES				
Miscellaneous services and rentals	203,896	8,326	140,038	352,260
Interest earned	787	-	1,664	2,451
TOTAL NONOPERATING REVENUES	204,683	8,326	141,702	354,711
INCOME BEFORE INTERFUND TRANSFERS	6,120,113	1,437,686	63,375	7,621,174
INTERFUND TRANSFERS				
Transfers out	(6,499,483)	(1,838,366)	(86,153)	(8,424,002)
CHANGE IN NET POSITION	(379,370)	(400,680)	(22,778)	(802,828)
NET POSITION AT BEGINNING OF YEAR, restated	13,965,179	11,990,452	837,774	26,793,405
NET POSITION AT END OF YEAR	\$ 13,585,809	\$ 11,589,772	\$ 814,996	\$ 25,990,577

See accompanying notes to the basic financial statements.

BOROUGH OF LANSDALE, PENNSYLVANIA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2022

	Enterprise Funds			Total Proprietary Funds
	Electric Fund	Sewer Fund	421 West Main Street Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 20,716,263	\$ 5,521,215	\$ -	\$ 26,237,478
Cash paid to vendors	(12,732,750)	(2,571,621)	(43,065)	(15,347,436)
Cash paid to employees	(1,884,531)	(1,221,433)	-	(3,105,964)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>6,098,982</u>	<u>1,728,161</u>	<u>(43,065)</u>	<u>7,784,078</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Rental Activities	194,974	-	126,312	321,286
Transfers to General Fund	(2,786,641)	(592,340)	(86,153)	(3,465,134)
Transfers to Debt Service Fund	(728,738)	(500,000)	-	(1,228,738)
Transfers to Capital Projects Fund	(2,984,104)	(746,026)	-	(3,730,130)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(6,304,509)</u>	<u>(1,838,366)</u>	<u>40,159</u>	<u>(8,102,716)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(373,199)	(14,966)	(388,165)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	82,412	146,511	-	228,923
Interest received	787	-	1,664	2,451
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>83,199</u>	<u>146,511</u>	<u>1,664</u>	<u>231,374</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(122,328)	(336,893)	(16,208)	(475,429)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>5,278,163</u>	<u>415,686</u>	<u>201,027</u>	<u>5,894,876</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 5,155,835</u>	<u>\$ 78,793</u>	<u>\$ 184,819</u>	<u>\$ 5,419,447</u>

BOROUGH OF LANSDALE, PENNSYLVANIA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2022

	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	\$ 5,915,430	\$ 1,429,360	\$ (78,327)	\$ 7,266,463
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	397,312	471,502	35,536	904,350
(Increase) decrease in				
Accounts receivable	(147,307)	(449,793)	-	(597,100)
Other receivables	60	24,293	-	24,353
Due from other funds	(93,000)	-	-	(93,000)
Intergovernmental receivables	-	167,116	-	167,116
Inventory	(11,200)	-	-	(11,200)
Increase (decrease) in				
Accounts payable	(38,502)	50,641	(274)	11,865
Accrued payroll	64,683	35,042	-	99,725
Customers' deposits	11,506	-	-	11,506
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 6,098,982</u>	<u>\$ 1,728,161</u>	<u>\$ (43,065)</u>	<u>\$ 7,784,078</u>

See accompanying notes to the basic financial statements.

BOROUGH OF LANSDALE, PENNSYLVANIA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

DECEMBER 31, 2022

	<u>Police Pension Trust Fund</u>
ASSETS	
Cash and cash equivalents	\$ 5,329
Mutual funds	21,888,508
Prepaid benefits	<u>37,364</u>
 TOTAL ASSETS	 \$ <u><u>21,931,201</u></u>
 NET POSITION	
Net position restricted for pensions	\$ <u><u>21,931,201</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, 2022

	<u>Police Pension Trust Fund</u>
ADDITIONS	
Contributions	
Employer	\$ 1,151,436
Plan members	147,776
TOTAL CONTRIBUTIONS	<u>1,299,212</u>
Investment earnings	
Net decrease in fair value of investments	(5,508,590)
Interest	5
Dividends	1,005,507
TOTAL INVESTMENT EARNINGS (LOSS)	<u>(4,503,078)</u>
TOTAL ADDITIONS	<u>(3,203,866)</u>
DEDUCTIONS	
Benefits	1,273,171
Administrative expenses	4,000
TOTAL DEDUCTIONS	<u>1,277,171</u>
CHANGE IN NET POSITION	(4,481,037)
NET POSITION AT BEGINNING OF YEAR	<u>26,412,238</u>
NET POSITION AT END OF YEAR	<u>\$ 21,931,201</u>

See accompanying notes to the basic financial statements.

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022, 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, 2022, 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, 2022

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, 2022

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, 2022

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, 2022

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 lienied 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, 2022, is shown below:

Emergency Utility Fund	\$ 500,000
Construction Fund	1,241,581
	<u>1,741,581</u>
	<u>\$ 1,741,581</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, differences between expected and actual experience, and net difference between projected and actual earnings on plan investments. 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, 2022

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 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. The deferred inflow of resources related to leases which is reported in the government-wide statement of net position and the proprietary funds statement of net position.

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.

Leases - The Borough is a lessor for noncancellable leases of equipment. The Borough recognizes a lease receivable and a deferred inflow of resources in the statement of net position.

At commencement of a lease, the Borough initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized over the life of the lease term.

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Key estimates and judgements include how the Borough determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Borough uses the implicit rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease plus renewal options that are reasonably certain to be exercised. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Borough monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of lease receivable.

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.

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.

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2022, 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, 2022

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, 2022, \$1,202,588 of the total Borough's bank balance of \$31,447,388 was insured by the Federal Depository Insurance Corporation. The remaining bank balance of \$30,244,800 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 \$798 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, 2022, the Borough had the following investments:

Investment Type	Moody's Rating	Fair Value	Investment Maturities	
			Less Than 1 Year	1 to 5 Years
PROPRIETARY ACTIVITIES				
Federal Home Loan Bank	Aaa	\$ 286,085	\$ -	\$ 286,085
Federal Home Loan Mortgage	Aaa	252,019	117,694	134,325
Federal Farm Credit Bank	Aaa	619,939	-	619,939
Federal National Mortgage Assoc.	Aaa	844,008	-	844,008
US Treasury Notes	Aaa	1,185,368	119,748	1,065,620
Corporate bonds	unrated	236,358	122,770	113,588
		<u>\$ 3,423,777</u>	<u>\$ 360,212</u>	<u>\$ 3,063,565</u>
PENSION ACTIVITIES				
Exchange traded funds	unrated	\$ 3,728,465	\$ 3,728,465	\$ -
Mutual funds	unrated	18,160,043	18,160,043	-
		<u>\$ 21,888,508</u>	<u>\$ 21,888,508</u>	<u>\$ -</u>

All pension activities investments were valued using Level 1 inputs (quoted prices in active markets). All proprietary activities investments 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, 2022

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, 2022, were as follows:

	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land and land improvements	\$ 4,499,485	\$ -	\$ -	\$ 4,499,485
Infrastructure	10,960,379	-	-	10,960,379
Construction in progress	-	4,403,451	-	4,403,451
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	15,459,864	4,403,451	-	19,863,315
Capital assets being depreciated				
Buildings, structures and facilities	29,315,330	-	-	29,315,330
Furniture, fixtures, equipment and related assets	6,504,840	267,416	-	6,772,256
Library books	1,188,017	69,956	(51,255)	1,206,718
Infrastructure	40,810,966	192,781	-	41,003,747
TOTAL CAPITAL ASSETS BEING DEPRECIATED	77,819,153	530,153	(51,255)	78,298,051
Accumulated depreciation				
Buildings, structures and facilities	(7,330,950)	(686,459)	-	(8,017,409)
Furniture, fixtures, equipment and related assets	(4,516,489)	(187,918)	-	(4,704,407)
Library books	(899,400)	(61,498)	51,255	(909,643)
Infrastructure	(9,922,599)	(1,657,288)	-	(11,579,887)
TOTAL ACCUMULATED DEPRECIATION	(22,669,438)	(2,593,163)	51,255	(25,211,346)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	55,149,715	(2,063,010)	-	53,086,705
 GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net	 \$ 70,609,579	 \$ 2,340,441	 \$ -	 \$ 72,950,020

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE C - CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

Borough administration	\$ 374,832
Police department	572,875
Public works	1,074,786
Culture and recreation	469,143
Library	101,527
	<u>\$ 2,593,163</u>

	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022
ELECTRIC FUND CAPITAL ASSETS BEING DEPRECIATED				
Transmission system	\$ 3,405,535	\$ -	\$ -	\$ 3,405,535
Distribution system	10,814,125	-	-	10,814,125
General equipment	3,074,466	-	-	3,074,466
Service building	553,041	-	-	553,041
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>17,847,167</u>	<u>-</u>	<u>-</u>	<u>17,847,167</u>
Accumulated depreciation				
Transmission system	(2,861,538)	(10,641)	-	(2,872,179)
Distribution system	(7,148,852)	(255,906)	-	(7,404,758)
General equipment	(1,875,172)	(128,905)	-	(2,004,077)
Service building	(539,095)	(1,860)	-	(540,955)
TOTAL ACCUMULATED DEPRECIATION	<u>(12,424,657)</u>	<u>(397,312)</u>	<u>-</u>	<u>(12,821,969)</u>
ELECTRIC FUND CAPITAL ASSETS, net	<u>\$ 5,422,510</u>	<u>\$ (397,312)</u>	<u>\$ -</u>	<u>\$ 5,025,198</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE C - CAPITAL ASSETS (Continued)

	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022
SEWER FUND CAPITAL ASSETS				
BEING DEPRECIATED				
Collection system	\$ 9,746,214	\$ -	\$ -	\$ 9,746,214
Pumping plant	5,688,418	241,098	-	5,929,516
Treatment and disposal plant	20,732,423	-	-	20,732,423
General plant	1,138,707	132,101	-	1,270,808
TOTAL CAPITAL ASSETS				
BEING DEPRECIATED	<u>37,305,762</u>	<u>373,199</u>	<u>-</u>	<u>37,678,961</u>
Accumulated depreciation				
Collection system	(6,709,283)	(136,061)	-	(6,845,344)
Pumping plant	(3,348,951)	(181,529)	-	(3,530,480)
Treatment and disposal plant	(17,894,174)	(120,007)	-	(18,014,181)
General plant	(811,553)	(33,905)	-	(845,458)
TOTAL ACCUMULATED				
DEPRECIATION	<u>(28,763,961)</u>	<u>(471,502)</u>	<u>-</u>	<u>(29,235,463)</u>
SEWER FUND CAPITAL				
ASSETS, net	<u>\$ 8,541,801</u>	<u>\$ (98,303)</u>	<u>\$ -</u>	<u>\$ 8,443,498</u>
421 WEST MAIN STREET CAPITAL				
ASSETS NOT BEING DEPRECIATED				
Construction in progress	\$ 11,500	\$ -	\$ -	\$ 11,500
421 WEST MAIN STREET CAPITAL				
ASSETS BEING DEPRECIATED				
Building	166,451	-	-	166,451
Building improvements	1,294,081	14,966	-	1,309,047
TOTAL CAPITAL ASSETS				
BEING DEPRECIATED	<u>1,460,532</u>	<u>14,966</u>	<u>-</u>	<u>1,475,498</u>
Accumulated depreciation				
Building	(145,091)	(5,582)	-	(150,673)
Building improvements	(688,917)	(29,954)	-	(718,871)
TOTAL ACCUMULATED				
DEPRECIATION	<u>(834,008)</u>	<u>(35,536)</u>	<u>-</u>	<u>(869,544)</u>
421 WEST MAIN STREET				
CAPITAL ASSETS, net	<u>\$ 638,024</u>	<u>\$ (20,570)</u>	<u>\$ -</u>	<u>\$ 617,454</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE D - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at December 31, 2022 are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
GOVERNMENTAL FUNDS		
General Fund	\$ 1,380,567	\$ -
Capital Projects Fund	-	1,380,567
Lansdale Parking Authority Revenue Fund	-	93,000
PROPRIETARY FUNDS		
Electric Fund	<u>93,000</u>	<u>-</u>
	<u>\$ 1,473,567</u>	<u>\$ 1,473,567</u>

Interfund transfers at December 31, 2022, are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
GOVERNMENTAL FUNDS		
General Fund	\$ 3,465,134	\$ 1,827,682
Capital Projects Fund	3,878,262	-
Debt Service Fund	2,493,288	-
Other Governmental Funds	415,000	-
PROPRIETARY FUNDS		
Electric Fund	-	6,499,483
Sewer Fund	-	1,838,366
421 West Main Street Fund	<u>-</u>	<u>86,153</u>
	<u>\$ 10,251,684</u>	<u>\$ 10,251,684</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, 2022

NOTE E - LONG-TERM DEBT

Summary of Activity

A summary of activity in the Borough's debt payable accounts during 2022 is as follows:

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Amount Due Within One Year
GOVERNMENTAL ACTIVITIES					
Energy Conservation					
loan of 2017	\$ 218,232	\$ -	\$ (112,055)	\$ 106,177	\$ 106,177
Note payable of 2017	2,024,000	-	(146,000)	1,878,000	150,000
General Obligation Bonds					
Series of 2019	9,825,000	-	(30,000)	9,795,000	30,000
Series of 2020	6,765,000	-	(1,195,000)	5,570,000	1,245,000
Series of 2020A	8,530,000	-	(280,000)	8,250,000	285,000
TOTAL BONDS AND					
LOANS PAYABLE	27,362,232	-	(1,763,055)	25,599,177	1,816,177
Deferred bond premium	458,333	-	(69,185)	389,148	69,186
Net pension liability	-	5,517,966	-	5,517,966	-
Total OPEB liability	4,854,230	116,868	-	4,971,098	-
TOTAL LONG-TERM					
LIABILITIES	\$ 32,674,795	\$ 5,634,834	\$ (1,832,240)	\$ 36,477,389	\$ 1,885,363

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.

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, 2022, 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.

Interest Rate	Maturing October 1,	Amount	Interest
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>\$ 1,878,000</u>	<u>\$ 304,040</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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%	2023	\$ 106,177	\$ 5,656

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%	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	1,925,000	52,938
		<u>\$ 9,795,000</u>	<u>\$ 2,836,487</u>

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%	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>\$ 5,570,000</u>	<u>\$ 375,200</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE E - LONG-TERM DEBT (Continued)

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%	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>\$ 8,250,000</u>	<u>\$ 1,430,395</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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</u> <u>December 31,</u>	
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>\$ 25,599,177</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, 2022.

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 (2022)	\$1,942,428	\$4,851,012
Total Borough payroll (\$9,666,395)		
Contributions made (2022)		
Employer	\$133,109	\$333,840
Employer contribution as a percentage of current annual covered payroll	6.9%	6.9%
Employees	Not applicable	\$67,640
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.

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
\$1,942,428	\$1,212,753	\$ -
\$106,212	\$50,850	None
5.5%	4.2%	Not applicable
\$36,274	\$27,685	\$ -
None	None	None

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	28
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>24</u>
	<u><u>54</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
DECEMBER 31, 2022

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 2022, the MMO obligation for the Police Pension Plan was \$1,151,436 for the year 2022. Contributions of \$1,151,436 were made by the Borough and included \$269,383 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
DECEMBER 31, 2022

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, 2022:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	41%
International equity	12%
Fixed income	37%
Real estate	7%
Cash	3%
	<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, 2022, the annual money-weighted rate of return on plan investments, net of plan investment expense, was -17.07%. 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, 2022, were as follows:

Total pension liability	\$ 27,449,167
Plan fiduciary net position	<u>(21,931,201)</u>
NET PENSION LIABILITY (ASSET)	<u>\$ 5,517,966</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>79.90%</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022, 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 Table projects to 2026 using Scale MP-2020 for Males or Females, as appropriate, termination rates were based on selected ages, and disability rates were based on SOA 1987 Group LTD Table for Males or Females, as appropriate.

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, 2022 (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	7.6% - 9.2%
International equity	9.0% - 10.9%
Fixed income	3.2% - 3.9%
Real estate	8.1%
Cash	2.0%

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
DECEMBER 31, 2022

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, 2021	\$ 26,205,488	\$ 26,412,238	\$ (206,750)
Changes for the year			
Service cost	679,464	-	679,464
Interest cost	1,837,386	-	1,837,386
Changes of assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Contributions			
Employer	-	882,053	(882,053)
State aid	-	269,383	(269,383)
Member	-	147,776	(147,776)
Net investment income	-	(4,503,078)	4,503,078
Benefit payments	(1,273,171)	(1,273,171)	-
Administrative expenses	-	(4,000)	4,000
NET CHANGES	<u>1,243,679</u>	<u>(4,481,037)</u>	<u>5,724,716</u>
Balances at December 31, 2022	\$ <u>27,449,167</u>	\$ <u>21,931,201</u>	\$ <u>5,517,966</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>8,892,758</u>	\$ <u>5,517,966</u>	\$ <u>2,704,573</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022, the Borough recognized pension expense of \$1,322,007. At December 31, 2022, 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	\$ 16,930	\$ -
Changes of assumptions	201,722	-
Net difference between projected and actual earnings on pension plan investments	<u>3,371,163</u>	<u>-</u>
Total	<u>\$ 3,589,815</u>	<u>\$ -</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>	
2023	\$ 413,134
2024	849,876
2025	1,016,088
2026	1,310,717
2027	-
Thereafter	<u>-</u>
	<u>\$ 3,589,815</u>

Deferred Retirement Option Plan - Effective January 1, 2015, the Borough added a Deferred Retirement Option Plan (DROP) for all full-time police officers of the Borough. As of December 31, 2022, one eligible plan member is participating in the DROP program and, under the terms of the Ordinance, is considered retired for pension purposes. The monthly pension benefit was calculated and is being credited to a separate ledger account, with interest. The balance and the amount added to this ledger account as of December 31 was \$57,067. Upon a participant's termination of employment, the participant's accumulated balance will be paid in a manner as prescribed by the plan document

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	-
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	-
	<hr/>
	<hr/> <hr/>

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 - 2.25%, based on S&P Municipal Bond 20 Year High Grade Rate Index at January 1, 2022.

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, 6.5% in 2022, 6.0% in 2023, and 5.5% in 2024-2025. Rates gradually decrease from 5.4% in 2026 to 3.9% 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, 2022

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 2022 actuarial valuation, the discount rate changed from 1.93% to 2.25%. The trend assumption was updated.

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2021	\$ <u>4,854,230</u>
Changes for the year	
Service cost	373,067
Interest cost	98,856
Differences between expected and actual experience	-
Changes of assumptions	(160,759)
Benefit payments	<u>(194,296)</u>
NET CHANGES	<u>116,868</u>
Balance at December 31, 2022	\$ <u><u>4,971,098</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 (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current discount rate:

	<u>1% Decrease 1.25%</u>	<u>Current Discount Rate 2.25%</u>	<u>1% Increase 3.25%</u>
Total OPEB Liability	\$ <u>5,455,222</u>	\$ <u>4,971,098</u>	\$ <u>4,536,648</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>4,357,600</u>	\$ <u>4,971,098</u>	\$ <u>5,701,622</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022, the Borough recognized OPEB expense of \$507,835. At December 31, 2022, 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	\$ 96,218	\$ 306,738
Changes in assumptions	526,972	223,553
Benefits payments subsequent to the measurement date	<u>101,031</u>	<u>-</u>
	<u>\$ 724,221</u>	<u>\$ 530,291</u>

\$101,031 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>	
2023	\$ 35,912
2024	35,909
2025	15,552
2026	15,554
2027	12,935
Thereafter	<u>(22,963)</u>
	<u>\$ 92,899</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, 2022

NOTE J - LEASES

Lease Receivable

The Borough leases various equipment on their land. The leases range from monthly payments of \$12,940 - \$13,796 through December 2029. The Borough recognized \$215,886 in lease revenue and \$36,719 in interest revenue during 2022 related to these leases. As of December 31, 2022, the Borough's receivable for lease payments was \$915,319. Also, the Borough has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of December 31, 2022, the balance of the deferred inflow of resources is \$892,671.

NOTE K - PRIOR PERIOD RESTATEMENT

During the current year, it was identified that the American Rescue Plan Act (ARPA) funding payment made in 2021 was incorrectly recorded as revenue in the prior year financial statements.

The Borough has adjusted opening net position for their governmental activities from \$59,345,520 to \$58,451,489 to reflect the correction of revenue recorded in the improper period. The prior year change in net position for governmental activities decreased by \$894,031 from \$5,490,109 to \$4,596,078.

The Borough has adjusted opening net position for their capital projects fund from \$(1,144,431) to \$(2,038,462) to reflect the correction of the revenue recorded in the improper period. The prior year net change in fund balance for the capital projects fund decreased by \$894,031 from \$893,671 to \$(360).

During the current year, the Borough implemented GASB Statement No. 87, Leases, effective January 1, 2022. The objective of GASB Statement No. 87 is to better meet the information needs of the financial statement user by improving accounting and financial reporting for leases by governments. The statement requires recognition of lease assets and liabilities using a foundational principle that leases re financings of the right to use an underlying asset.

The Borough has treated the beginning of the year assets and deferred inflow for leases in which the Borough is a lessor as having been recognized in the period incurred. As part of implementation, the Borough has adjusted the beginning balance of lease receivables and lease related deferred inflows from \$0 to \$1,108,557.

REQUIRED SUPPLEMENTARY INFORMATION

BOROUGH OF LANSDALE, PENNSYLVANIA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts (GAAP)		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Taxes	\$ 8,209,916	\$ 8,209,916	\$ 9,405,084	\$ 1,195,168
Licenses and permits	785,150	785,150	732,622	(52,528)
Fines and forfeitures	75,000	75,000	36,576	(38,424)
Interest and rent	95,850	95,850	239,965	144,115
Grants and gifts	1,129,600	1,129,600	778,407	(351,193)
Departmental earnings	423,350	423,350	569,294	145,944
Miscellaneous	1,319,134	1,319,134	1,199,193	(119,941)
TOTAL REVENUES	<u>12,038,000</u>	<u>12,038,000</u>	<u>12,961,141</u>	<u>923,141</u>
EXPENDITURES				
Current				
Borough administration	2,636,195	2,636,195	2,525,354	(110,841)
Public safety	7,674,950	7,674,950	7,440,826	(234,124)
Highways/public works	1,964,960	1,964,960	2,246,501	281,541
Code enforcement, planning and zoning	993,916	993,916	865,509	(128,407)
Parks and recreation	1,564,675	1,564,675	1,476,022	(88,653)
Community development	60,000	60,000	58,548	(1,452)
Public services	648,436	648,436	716,869	68,433
TOTAL EXPENDITURES	<u>15,543,132</u>	<u>15,543,132</u>	<u>15,329,629</u>	<u>(213,503)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(3,505,132)</u>	<u>(3,505,132)</u>	<u>(2,368,488)</u>	<u>1,136,644</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	-	-	-	-
Transfers in	5,959,110	5,959,110	3,465,134	(2,493,976)
Transfers out				
Debt Service Funds	(1,326,623)	(1,326,623)	(1,264,550)	62,073
Other	(980,000)	(980,000)	(563,132)	416,868
TOTAL OTHER FINANCING SOURCES	<u>3,652,487</u>	<u>3,652,487</u>	<u>1,637,452</u>	<u>(2,015,035)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 147,355</u>	<u>\$ 147,355</u>	<u>\$ (731,036)</u>	<u>\$ (878,391)</u>

See note to the budgetary comparison schedule.

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTE TO THE BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2022

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 NINE FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>
TOTAL PENSION LIABILITY			
Service cost	\$ 679,464	\$ 647,109	\$ 633,116
Interest	1,837,386	1,753,042	1,651,489
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	38,840	-
Changes of assumptions	-	310,468	-
Benefit payments	<u>(1,273,171)</u>	<u>(1,182,023)</u>	<u>(1,212,281)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	1,243,679	1,567,436	1,072,324
Total pension liability, beginning	<u>26,205,488</u>	<u>24,638,052</u>	<u>23,565,728</u>
TOTAL PENSION LIABILITY, ENDING (a)	<u>\$ 27,449,167</u>	<u>\$ 26,205,488</u>	<u>\$ 24,638,052</u>
PLAN FIDUCIARY NET POSITION			
Contributions			
Employer	\$ 882,053	\$ 1,032,118	\$ 1,017,803
State aid	269,383	239,864	246,192
Member	147,755	140,221	113,108
Net investment income	(4,503,057)	3,149,565	2,252,816
Other income	-	-	-
Benefit payments, including refunds of member contributions	(1,273,171)	(1,182,023)	(1,212,281)
Administrative expense	<u>(4,000)</u>	<u>(1,100)</u>	<u>(4,000)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(4,481,037)	3,378,645	2,413,638
Plan fiduciary net position, beginning	<u>26,412,238</u>	<u>23,033,593</u>	<u>20,619,955</u>
PLAN FIDUCIARY NET POSITION, ENDING (b)	<u>\$ 21,931,201</u>	<u>\$ 26,412,238</u>	<u>\$ 23,033,593</u>
NET PENSION LIABILITY, ENDING (a)-(b)	<u>\$ 5,517,966</u>	<u>\$ (206,750)</u>	<u>\$ 1,604,459</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>79.90%</u>	<u>100.79%</u>	<u>93.49%</u>
COVERED PAYROLL	<u>\$ 3,072,541</u>	<u>\$ 2,967,457</u>	<u>\$ 2,813,569</u>
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>179.59%</u>	<u>-6.97%</u>	<u>57.03%</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.

	2019	2018	2017	2016	2015	2014
\$	602,968	\$ 526,954	\$ 501,861	\$ 467,468	\$ 445,208	\$ 464,879
	1,577,465	1,507,322	1,444,312	1,324,630	1,266,913	1,218,096
	-	-	-	333,123	-	-
	(20,754)	-	(177,335)	-	72,907	-
	-	-	738,669	-	(225,083)	-
	<u>(1,093,900)</u>	<u>(1,081,101)</u>	<u>(1,182,204)</u>	<u>(872,577)</u>	<u>(825,860)</u>	<u>(769,465)</u>
	1,065,779	953,175	1,325,303	1,252,644	734,085	913,510
	<u>22,499,949</u>	<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>23,565,728</u>	<u>22,499,949</u>	<u>21,546,774</u>	<u>20,221,471</u>	<u>18,968,827</u>	<u>18,234,742</u>
\$	921,205	\$ 343,176	\$ 881,678	\$ 967,144	\$ 940,183	\$ 868,240
	256,025	585,549	-	-	-	-
	112,682	79,326	88,372	87,906	89,592	88,781
	3,339,089	(165,777)	1,753,336	681,493	(186,697)	446,425
	25,192	-	-	-	-	-
	(1,093,900)	(1,081,101)	(1,182,204)	(872,577)	(825,860)	(769,465)
	<u>(4,000)</u>	<u>(10,461)</u>	<u>(10,300)</u>	<u>(9,900)</u>	<u>-</u>	<u>(3,600)</u>
	3,556,293	(249,288)	1,530,882	854,066	17,218	630,381
	<u>17,063,662</u>	<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>20,619,955</u>	<u>17,063,662</u>	<u>17,312,950</u>	<u>15,782,068</u>	<u>14,928,002</u>	<u>14,910,784</u>
\$	<u>2,945,773</u>	<u>5,436,287</u>	<u>4,233,824</u>	<u>4,439,403</u>	<u>4,040,825</u>	<u>3,323,958</u>
	<u>87.50%</u>	<u>75.84%</u>	<u>80.35%</u>	<u>78.05%</u>	<u>78.70%</u>	<u>81.77%</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>124.40%</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 NINE FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>
ACTUARIALLY DETERMINED CONTRIBUTION	\$ 1,151,436	\$ 1,271,982	\$ 1,263,995
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	<u>1,151,436</u>	<u>1,271,982</u>	<u>1,263,995</u>
CONTRIBUTION (EXCESS) DEFICIENCY	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
COVERED PAYROLL	<u>\$ 3,072,541</u>	<u>\$ 2,967,457</u>	<u>\$ 2,813,569</u>
CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL	<u>37.48%</u>	<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:	January 1, 2021
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	4 years
Asset valuation method	Market value
Inflation	3%
Salary increases	5% annual increase
Investment rate of return	7.0%
Retirement age	Normal retirement age
Mortality	PubS-2010 for Small Plans

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
9 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
10 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 NINE FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>
ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	<u>-17.07%</u>	<u>13.88%</u>	<u>10.29%</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.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u><u>17.73%</u></u>	<u><u>0.11%</u></u>	<u><u>11.58%</u></u>	<u><u>1.85%</u></u>	<u><u>-5.66%</u></u>	<u><u>3.22%</u></u>

BOROUGH OF LANSDALE, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE TOTAL OTHER POSTEMPLOYMENT BENEFIT PLAN LIABILITY AND RELATED RATIOS LAST FIVE FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY					
Service cost	\$ 373,067	\$ 315,156	\$ 275,563	\$ 242,025	\$ 212,117
Interest	98,856	152,534	153,132	123,682	129,535
Differences between expected and actual experience	-	(429,434)	-	192,438	-
Changes of assumptions	(160,759)	532,321	169,644	(171,524)	142,517
Benefit payments	<u>(194,296)</u>	<u>(174,913)</u>	<u>(155,219)</u>	<u>(94,150)</u>	<u>(88,581)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	116,868	395,664	443,120	292,471	395,588
TOTAL OPEB LIABILITY, BEGINNING	<u>4,854,230</u>	<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>\$ 4,971,098</u>	<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>\$ 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>160.26%</u>	<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.

Changes in assumptions: In the 2022 actuarial valuation, the discount rate changed from 1.93% to 2.25%. 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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Taxes			
Real estate	\$ 4,906,000	\$ 4,935,941	\$ 29,941
Earned income tax	2,469,391	2,928,088	458,697
Emergency municipal services	332,525	339,848	7,323
Penalties and interest	55,000	60,111	5,111
Discounts	-	-	-
Real estate transfer	447,000	1,141,096	694,096
TOTAL TAXES	<u>8,209,916</u>	<u>9,405,084</u>	<u>1,195,168</u>
Licenses and permits			
Beverage	5,000	2,750	(2,250)
Building and occupancy	130,000	96,368	(33,632)
Business and mercantile	240,000	218,610	(21,390)
Zoning permits and fees	1,000	38,555	37,555
Plumbing	40,000	47,290	7,290
Cable TV fees	293,550	249,413	(44,137)
Other	75,600	79,636	4,036
TOTAL LICENSES AND PERMITS	<u>785,150</u>	<u>732,622</u>	<u>(52,528)</u>
Fines and forfeitures			
Motor vehicle code violations	45,000	19,283	(25,717)
Violations of ordinances	30,000	17,293	(12,707)
TOTAL FINES AND FORFEITURES	<u>75,000</u>	<u>36,576</u>	<u>(38,424)</u>
Interest and rent	95,850	239,965	144,115
Grants and gifts	1,129,600	778,407	(351,193)
Departmental earnings			
Police services	86,500	129,124	42,624
Inspection services	10,000	41,941	31,941
Public works	26,500	41,189	14,689
Health	-	-	-
Recreational facilities	300,350	357,040	56,690
TOTAL DEPARTMENTAL EARNINGS	<u>423,350</u>	<u>569,294</u>	<u>145,944</u>
Miscellaneous			
Sale of property, supplies and equipment	-	-	-
Miscellaneous	679,134	559,193	(119,941)
Reimbursement of expenditures			
Workers' compensation dividend for prior year	-	-	-
Sewer Fund	220,000	220,000	-
Electric Fund	420,000	420,000	-
TOTAL MISCELLANEOUS	<u>1,319,134</u>	<u>1,199,193</u>	<u>(119,941)</u>
TOTAL REVENUES	<u>12,038,000</u>	<u>12,961,141</u>	<u>923,141</u>
OTHER FINANCING SOURCES			
Proceeds from the sale of capital assets	-	-	-
Transfers in			
421 W. Main Street Fund	100,000	86,153	(13,847)
Electric Fund	4,832,000	2,786,641	(2,045,359)
Sewer Fund	1,027,110	592,340	(434,770)
Other	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>5,959,110</u>	<u>3,465,134</u>	<u>(2,493,976)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 17,997,110</u>	<u>\$ 16,426,275</u>	<u>\$ (1,570,835)</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY ACTIVITY AND
OTHER FINANCING USES
GENERAL FUND
YEAR ENDED DECEMBER 31, 2022

	Budget	Actual	Over (Under) Budget
EXPENDITURES			
Borough administration			
Elected officials	\$ 30,920	\$ 14,383	\$ (16,537)
Office of Borough Manager/Secretary	723,500	814,603	91,103
Finance department	505,420	607,591	102,171
Borough building	208,411	207,561	(850)
Tax collector	61,000	70,921	9,921
General Borough administration	1,106,944	810,295	(296,649)
TOTAL BOROUGH ADMINISTRATION	<u>2,636,195</u>	<u>2,525,354</u>	<u>(110,841)</u>
Public safety (Police Department)			
Service wages	3,700,000	3,689,216	(10,784)
Crossing guards	85,000	-	(85,000)
Civil Service Commission	20,000	11,440	(8,560)
General police personnel	3,387,400	2,967,807	(419,593)
General administration	340,750	547,630	206,880
Police headquarters	46,900	51,979	5,079
Police vehicles	94,900	172,754	77,854
TOTAL PUBLIC SAFETY	<u>7,674,950</u>	<u>7,440,826</u>	<u>(234,124)</u>
Highways/public works			
General, public works	1,699,460	1,920,334	220,874
Street cleaning	61,500	63,194	1,694
Streets and alleys, maintenance and repairs	73,000	66,264	(6,736)
Curbs, construction	40,500	56,308	15,808
Storm sewers, maintenance, repairs and construction	32,000	82,317	50,317
TOTAL HIGHWAYS/PUBLIC WORKS	<u>1,964,960</u>	<u>2,246,501</u>	<u>281,541</u>
Code enforcement, planning and zoning			
Code enforcement	913,916	810,599	(103,317)
Planning commission	65,500	41,919	(23,581)
Zoning board	14,500	12,991	(1,509)
TOTAL CODE ENFORCEMENT, PLANNING AND ZONING	<u>993,916</u>	<u>865,509</u>	<u>(128,407)</u>
Parks and recreation			
Administration	491,172	513,803	22,631
Parks maintenance	234,000	253,202	19,202
Labor, park maintenance	377,307	362,066	(15,241)
Recreation and park facilities	113,100	105,684	(7,416)
Programs	349,096	241,267	(107,829)
TOTAL PARKS AND RECREATION	<u>1,564,675</u>	<u>1,476,022</u>	<u>(88,653)</u>
Community development			
Economic development	60,000	58,548	(1,452)
SUBTOTAL FORWARD	<u>\$ 14,894,696</u>	<u>\$ 14,612,760</u>	<u>\$ (281,936)</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY ACTIVITY AND
OTHER FINANCING USES
GENERAL FUND
YEAR ENDED DECEMBER 31, 2022

	Budget	Actual	Over (Under) Budget
EXPENDITURES			
SUBTOTAL FORWARDED	\$ 14,894,696	\$ 14,612,760	\$ (281,936)
Public services			
Fire company	452,436	528,232	75,796
Historical Society	38,500	40,261	1,761
Other	157,500	148,376	(9,124)
TOTAL PUBLIC SERVICES	<u>648,436</u>	<u>716,869</u>	<u>68,433</u>
TOTAL EXPENDITURES	<u>15,543,132</u>	<u>15,329,629</u>	<u>(213,503)</u>
OTHER FINANCING USES			
Transfers out			
Debt Service Funds	1,326,623	1,264,550	(62,073)
Capital Project Fund	565,000	148,132	(416,868)
Library	415,000	415,000	-
TOTAL OTHER FINANCING USES	<u>2,306,623</u>	<u>1,827,682</u>	<u>(478,941)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 17,849,755</u>	<u>\$ 17,157,311</u>	<u>\$ (692,444)</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
DESCRIPTION OF NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2022

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, 2022

	Special Revenue Funds			Total Other Governmental Funds
	Library Fund	Highway Aid Fund	Parking Fund	
ASSETS				
Cash and cash equivalents	\$ 197,342	\$ 809,152	\$ 666,350	\$ 1,672,844
Beneficial interest in a charitable trust	46,949	-	-	46,949
TOTAL ASSETS	\$ 244,291	\$ 809,152	\$ 666,350	\$ 1,719,793
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 4,357	\$ -	\$ -	\$ 4,357
Accrued payroll	-	4,290	435	4,725
TOTAL LIABILITIES	4,357	4,290	435	9,082
FUND BALANCES				
Restricted				
Highway and streets projects	-	804,862	-	804,862
Library	239,934	-	-	239,934
Committed, parking projects	-	-	665,915	665,915
TOTAL FUND BALANCES	239,934	804,862	665,915	1,710,711
TOTAL LIABILITIES AND FUND BALANCES	\$ 244,291	\$ 809,152	\$ 666,350	\$ 1,719,793

BOROUGH OF LANSDALE, PENNSYLVANIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	Special Revenue Funds			Total Other Governmental Funds
	Library Fund	Highway Aid Fund	Parking Fund	
REVENUES				
Interest and rent	\$ -	\$ 3,838	\$ 6,743	\$ 10,581
Grants and gifts	89,685	482,160	-	571,845
Parking collections and rentals	-	-	130,398	130,398
Library deposits	31,413	-	-	31,413
TOTAL REVENUES	<u>121,098</u>	<u>485,998</u>	<u>137,141</u>	<u>744,237</u>
EXPENDITURES				
Library	600,078	-	-	600,078
Public services	-	-	70,102	70,102
TOTAL EXPENDITURES	<u>600,078</u>	<u>-</u>	<u>70,102</u>	<u>670,180</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(478,980)</u>	<u>485,998</u>	<u>67,039</u>	<u>74,057</u>
OTHER FINANCING SOURCES				
Transfers in General Fund	415,000	-	-	415,000
NET CHANGE IN FUND BALANCES	<u>(63,980)</u>	<u>485,998</u>	<u>67,039</u>	<u>489,057</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>303,914</u>	<u>318,864</u>	<u>598,877</u>	<u>1,221,655</u>
FUND BALANCES AT END OF YEAR	<u>\$ 239,934</u>	<u>\$ 804,862</u>	<u>\$ 665,915</u>	<u>\$ 1,710,711</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, 2022

	Highway Aid Fund		Parking Fund	
	Budget	Actual	Budget	Actual
REVENUES				
Interest	\$ 3,000	\$ 3,838	\$ 3,500	\$ 6,743
Grants	416,578	482,160	-	-
Parking collections and rentals	-	-	95,000	130,398
Other	-	-	3,500	-
TOTAL REVENUES	<u>419,578</u>	<u>485,998</u>	<u>102,000</u>	<u>137,141</u>
EXPENDITURES				
Highways/public works	419,578	-	-	-
Public services	-	-	102,000	70,102
TOTAL EXPENDITURES	<u>419,578</u>	<u>-</u>	<u>102,000</u>	<u>70,102</u>
NET CHANGE IN FUND BALANCES	-	485,998	-	67,039
FUND BALANCES AT BEGINNING OF YEAR	<u>318,864</u>	<u>318,864</u>	<u>598,876</u>	<u>598,876</u>
FUND BALANCES AT END OF YEAR	<u>\$ 318,864</u>	<u>\$ 804,862</u>	<u>\$ 598,876</u>	<u>\$ 665,915</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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities										
Net Investment in Capital Assets	\$ 47,130,443	\$ 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
Restricted for										
Electric Utility Activities	-	-	-	-	-	-	-	-	-	-
Highway and Street Projects	804,862	318,864	10,813	821,737	694,628	6,517,314	2,066,231	2,498,515	4,792,517	7,596,152
Building Projects	-	-	-	-	-	1,575,703	1,569,319	3,562,716	14,239,701	9,483,372
Library	239,934	303,914	205,470	169,674	155,763	222,414	274,002	327,520	329,552	-
Unrestricted	<u>15,525,468</u>	<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>
Total governmental activities net position	<u>\$ 63,700,707</u>	<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>
Business-type activities										
Net Investment in Capital Assets	\$ 14,086,150	\$ 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
Restricted for										
Electric Utility Activities	1,741,581	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
Highway and Street Projects	-	-	-	-	-	-	-	-	-	-
Building Projects	-	-	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>10,162,846</u>	<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>
Total business-type activities net position	<u>\$ 25,990,577</u>	<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>
Primary government										
Net Investment in Capital Assets	\$ 61,216,593	\$ 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
Restricted for										
Electric Utility Activities	1,741,581	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
Highway and Street Projects	804,862	318,864	10,813	821,737	694,628	6,517,314	2,066,231	2,498,515	4,792,517	7,596,152
Building Projects	-	-	-	-	-	1,575,703	1,569,319	3,562,716	14,239,701	9,483,372
Library	239,934	303,914	205,470	169,674	155,763	222,414	274,002	327,520	329,552	-
Unrestricted	<u>25,688,314</u>	<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>
Total Net Position	<u>\$ 89,691,284</u>	<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>

Source: Borough of Lansdale Records, Statement of Net Position

Borough of Lansdale
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses										
Governmental activities										
Borough Administration	\$ 2,846,376	\$ 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
Police Department	8,590,092	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
Public Works	4,423,606	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
Culture and Recreation	2,214,279	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
Code Enforcement	865,509	936,962	941,713	917,149	779,770	967,701	985,724	896,737	784,893	663,329
Library	612,780	528,295	510,943	529,655	520,329	586,782	577,915	601,185	531,229	510,814
Public Services	1,348,157	954,239	1,460,981	2,815,245	2,322,300	1,197,410	1,499,735	677,081	741,232	864,623
Interest on Long-Term Debt	<u>777,777</u>	<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>
Total Governmental activities expenses	<u>\$ 21,678,576</u>	<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>
Business-type activities										
Electric	\$ 14,979,984	\$ 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
Sewer	4,306,827	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
421 West Main Street	<u>78,328</u>	<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>
Total business-type activities expenses	<u>\$ 19,365,139</u>	<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>
Total primary governmental expenses	<u>\$ 41,043,715</u>	<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>

Borough of Lansdale
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Program Revenues										
Governmental activities										
Charges for services										
Borough Administration	\$ 2,267,176	\$ 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
Police Department	161,885	57,161	87,478	87,557	96,152	109,206	197,404	91,215	128,371	84,798
Public Works	3,173,420	423,123	37,187	9,600	186,475	615,667	71,969	25,163	125,400	263,600
Culture and Recreation	369,595	316,620	128,372	340,464	316,971	325,582	302,408	291,129	263,437	279,669
Code Enforcement	298,719	468,025	306,402	218,658	242,018	344,729	312,539	398,202	294,246	184,100
Library	31,413	22,975	30,029	44,219	45,167	43,884	45,062	47,337	48,369	51,036
Public Services	2,452	2,452	45,467	145,854	4,193	2,173,116	63,635	3,367	2,315	32,437
Operating grants & contributions										
Borough Administration	778,407	736,772	719,870	766,846	781,067	662,762	739,850	550,592	634,345	645,342
Public Works	482,160	444,221	491,710	468,031	472,652	448,725	436,830	366,564	327,584	310,114
Culture and Recreation	-	-	-	-	-	150	-	-	-	-
Library	89,685	154,714	56,819	85,793	65,478	97,425	80,643	141,200	84,428	59,341
Capital grants & contributions										
Public Works	567,596	327,230	13,000	68,464	-	166,109	13,061	442,708	1,537,367	2,388,977
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Public Services	-	62,500	596,912	1,840,588	445,009	61,850	-	-	-	-
Total governmental activities program revenues	<u>\$ 8,222,508</u>	<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>
Business-type activities										
Charges for service										
Electric	\$ 21,055,900	\$ 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
Sewer	5,787,924	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
421 West Main Street	140,038	126,312	130,550	126,312	97,924	113,518	55,846	79,268	115,147	113,848
Operating grants & contributions										
Sewer	-	-	-	-	-	-	-	-	-	-
Capital grants & contributions										
Sewer	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>\$ 26,983,862</u>	<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>
Total primary government program revenues	<u>\$ 35,206,370</u>	<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>
Net (Expense)/Revenue										
Governmental activities	\$ (13,456,068)	\$ (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)
Business-type activities	7,618,723	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
Total primary government net expense	<u>\$ (5,837,345)</u>	<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>

Borough of Lansdale
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General revenues and other changes in net position										
Governmental activities										
Earned Income Tax	\$ 3,267,936	\$ 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
Real Property Tax	5,035,130	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
Real Estate Transfer Tax	1,141,096	633,967	439,378	450,094	536,719	449,796	326,974	506,990	303,354	241,831
Unrestricted Investment Earnings	290,179	71,089	121,442	425,017	254,363	119,209	43,297	25,993	22,198	19,709
Gain on Sale of Capital Assets		3,777	-	-	-	(4,136,676)	-	-	-	-
Miscellaneous	546,943	287,641	315,000	315,833	-	-	-	-	-	-
Transfers	<u>8,424,002</u>	<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>
Total governmental activities	<u>\$ 18,705,286</u>	<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>
Business-type activities										
Unrestricted Investment Earnings	\$ 2,451	\$ 572	\$ 138,859	\$ 306,993	\$ 128,428	\$ 24,586	\$ 25,019	\$ 22,426	\$ 34,600	\$ 23,188
Transfers	<u>(8,424,002)</u>	<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>
Total business-type activities	<u>\$ (8,421,551)</u>	<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>
Total primary government	<u>\$ 10,283,735</u>	<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>
Changes in Net Assets										
Governmental activities	\$ 5,249,218	\$ 5,490,109	\$ 4,807,418	\$ 2,723,729	\$ (1,271,423)	\$ 511,610	\$ (3,283,829)	\$ (5,195,355)	\$ (334,790)	\$ 939,885
Business-type activities	<u>(802,828)</u>	<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>
Total primary government	<u>\$ 4,446,390</u>	<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>

Source: Borough of Lansdale Records, Statement of Activities

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

	Fiscal Year									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund										
Nonspendable										
Prepaid Items	\$ 53,015	\$ 53,015	\$ 53,015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed										
Capital Projects	3,769,545	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
Other Post Employment Benefits	4,257,333	4,243,448	4,233,364	3,711,215	3,639,157	3,319,984				
Unassigned	<u>9,964,651</u>	<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>
Total General Fund	<u>\$18,044,544</u>	<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>
All other governmental funds										
Nonspendable										
Prepaid Items			\$ -	\$ 160	\$ 160	\$ 160	\$ 160	\$ 160	\$ 160	\$ 160
Restricted										
Highway and Street Projects	804,862	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
Building Projects	303,519		-	45,201	1,595,205	1,575,703	1,569,319	3,562,716	14,239,701	9,483,372
Library	239,934	303,914	205,470	169,674	155,763	222,414	274,002	327,520	329,552	-
Committed										
Parking Projects	3,644,784	4,048,445	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	106,722	116,810	39,227	-	-	-	14,485	-	-	-
Parking Projects			-	-	-	-	-	-	-	5,065,519
Library			-	-	-	-	-	-	-	336,329
Unassigned	<u>-</u>	<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>
Total all other governmental funds	<u>\$ 5,099,821</u>	<u>\$ 3,643,602</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>
Total Governmental Funds	<u>\$23,144,365</u>	<u>\$22,419,182</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>

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									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues										
Taxes	\$ 9,405,084	\$ 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
Licenses and Permits	732,622	970,734	812,326	767,775	585,085	796,362	750,839	852,305	716,430	613,889
Fines and Forfeitures	36,576	41,270	43,177	67,917	61,002	62,261	69,036	105,883	106,946	139,810
Interest and Rent	299,207	79,716	129,755	429,914	242,541	122,386	46,022	29,360	24,513	22,024
Grants and Gifts	2,894,083	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
Departmental Earnings	569,294	406,638	245,933	456,029	434,621	482,620	532,848	414,564	435,531	398,839
Parking Collections and Rentals	130,398	74,973	36,727	109,784	115,228	121,543	84,420	93,814	100,518	92,585
Library Deposits	31,413	22,975	30,029	44,219	45,151	43,855	45,052	46,620	47,265	48,886
Reimbursements and Miscellaneous	<u>4,366,682</u>	<u>1,392,666</u>	<u>1,075,777</u>	<u>1,119,952</u>	<u>912,277</u>	<u>3,548,786</u>	<u>772,889</u>	<u>682,903</u>	<u>766,504</u>	<u>935,872</u>
Total Revenue	\$ 18,465,359	\$ 14,369,240	\$ 13,309,169	\$ 14,110,209	\$ 11,585,209	\$ 13,651,107	\$ 9,883,742	\$ 10,013,658	\$ 10,060,108	\$ 10,846,902
Expenditures										
Current										
Borough Administration	\$ 2,525,999	\$ 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
Police Department	7,495,582	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
Highways/Public Works	8,141,746	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
Code Enforcement, Planning and Zoning	865,509	936,962	941,713	917,149	779,770	967,701	985,724	896,737	784,893	663,329
Parks and Recreation	1,745,143	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
Library	600,078	500,778	469,007	514,342	574,885	589,639	577,200	573,537	522,381	495,446
Public Services	1,348,157	954,239	1,482,162	2,815,245	2,322,300	1,197,410	1,499,735	677,081	741,232	864,623
Debt Service										
Principal	1,763,055	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
Interest and other charges	<u>784,877</u>	<u>737,994</u>	<u>880,738</u>	<u>1,200,803</u>	<u>1,024,443</u>	<u>998,968</u>	<u>1,009,395</u>	<u>1,201,509</u>	<u>1,038,866</u>	<u>781,568</u>
Total Expenditures	\$ 25,270,146	\$ 20,345,620	\$ 26,770,866	\$ 33,670,170	\$ 21,306,345	\$ 18,149,548	\$ 18,780,041	\$ 24,359,865	\$ 24,480,764	\$ 20,127,251
Excess of revenues over/(under) expenditures	\$ (6,804,787)	\$ (5,976,380)	\$ (13,461,697)	\$ (19,559,961)	\$ (9,721,136)	\$ (4,498,441)	\$ (8,896,299)	\$ (14,346,207)	\$ (14,420,656)	\$ (9,280,349)

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

	Fiscal Year									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Other financing sources (uses)										
Proceeds from Bond Issuance	\$ -	\$ -	\$ 18,355,000	\$ 9,940,000	\$ -	\$ -	\$ -	\$ 9,650,000	\$ 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)	-
Debt Service, Principal			-	-	-	-	-	-	-	-
Proceeds from the sale of capital assets		3,777	-	-	198	-	-	-	-	-
Transfers in	10,251,684	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
Transfers out	<u>(1,827,682)</u>	<u>(2,191,623)</u>	<u>(2,215,663)</u>	<u>(3,238,525)</u>	<u>(3,029,503)</u>	<u>(1,832,873)</u>	<u>(3,884,728)</u>	<u>(7,249,837)</u>	<u>(2,301,910)</u>	<u>(2,053,620)</u>
Total other financing sources (uses)	<u>\$ 8,424,002</u>	<u>\$ 8,653,777</u>	<u>\$ 9,241,091</u>	<u>\$ 17,561,587</u>	<u>\$ 7,544,118</u>	<u>\$ 11,685,753</u>	<u>\$ 5,408,272</u>	<u>\$ 1,657,780</u>	<u>\$ 16,088,921</u>	<u>\$ 5,150,000</u>
Net change in fund balance	<u>\$ 1,619,215</u>	<u>\$ 2,677,397</u>	<u>\$ (4,220,606)</u>	<u>\$ (1,998,374)</u>	<u>\$ (2,177,018)</u>	<u>\$ 7,187,312</u>	<u>\$ (3,488,027)</u>	<u>\$ (12,688,427)</u>	<u>\$ 1,668,265</u>	<u>\$ (4,130,349)</u>
Debt service as a percentage of non-capital expenditures*	98.44%	94.61%	30.15%	45.20%	14.00%	15.35%	14.01%	11.15%	9.50%	10.05%

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 31st</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>
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
2022	5,035,130	3,267,936	1,141,096	9,444,162

Notes:

⁽¹⁾ 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 31st</u>	<u>Real Property Assessed Value</u> ⁽¹⁾	<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> ⁽²⁾	<u>Lansdale Borough Real Estate Millage Rate</u>
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
2022	814,229,128	134,393,850	679,835,278	1,264,527,299	64.39%	7.250

Notes: ⁽¹⁾ 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.

⁽²⁾ 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 \$1,0000 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	
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	4.0500	1.7000	5.7500	3.8490	27.5369	37.1359
2022	4.4000	1.8500	6.2500	3.9230	28.4712	38.6442

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	2022		2013 ^(b)		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	\$ 16,578,790	1	2.03%	\$ 12,659,464	3	2.08%
1180 Church Rd	Industrial	12,680,000	2	1.55%	8,842,640	1	1.45%
Wissahickon Park Assoc.	Apartment Complex	11,960,410	3	1.47%	9,512,160		1.56%
Elm Terrace Gardens	Assisted Living	11,860,430	4	1.45%	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	1.10%	9,080,860	2	1.49%
Broadmore Associates	Apartment Complex	8,324,450	7	1.02%	6,446,300	8	1.06%
North Penn Holdings LLC	Industrial	8,080,678	8	0.99%	8,080,678	5	1.33%
HC Spectrum Partners LP	Shopping Center	6,800,000	9	0.83%	6,800,000	7	1.12%
Pleasantville Gardens Associates	Apartment Complex	5,657,960	10	0.69%	4,950,000	9	0.81%
Totals		\$ 100,067,828		10.24%	\$ 66,372,102		8.81%

Notes: ^(a) Total Assessed Valuation equal to: \$ 815,468,298

^(b) Total Assessed Valuation for 2013 equal to: \$609,839,893

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>
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%
2022	4,913,653	4,935,941	100.45%	10,786	4,946,727	100.67%

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Operating Revenues										
Charges for Services										
Sales of Electricity										
Residential	\$ 9,678,777	\$ 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
General Services	5,396,091	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
Primary	<u>5,545,110</u>	<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>
Total Charges for Services	20,619,978	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
Penalties	232,026	120,047	40,171	207,108	223,918	202,948	218,039	253,831	233,635	237,629
Miscellaneous Services and Rentals	<u>203,896</u>	<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>
Total Operating Revenues	21,055,900	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
Operating Expenses										
Cost of Providing Electric Service										
Purchased Power	10,051,048	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
Transmission	64,455	72,264	34,575	42,608	54,338	36,140	24,812	42,077	26,536	16,369
Distribution	1,692,446	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
Customer accounts	841,963	869,209	720,190	650,323	600,037	621,945	586,573	579,538	553,637	428,375
Administrative and general	1,889,350	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
Depreciation	<u>397,312</u>	<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>
Total Operating Expenses	14,936,574	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
Operating Income:	<u>6,119,326</u>	<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>
Non-Operating Revenues										
State Grant			-	-	-	-	-	-	-	-
Interest earned	787	235		202,491	69,146	8,639	11,395	17,303	24,070	16,725
Interest and amortization on bonded debt	<u>-</u>	<u>-</u>	<u>95,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenues	<u>787</u>	<u>235</u>	<u>95,896</u>	<u>202,491</u>	<u>69,146</u>	<u>8,639</u>	<u>11,395</u>	<u>17,303</u>	<u>24,070</u>	<u>16,725</u>
Income Before Interfund Transfers	6,120,113	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
Interfund Transfers	<u>(6,499,483)</u>	<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>
Change in Net Position	<u>\$ (379,370)</u>	<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>

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Residential Rates										
Residential Service - per kwh hour	\$ 0.16510	\$ 0.16510	\$ 0.16510	\$ 0.16510	\$ 0.16510	\$ 0.16510	\$ 0.16510	\$ 0.16510	\$ 0.16510	\$ 0.14950
Residential Hot Water - per kwh hour	-	-	-	-	-	-	0.09534	0.09534	0.09534	0.09534
Residential Electric Space Heating - per kwh hour	-	-	-	-	-	-	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	13.25	12.00
General Service Rates										
General Service w/o Demand	\$ 13.25	\$ 13.25	\$ 13.25	\$ 13.25	\$ 13.25	\$ 13.25	\$ 13.25	\$ 13.25	\$ 10.71	\$ 10.71
General Service with Demand	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.25	10.36	10.36
Monthly Customer Charge	38.65	38.65	38.65	38.65	38.65	38.65	38.65	38.65	38.65	35.00
Primary Service Rates										
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	0.14940	0.13530	0.13530
Monthly Customer Charge	110.44	110.44	110.44	110.44	110.44	110.44	110.44	110.44	110.44	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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	Fiscal Year <u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Energy Consumption - (KWH)										
Residential Service	54,379,817	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
General Service	29,596,896	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
Primary Service	<u>33,657,960</u>	<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>
Total Energy (KWH) Consumption	117,634,673	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
Number of Electric Accounts										
Residential Service	7,768	7,635	7,574	7,485	7,323	7,174	7,141	7,061	7,047	7,043
General Service	1,165	1,153	1,139	1,139	1,157	1,150	1,167	1,125	1,115	1,114
Primary Service	<u>21</u>	<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>
Total Electric Accounts	8,954	8,810	8,736	8,650	8,503	8,350	8,335	8,214	8,220	8,184

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
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
2022	23,615,000	1,984,177	-	-	389,148	-	-	-	25,988,325	4.97%	1,384

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>
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
2022	18,733	815,468,298	25,988,325	-	-	25,988,325	3.187%	1,387

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, 2022

<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)	\$ 68,254,000	11.50%	\$ 7,849,210
County of Montgomery	(2)	<u>468,800,000</u>	1.29%	<u>6,056,896</u>
Total - Overlapping Debt		\$ 537,054,000		\$ 13,906,106
Borough of Lansdale		\$ 25,988,325	100.00%	\$ 25,988,325

Notes: (1) 11.5% of total North Penn School District Debt as of June 30, 2022

(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, 2022**

Borrowing Base Revenues: ⁽¹⁾	
2020	18,346,458
2021	18,577,820
2022	<u>23,256,596</u>
Total Revenues:	<u>\$ 60,180,874</u>
Debt Limit for General Obligation Bonds:	
Average Borrowing Base Revenues	\$ 20,060,291
Debt Limit Percent	<u>250%</u>
Debit Limit	\$ 50,150,728
Total amount of debt applicable to debt limit	<u>23,615,000</u>
Legal debt margin	<u>\$ 26,535,728</u>
Debt Limit for General Obligation Bonds and Lease Rental Debt	
Average Borrowing Base Revenues	\$ 20,060,291
Debt Limit Percent	<u>350%</u>
Debit Limit	\$ 70,211,020
Total amount of debt applicable to debt limit	<u>27,362,232</u>
Legal debt margin	<u>\$ 42,848,788</u>

Notes: ⁽¹⁾ 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>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>	<u>2022</u>
Debt Limit	\$ 38,606,808	\$ 37,509,316	\$ 34,167,381	\$ 36,857,350	\$ 42,728,323	\$ 41,103,428	\$ 46,927,992	\$ 46,927,993	\$ 46,251,748	\$ 50,150,728
Total Net Debt applicable to limit	<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>	<u>23,615,000</u>
Legal Debt Margin	<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>\$ 21,131,748</u>	<u>\$ 26,535,728</u>
Total Net Debt applicable to the limit as a percentage of debt limit	65.83%	91.76%	97.61%	83.58%	72.10%	71.60%	60.21%	56.64%	54.31%	47.09%

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> ⁽¹⁾	<u>Operating Expenses</u> ⁽²⁾	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u> ⁽³⁾			<u>Coverage</u> ⁽⁴⁾
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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
2022	20,852,004	14,936,574	5,915,430	-	-	-	N/A

Notes: ⁽¹⁾ Total Operating Revenues

⁽²⁾ Total Operating Expenses, including depreciation

⁽³⁾ 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 Authority or debt defeasance transactions

⁽⁴⁾ 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> ⁽¹⁾	<u>Per Capita Income</u> ⁽¹⁾	<u>Personal Income</u> ⁽¹⁾	<u>School District Enrollment</u> ⁽²⁾	<u>Number of Dropouts</u> ⁽²⁾	<u>Dropouts as a Percentage of Enrollment</u>	<u>Unemployment Rate</u> ⁽³⁾
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%
2022	18,773	27,872	523,241,056	12,799	34	0.27%	3.9%

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

⁽²⁾ North Penn School District records

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

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

Employer	Description	2022			2013 ⁽²⁾		
		Employees	Rank	of Total Borough Employment ⁽¹⁾	Employees	Rank	of Total Borough Employment
Delaware Valley Comfort At Home	Home Health Care	505	1	5.36%			
North Penn School District	School District	431	2	4.58%			
Caregivers America LLC	Home Health Care	391	3	4.15%			
Precise Point Inc	Home Health Care	325	4	3.45%			
701 Lansdale Operating LLC	Nursing Home	253	8	2.69%			
North Penn YMCA	Fitness	223	7	2.37%			
Merck Sharp & Dohme Corp	Pharmaceutical	208	5	2.21%			
Express Services Inc.	Employment Agency	187	6	1.99%			
Elm Terrace Gardens	Home Health Care	179	9	1.90%			
CCND Corp-Synergy Homecare	Home Health Care	140	10	1.49%			
Totals		2,337		30.18%	-		0.00%

Notes: ⁽¹⁾ Total number of individuals employed in the Borough in 2022: 9416

⁽²⁾ Complete employment information for 2013 is not available

Source: Berkheimer Tax Administrator records

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

	<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>	<u>2022</u>
General Government	10	10	11	11	15	13	12	14	14	14
Public Safety										
Officers	24	24	23	24	25	25	25	24	27	29
Civilians	7	7	7	7	7	7	7	8	8	7
Fire Safety										
Officers	1	1	1	1	1	2	2	2	2	3
Code Enforcement & Zoning	7	7	7	7	6	6	6	5	6	6
Public Works										
Highway and Streets	11	11	11	11	11	11	11	11	12	13
Electric	17	17	16	16	16	17	17	18	12	15
Culture and Recreation	6	6	6	7	7	7	7	7	7	8
WWTP	<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>	<u>14</u>
Totals:	95	96	96	97	102	103	102	103	100	109

Source: Borough of Lansdale, Montgomery County, Pennsylvania records

Borough of Lansdale
Operating Indicators by Function
Last Ten Fiscal Years

	<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>	<u>2022</u>
Police										
Part I Crimes	316	295	287	254	283	197	228	46	197	236
Part II Crimes	873	761	697	757	839	1,701	1,147	78	1,109	941
Fire Safety										
Alarm/Total Reponses	141	144	156	144	160	206	216	114	545	537
Building/Dwelling Structure	1	-	2	2	2	-	-	-	-	69
Vehicle	90	81	96	88	85	35	43	54	22	-
Other	19	18	21	17	20	12	27	43	3	6
Other	100	110	121	108	115	214	199	228	520	462
Code Enforcement & Zoning										
Building Permits	298	281	311	340	382	328	77	297	368	376
Electrical Permits	146	147	173	246	229	205	168	227	201	207
Sign Permits	35	35	31	43	47	21	23	14	30	23
Occupancy Permits	107	87	93	159	176	84	133	107	47	96
Plumbing Permits	125	118	116	176	238	206	132	166	172	212
Land Development	2	4	4	3	5	2	4	5	2	-
Zoning Hearing Board	9	13	8	10	3	6	10	4	9	11
Highway and Streets										
Street Resurfacing	1	1	1	1	1	4	3	3	2	7
Culture and Recreation										
Pool Memberships	3,324	3,088	2,925	2,630	2,526	2,499	2,472	1,550	2,365	3,126
Program Registration	880	857	968	1,146	937	1,058	978	503	319	471
Concert Series Attendance	7,270	9,090	9,450	8,925	9,685	7,700	7,225	2,360	5,425	4,300

Source: Borough of Lansdale, Montgomery County, Pennsylvania records

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

	<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>	<u>2022</u>
Function										
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	14	14	14	14	14	14	16	14	14	16
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	1,538
Streetlights - Hwy	64	64	64	64	64	64	64	64	64	315
Traffic Signals	20	20	20	20	20	20	21	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, 2022**

<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	1/1/23	1/1/24	Real & Personal Property	\$1,000,000,000	\$1,000	\$136,634
Delaware Valley Property & Liability Trust	1/1/23	1/1/24	Property - Flood	100,000,000	25,000	
Delaware Valley Property & Liability Trust	1/1/23	1/1/24	Property - Earthquake	50,000,000	1,000	
Delaware Valley Property & Liability Trust	1/1/23	1/1/24	Property - Terrorism	25,000,000	1,000	
Delaware Valley Property & Liability Trust	1/1/23	1/1/24	Boiler & Machinery	100,000,000	1,000	
Delaware Valley Property & Liability Trust	1/1/23	1/1/24	Inland Marine	1,000,000,000	1,000	
Delaware Valley Property & Liability Trust	1/1/23	1/1/24	Crime	2,000,000	1,000	2,724
Delaware Valley Property & Liability Trust	1/1/23	1/1/24	Business Income/Extra Expense	500,000/50,000,000	1,000	
Delaware Valley Property & Liability Trust	1/1/23	1/1/24	General Liability	10,000,000	0	55,537
Delaware Valley Property & Liability Trust	1/1/23	1/1/24	Sewer Back-up	10,000,000	0	
Delaware Valley Property & Liability Trust	1/1/23	1/1/24	Employee Benefits Liability	1,000,000	2,500	
Delaware Valley Property & Liability Trust	1/1/23	1/1/24	Abuse or Mollestation	10,000,000	-	
Delaware Valley Property & Liability Trust	1/1/23	1/1/24	Pesticide and Herbicide	10,000,000	-	
Delaware Valley Property & Liability Trust	1/1/23	1/1/24	Automobile	10,000,000	500	36,069
Delaware Valley Property & Liability Trust	1/1/23	1/1/24	Public Official Liability	10,000,000	7,500	36,030
Delaware Valley Property & Liability Trust	1/1/23	1/1/24	Employment Practices	10,000,000	7,500	
Delaware Valley Property & Liability Trust	1/1/23	1/1/24	Law Enforcement Professional Liabili	10,000,000	7,500	33,653
Delaware Valley Property & Liability Trust	1/1/23	1/1/24	Fiduciary Liability	1,000,000	2,500	
Delaware Valley Property & Liability Trust	1/1/23	1/1/24	Cyber/Privacy Liability	10,000,000	2,500	
Delaware Valley Property & Liability Trust	1/1/23	1/1/24	Umbrella	8,000,000	-	
D.V.W.C.T.	1/1/23	1/1/24	Workers Compensation	1,000,000	-	290,529.00
Selective	1/1/23	1/1/24	Automobile - Fire Company	1,000,000	-	9,168
Total Premium:					\$	600,344

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	
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
2022	26	143,595	1,151,382	1,294,977	27

Notes: ⁽¹⁾ 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**

Year Ended December 31	Primary Plans		Secondary Plans		
	Administrative	Union	Administrative	Union (AFSCME)	Union (Molders)
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
2022	128,907	253,549	110,492	58,716	None

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

**Borough of Lansdale
Salaries of Elected Officials
December 31, 2022**

<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, 2022

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 29 full time Officers (including Chief)
0 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, 2022)	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 109
Part Time 10

Population:

2020	2010	2000	1990
18,773	16,269	16,071	16,233

Borough of Lansdale
Miscellaneous Statistics
December 31, 2022

Age Group Comparisons:

	Borough				State				U.S.			
	2010	2000	1990	1980	2010	2000	1990	1980	2010	2000	1990	1980
% Under 20	21.4%	24.5%	21.6%	24.6%	22.0%	26.5%	23.5%	26.3%	24.0%	25.7%	25.6%	28.1%
% 20 - 64	64.4%	60.0%	62.2%	62.0%	62.6%	53.7%	61.1%	60.8%	63.0%	61.9%	61.8%	60.7%
% over 65	14.2%	15.5%	16.2%	13.4%	15.4%	19.8%	15.4%	12.9%	13.0%	12.4%	12.6%	11.2%
Median (years)	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
Lansdale Borough	2.36	2.36	2.41	2.61
U.S.	2.59	2.62	2.63	2.75

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

	2010	2000	1990
Lansdale Borough	48.20%	46.80%	51.60%
U.S.	49.70%	51.70%	55.10%

Married couple families by presence of children under 18:

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

Source: United States Department of Commerce, Bureau of the Census, 2020 and Borough of Lansdale, Montgomery County, Pennsylvania records