



**Borough of Lansdale, Pennsylvania
Comprehensive Annual Financial Report
Fiscal Year Ended, December 31, 2019**



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BOROUGH OF LANSDALE, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2019

Prepared by:
The Office of the Director of Finance

INTRODUCTORY SECTION

BOROUGH OF LANSDALE, PENNSYLVANIA

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BOROUGH OF LANSDALE

One Vine Street ■ Lansdale, Pennsylvania 19446-3601

■ FAX 215-361-8399

■ 215-368-1691

July 15, 2020

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 Comprehensive Annual Financial Report of the Borough of Lansdale, Pennsylvania for the fiscal year ended December 31, 2019 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, 2019 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, 2019 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 74. Governmental funds, other than the General Fund, with appropriated annual budgets, are presented on page 85.

Major Initiatives

As a town that was created thanks in most part to the railroad, it is only fitting that Lansdale Borough's major initiatives of 2019 focus on transportation. Our commitment to current and future residents, business owners and visitors has never been greater. An example of this commitment is our investment in alternative energy and fuel sources. In 2019 the Borough purchased three electric vehicles for our municipal fleet. Whenever allocating funds, the Borough must consider that we answer to our residents and need to be economical when purchasing new vehicles. The initial cost to purchase alternative fuel vehicles was higher than regular vehicles, but the total cost of owning, operating and maintaining an electric car is proven to be lower over time. These statistics show that purchasing electric vehicles not only makes environmental sense, but economic sense as well. The Borough's shift to utilizing electric vehicles provides benefits to our residents as well as the regional economy, increases energy independence, improves public health all while protecting the environment.

But it is not only the Borough making these investments; our community is investing in these green opportunities as well. With more electric vehicles on our Borough roads than ever, our citizens are looking to minimize overall emissions and protect the quality of life in Lansdale. In order to incentivize those who have made the investment and encourage more to make the switch to electric vehicles, the Borough purchased and installed five electric vehicle charging stations within Borough boundaries. The Borough received rebates that covered 100% of the cost for this project that focuses on creative solutions to cut our community carbon footprint while maintaining our Lansdale lifestyle.

When you think of wheels on the road you typically think of four car tires; however, the Borough has many younger residents who utilize our roads with their skateboards and/or BMX bikes. Without an allotted space, the riders were forced to be on public roadways causing hazardous situations for skate, bike and vehicular traffic. Borough Council and staff recognized this deficiency and in 2019 the Borough approved the long-awaited Lansdale Skatepark to be built. Offering a safe, designated space for this many times overlooked age group provides, most importantly, a safe way for those not interested in traditional sports to ride/skate and develop their skills. The Borough held a series of community meetings regarding the design of the park, allowing the skaters and bikers to be part of the process and therefore building a sense of ownership of the park which is scheduled to open in late summer 2020.

While we are busy planning a celebration to open the skatepark, a ribbon cutting ceremony was held in 2019 for the completion of Lansdale's portion of the Liberty Bell Trail. After many years of planning and construction the Liberty Bell Trail, a multi-community walking trail, now runs completely through Lansdale. Offering accessible pedestrian transportation gives residents access to open spaces and provides outdoor recreation not found in all communities. The trail follows the route of the former Liberty Bell Trolley Line from Quakertown south to Allentown, a total of 25 miles. In addition to providing a multi-use trail through the northern Philadelphia suburbs, the Liberty Bell Trail will eventually form part of a long-distance greenway that will connect the Philadelphia and Allentown-Bethlehem metropolitan areas.

As we look back at some of the major Borough initiatives that took place pre-COVID, Borough officials and staff realize why budgeting sensibly with enough money in the bank to operate in times of emergency is so important. The 2020 report will look drastically different for most communities and will force us to closely examine how we budget and spend our resources moving into the future.

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 Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018. This was the twenty-fifth 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 Comprehensive Annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of the Comprehensive Annual 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,

A handwritten signature in blue ink, reading "John Ramey", is written over a horizontal line.

John Ramey
Director of Finance



Government Finance Officers Association

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

Presented to

**Borough of Lansdale
Pennsylvania**

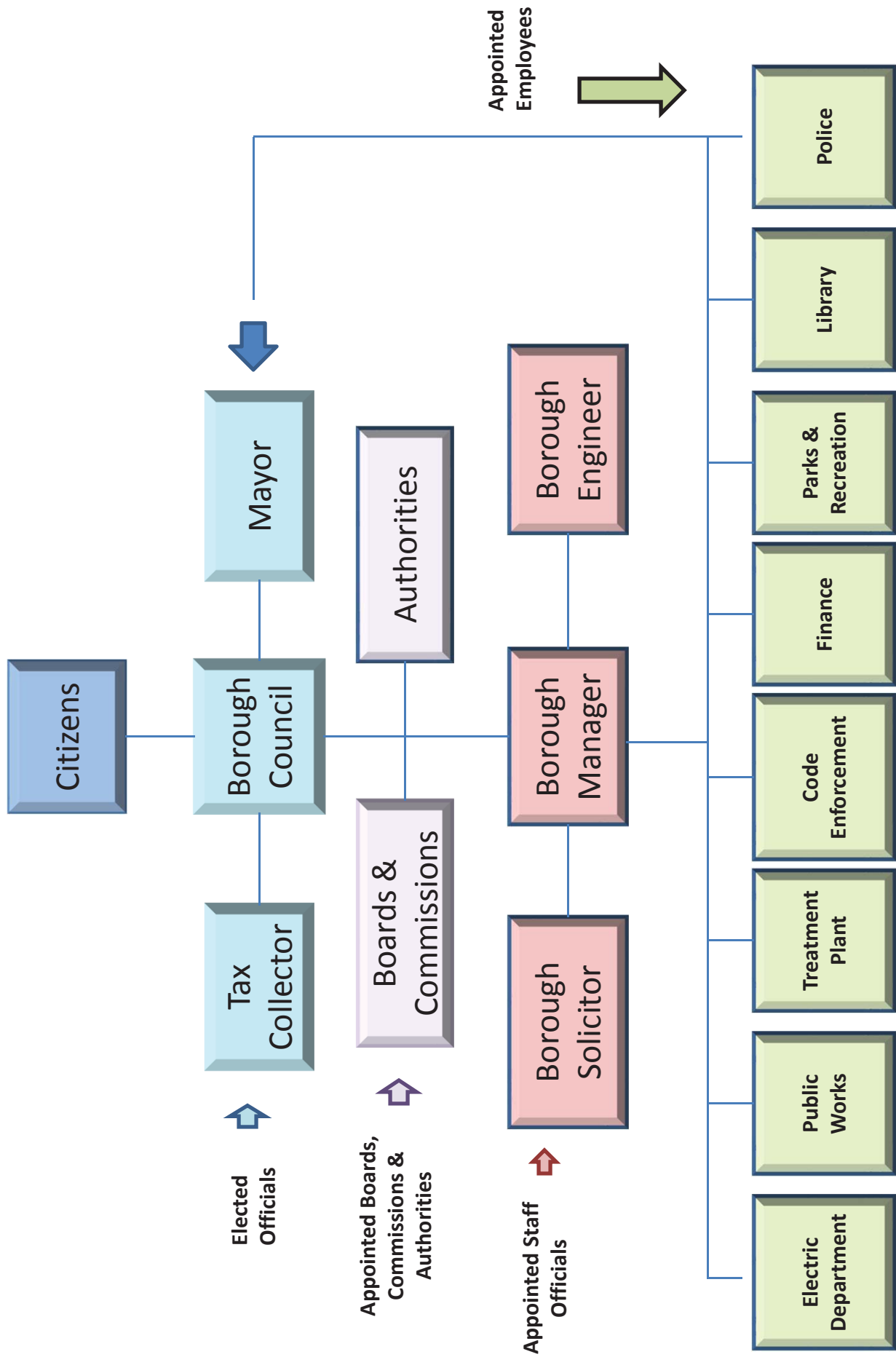
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO

Lansdale Borough Organizational Chart



BOROUGH OF LANSDALE
LIST OF OFFICIALS
December 31, 2019

Mayor
Council President
Council Vice-President
Council Member-Ward I
Council Member-Ward I
Council Member-Ward II
Council Member-Ward II
Council Member-Ward II
Council Member-Ward III
Council Member-Ward III

Borough Manager/Secretary
Director of Utilities
Director of Finance
Director of Parks and Recreation
Superintendent-Wastewater Treatment Plant
Superintendent-Electric Plant
Chief of Police

Fire Marshall

Tax Collector
Treasurer

Borough Solicitor
Borough Engineer
Zoning Solicitor

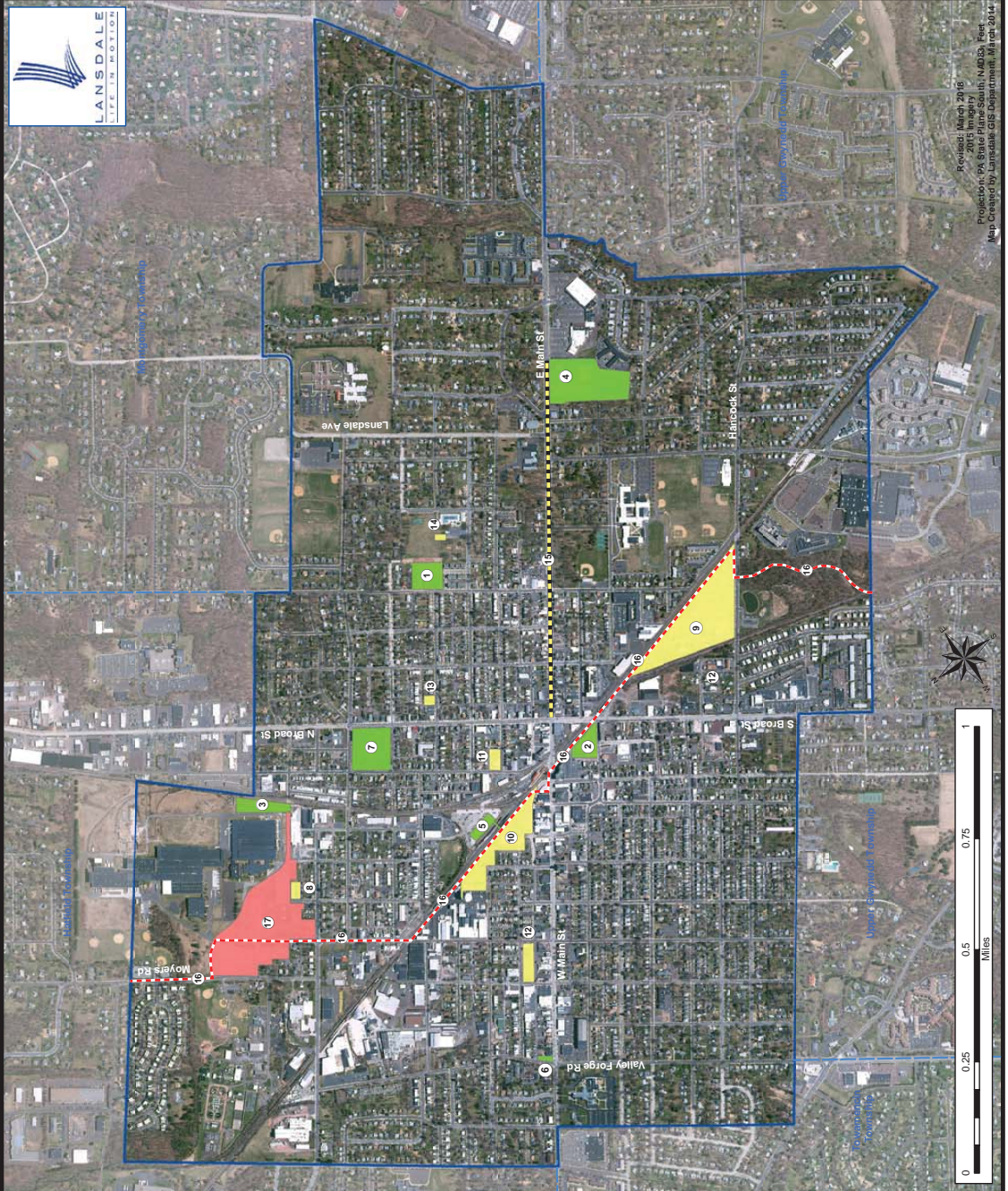
Garry Herbert
Denton Burnell
Mary Fuller
BJ Breish
Bill Henning
Thomas Work
Jack Hansen
Richard DiGregorio
Leon Angelichio
Carrie Hawkins Charlton

John Ernst
Rick DeLong
John Ramey
Karl Luckens
Daniel Shinskie
Andrew Krauss
Michael Trail

Jay Daveler

James Hanratty
Geraldine Siegler

Sean Kilkenny, Esq.
Remington, Vernick and Beach
Gregory R. Gifford, Esq.



Borough of Lansdale Land Development 2019

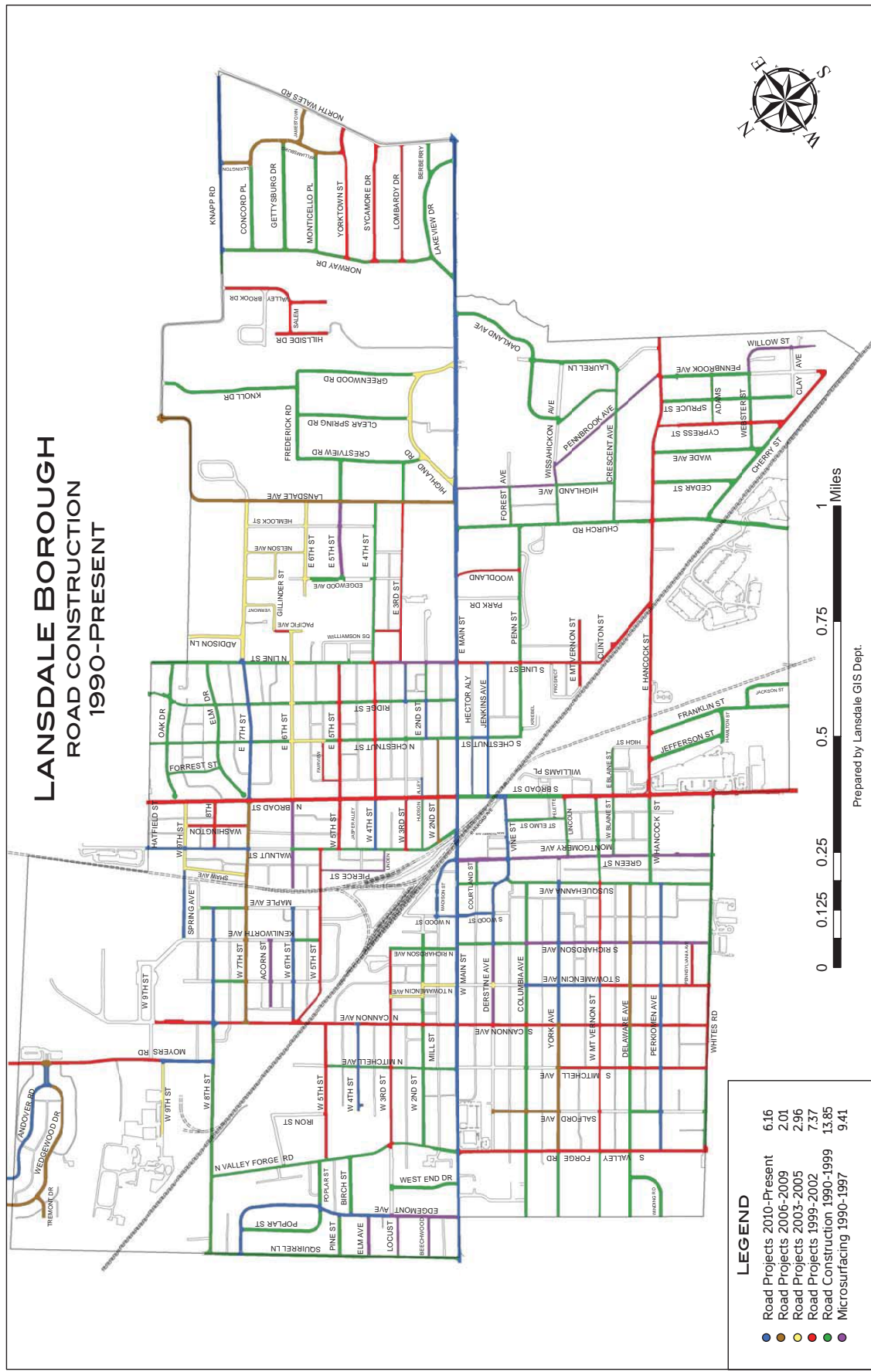
- Completed Projects**
- 1 Williamson Square II:** 437 N Line St
Developer: W.B. Homes
Approved: 2014
Product: 30 Twin Homes
 - 2 Lansdale Borough Hall:** 1 Mile St
Developer: Borough of Lansdale
Approved: 2013
Product: Municipal Complex
 - 3 Septa 9th St Station:** 141 W 9th St
Developer: Septa
Approved: 2014
Product: 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 Apts:** 893-861 W Main St
Developer: Andia LLC
Approved: 2012
Product: Mixed Use - 3 Apartments / 13,000 SF Commercial
 - 7 Elm Terrace Gardens:** 600 N Broad St
Developer: Elm Terrace Gardens
Approved: 2012
Product: 44 Units

- Ongoing Projects**
- 8 Temple Equity Partners, LLC:** 915 N Towamencin Ave
Approved: 2012
Product: 5 Townhomes/1 Twin Home
 - 9 Andale Green:** 135 E Hancock St
Developer: Jim Mouton Ryan Homes
Approved: 2017
Product: 174 Townhomes (total) / 4 Phases
 - 10 Madison Parking Lot:** Madison St
Developer: Equus Partners
Approved: 2017
Product: 181 Apartments; 23,000 SF Commercial
 - 11 West St Apartments:** West St
Developer: Barnett Properties, LLC
Approved: TBD; New Construction
Product: 145 Dwelling Units
 - 12 Penn Square:** 20 N Cannon Ave
Developer: H&W New Construction
Approved: TBD; New Construction
Product: 40 Townhomes
 - 13 Timinski Subdivision:** 2224 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:** Streetscape
 - 16 Liberty Bell Trail:** Liberty Bell Trail

- Future Projects**
- 17 North Penn Park View:** 1000 N Cannon Ave
Approved: 2008; Needs Current Review
Product: 175 Townhomes

Projection: PA State Plane South (NAD83) Feet
Map Created by Lansdale GIS Department, 1/19/2019
Revised: March 2016
2015 Imagery

LANSDALE BOROUGH ROAD CONSTRUCTION 1990-PRESENT



LEGEND

Blue	Road Projects 2010-Present	6.16
Yellow	Road Projects 2006-2009	2.01
Orange	Road Projects 2003-2005	2.96
Red	Road Projects 1999-2002	7.37
Purple	Road Construction 1990-1999	13.85
Green	Microsurfacing 1990-1997	9.41

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Borough of Lansdale, Pennsylvania, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Borough of Lansdale, Pennsylvania's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Opinions

In our opinion, the financial statements referred to above 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, Pennsylvania, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

For the year ended December 31, 2019, the Borough of Lansdale, Pennsylvania adopted new accounting guidance, implementing Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

As discussed in Note J to the financial statements, subsequent to year end, a global pandemic due to the spread of the COVID-19 coronavirus caused the United States government to declare a national emergency. The pandemic has resulted in economic uncertainties which have the potential to have a significant impact on all Borough operations. Our opinion is not modified with respect to this matter.

Other Matters

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 75 and 76, pension plan information on pages 77 through 79 and the postemployment benefits information on page 80 be presented to supplement the basic financial statements. Such information, 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

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, individual budget to actual comparison schedules for the nonmajor funds, schedule of general capital assets by function, schedule of capital assets used in operation of governmental funds, schedule of operating expenses - Electric Fund, schedule of utility plant in service - Electric Fund, schedule of operating expenses - Sewer Fund, schedule of utility plant in service - Sewer Fund, schedule of operating expenses - 421 West Main Street Fund and the schedule of building and building improvements - 421 West Main Street Fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, individual budget to actual comparison schedules for the nonmajor funds, schedule of general capital assets by function, schedule of capital assets used in operation of governmental funds, schedule of operating expenses - Electric Fund, schedule of utility plant in service - Electric Fund, schedule of operating expenses - Sewer Fund, schedule of utility plant in service - Sewer Fund, schedule of operating expenses - 421 West Main Street Fund and the schedule of building and building improvements - 421 West Main Street Fund are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.



Oaks, Pennsylvania
July 15, 2020

BOROUGH OF LANSDALE, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2019

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, 2019. 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 to 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 \$77,662,987 (net position). Of this amount, \$25,183,731 may be used to meet the government's ongoing obligations to citizens and creditors.
- The Borough's total net position increased by \$3,689,427. As of the close of the current fiscal year, the Borough of Lansdale's Governmental Funds reported combined ending fund balances of \$23,962,391. Approximately \$3,996,026 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 \$4,052,919 or 28.78% 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, 2019

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, 2019

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 to 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 to 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 to 74 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 75 to 80 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 81 to 87 of this report.

BOROUGH OF LANSDALE, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2019

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 \$77,662,987 at the close of the most recent fiscal year.

The largest portion of the Borough of Lansdale's net position (64%) is the net investment in capital assets.

Borough of Lansdale's Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current and other assets	\$ 26,010,440	\$ 28,763,968	\$ 15,134,975	\$ 15,252,257	\$ 41,145,415	\$ 44,016,225
Capital assets						
Depreciable	43,115,608	42,059,281	13,750,943	12,392,878	56,866,551	54,452,159
Nondepreciable	20,325,194	16,671,698	616,697	925,450	20,941,891	17,597,148
TOTAL ASSETS	89,451,242	87,494,947	29,502,615	28,570,585	118,953,857	116,065,532
DEFERRED OUTFLOWS OF RESOURCES						
Deferred amount on refunding, net	245,201	151,624	-	-	245,201	151,624
Pension activity	369,333	1,535,730	-	-	369,333	1,535,730
OPEB activity	425,399	216,307	-	-	425,399	216,307
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,039,933	1,903,661	-	-	1,039,933	1,903,661
LIABILITIES						
Long-term liabilities outstanding	38,050,122	41,682,483	-	-	38,050,122	41,682,483
Other liabilities	2,016,158	2,766,847	887,621	921,289	2,903,779	3,688,136
TOTAL LIABILITIES	40,066,280	44,449,330	887,621	921,289	40,953,901	45,370,619
DEFERRED INFLOWS OF RESOURCES						
Pension activity	1,226,819	103,640	-	-	1,226,819	103,640
OPEB activity	150,083	-	-	-	150,083	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,376,902	103,640	-	-	1,376,902	103,640
NET POSITION						
Net investment in capital assets	35,405,878	31,598,973	14,367,640	13,318,328	49,773,518	44,917,301
Restricted	991,411	850,391	1,714,327	1,695,085	2,705,738	2,545,476
Unrestricted	12,650,704	12,396,274	12,533,027	12,635,883	25,183,731	25,032,157
TOTAL NET POSITION	\$ 49,047,993	\$ 44,845,638	\$ 28,614,994	\$ 27,649,296	\$ 77,662,987	\$ 72,494,934

3.5% 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 \$3,689,427 during the current fiscal year.

BOROUGH OF LANSDALE, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2019

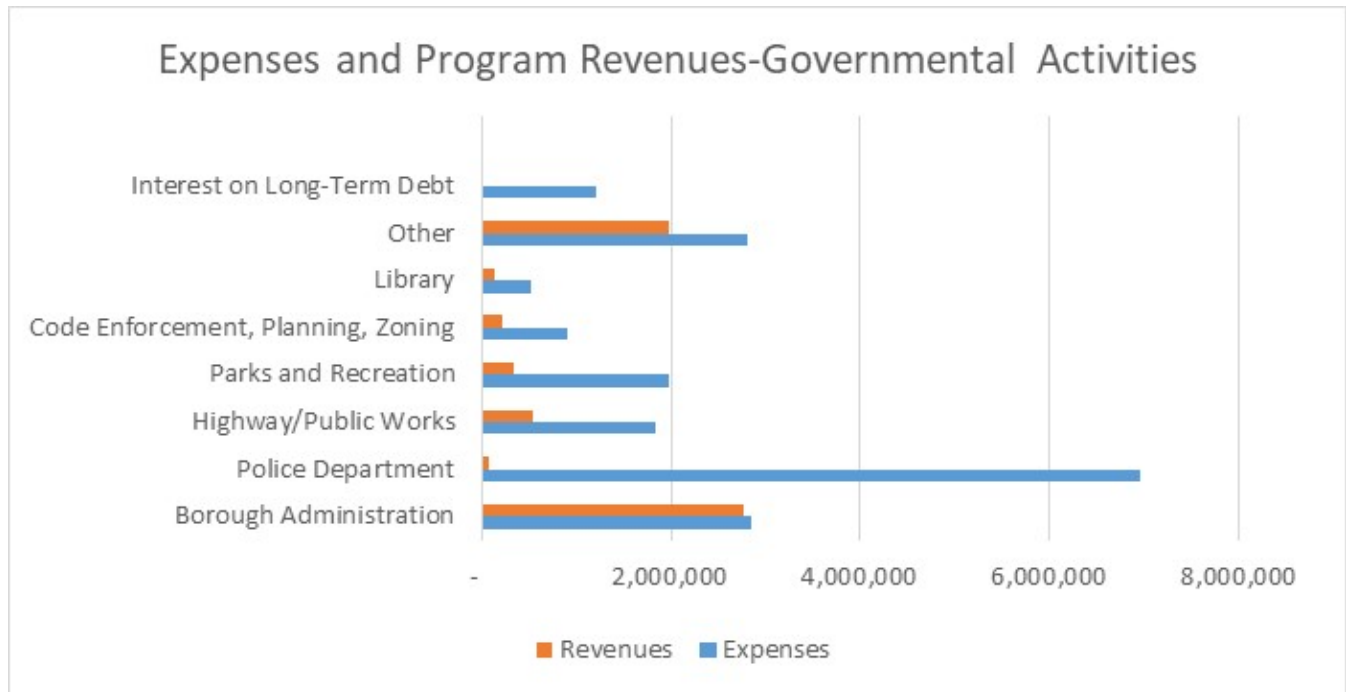
Governmental Activities

Governmental activities increased the Borough of Lansdale's net position by \$2,723,729.

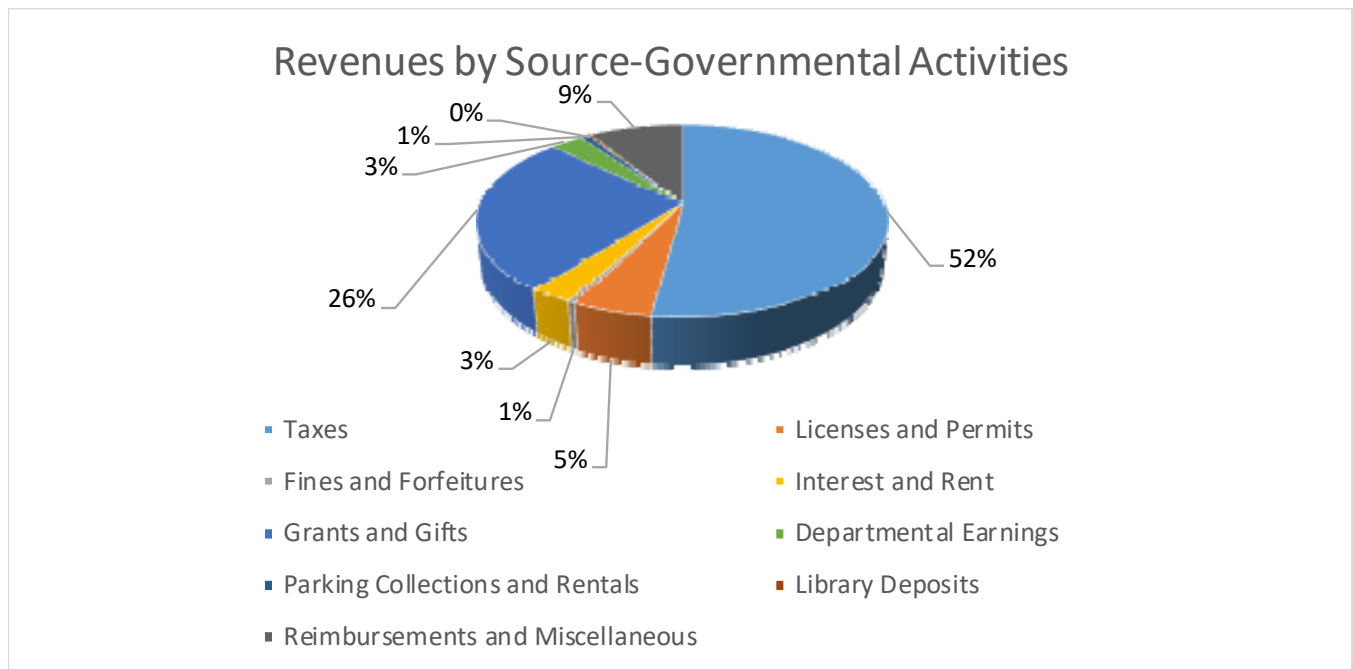
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program revenues						
Charges for services	\$ 2,856,643	\$ 2,257,572	\$ 26,065,082	\$ 26,215,225	\$ 28,921,725	\$ 28,472,797
Operating grants and contributions	1,320,670	1,319,197	-	-	1,320,670	1,319,197
Capital grants and contributions	1,909,052	445,009	-	-	1,909,052	445,009
General revenues						
Taxes	7,403,376	7,338,997	-	-	7,403,376	7,338,997
Unrestricted investment earnings	425,017	254,363	306,993	128,428	732,010	382,791
Miscellaneous	315,833	-	-	-	315,833	-
TOTAL REVENUES	<u>14,230,591</u>	<u>11,615,138</u>	<u>26,372,075</u>	<u>26,343,653</u>	<u>40,602,666</u>	<u>37,958,791</u>
EXPENSES						
Administration	2,847,894	2,741,172	-	-	2,847,894	2,741,172
Police department	6,947,379	6,829,350	-	-	6,947,379	6,829,350
Highway/public works	1,830,011	4,391,667	-	-	1,830,011	4,391,667
Culture and recreation	1,973,516	1,837,586	-	-	1,973,516	1,837,586
Code enforcement/planning/zoning	917,149	779,770	-	-	917,149	779,770
Library	529,655	520,329	-	-	529,655	520,329
Other	2,815,245	2,322,300	-	-	2,815,245	2,322,300
Interest on long-term debt	1,213,392	1,008,307	-	-	1,213,392	1,008,307
Electric	-	-	13,359,942	13,742,564	13,359,942	13,742,564
Sewer	-	-	4,383,435	4,427,410	4,383,435	4,427,410
421 West Main Street	-	-	95,621	69,963	95,621	69,963
TOTAL EXPENSES	<u>19,074,241</u>	<u>20,430,481</u>	<u>17,838,998</u>	<u>18,239,937</u>	<u>36,913,239</u>	<u>38,670,418</u>
CHANGE IN NET POSITION BEFORE TRANSFERS	(4,843,650)	(8,815,343)	8,533,077	8,103,716	3,689,427	(711,627)
TRANSFERS						
Transfers	<u>7,567,379</u>	<u>7,543,920</u>	<u>(7,567,379)</u>	<u>(7,543,920)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	2,723,729	(1,271,423)	965,698	559,796	3,689,427	(711,627)
NET POSITION AT BEGINNING OF YEAR, governmental activities restated						
	<u>46,324,264</u>	<u>46,117,061</u>	<u>27,649,296</u>	<u>27,089,500</u>	<u>73,973,560</u>	<u>73,206,561</u>
NET POSITION AT END OF YEAR	<u>\$ 49,047,993</u>	<u>\$ 44,845,638</u>	<u>\$ 28,614,994</u>	<u>\$ 27,649,296</u>	<u>\$ 77,662,987</u>	<u>\$ 72,494,934</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2019

The Highway/Public Works expenses decreased by \$2,561,656 (58.3%) due to decreased personnel and salt supply cost for lower than usual snow fall in 2019. The Public Services expenses increased by \$492,945 (21.2%) due to increased Parking Authority spending on maintenance projects.



Capital outlay in 2019 was \$5,495,482, which was funded mainly through the 2012 and 2014 General Obligation Bonds, the 2017 infrastructure note and capital savings.

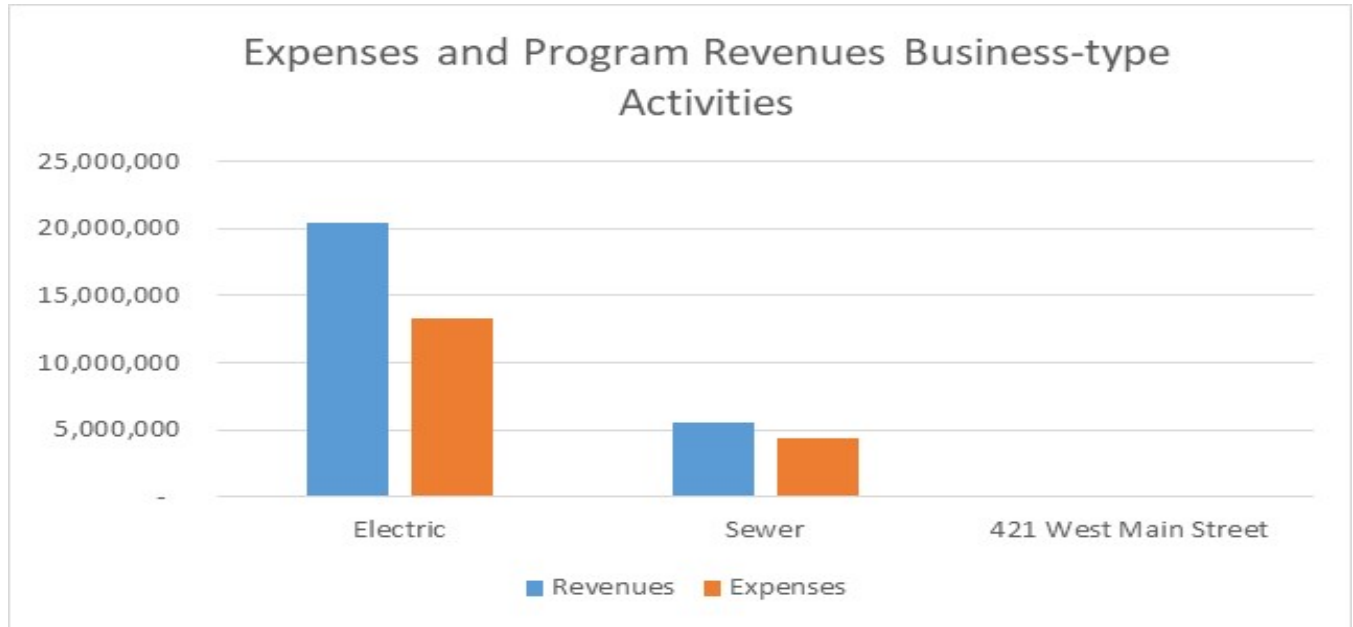


BOROUGH OF LANSDALE, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2019

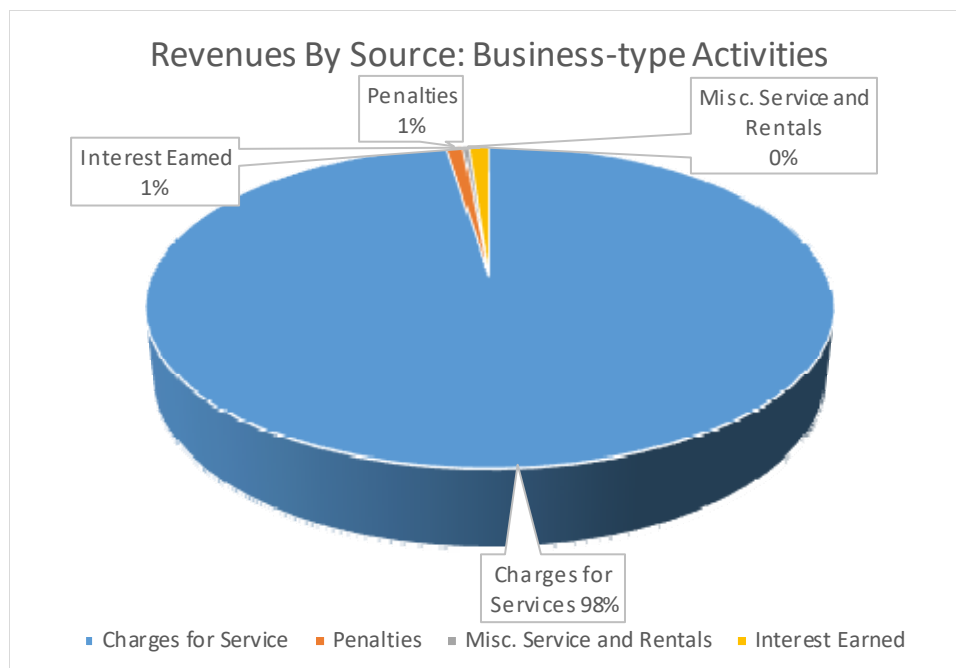
In 2019, the Borough received \$1,909,052 in Grants and Gifts which represents thirteen percent (13%) of revenues for Governmental Activities. Total tax collection for 2019 totaled \$7,403,376 comprising of fifty-two percent (52%) of the revenues for Governmental Activities. Of the total tax collection, fifty-eight percent (58%) or \$4,256,454 is real estate tax collection.

Business-Type Activities

Business-type activities increases the Borough of Lansdale's net position by \$965,698



Program Revenue for the Electric Fund amounted to \$20,408,821; those for the Sewer Fund totaled \$5,529,949; and those for the 421 West Main Street Fund equal \$126,312. Net (expenses) revenue and changes in net position were \$1,583,991, -\$256,130 and -\$362,163 respectively.



BOROUGH OF LANSDALE, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2019

Charges for service generated \$26,065,082 in revenue during 2019, representing ninety-nine percent (99%) of total revenue for Business-type Activities. Seventy-eight percent (78%) of this revenue was sale of electricity totaling \$20,232,845 and twenty-one percent (21%) was sewer rents in the amount of \$5,507,056.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the Borough of Lansdale's Governmental Funds reported combined ending fund balances of \$23,962,391, a decrease of \$1,998,374 in comparison with the prior year. Approximately 17% of this total amount (\$3,996,026) 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 (\$11,585,589), is restricted for the Library (\$169,674), is committed to parking projects (\$4,499,727), is committed to other post-employment benefits (\$3,711,215), or to pay for prepaid expenses incurred at the end of the year (\$160).

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 \$4,052,919. 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 28.8% and 113.8% of total General Fund expenditures, respectively.

The fund balance of the Borough of Lansdale's General Fund increased by \$758,453 during the current fiscal year. This increase was due to increase tax revenue from real estate and earned income taxes. The Borough Budget for expenditures in 2019 was \$14,252,887 and the actual expenditures were \$14,083,123, a difference of (\$169,764). The Borough Budget for revenues was \$10,315,185 and the actual revenues were \$10,603,874 generating \$288,689 more than anticipated. This majority of this revenue was from taxes (\$163,493).

BOROUGH OF LANSDALE, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2019

Capital Projects Fund

The Capital Projects Fund accounts for the majority of capital projects and purchases for the Borough of Lansdale. In 2019, \$3,667,765 was spent on various projects. Street and storm water projects continue to be the main expenditures, with \$3,295,077 of the total expenditures of the fund spent on these projects. Other expenditures included park improvements, public works equipment, police, building improvements and equipment purchases.

The fund balance of the Borough of Lansdale's Capital Project Fund decreased by \$2,739,237 during the current fiscal year.

Lansdale Parking Authority Fund

The Lansdale Parking Authority Fund accounts for the activity of the Lansdale Parking Authority. In 2019, \$2,213,788 was spent on administration and projects of the Lansdale Parking Authority. Pass through grants is the main expenditure, with \$1,840,588 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 \$310,278 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 2019, \$12,733,678 was spent on debt service between principal \$11,532,875 and interest \$1,200,803.

The fund balance of the Borough of Lansdale's Debt Service Fund increased by \$71,434 during the current fiscal year. This increase was due to transfers from other funds not matching the debt service payments.

Proprietary Funds

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

Unrestricted net position of the Electric Fund at the end of the year amounted to \$7,610,525; those for the Sewer Fund amounted to \$4,693,237; and those for the West Main Street Fund amounted to \$229,265. The activity in net position for all three funds was an increase of \$1,583,911, a decrease of \$256,130 and a decrease of \$362,163, 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, 2019

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 \$288,689.
 - An actual overage of \$163,493 in Total Taxes.
 - Real Estate Transfer Taxes was \$102,094 greater than anticipated
 - Earned Income Taxes was \$102,838 greater than anticipated
 - An actual overage of \$149,757 in interest and rent.
 - Interest income increase due to new negotiated rates with banks.
 - An actual overage of \$38,346 in grants and gifts.
 - Larger than expected grant state aid for pensions.
- **Expenditures** - Total difference from budgeted to actual was (\$169,764).
 - An actual overage of \$179,005 in Public Works. This was due to road paving and increased personnel and supplies for additional special events.

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, 2019, amounts to \$77,808,442 (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, 2019

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

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Infrastructure	\$ 28,931,438	\$ 27,181,556	\$ -	\$ -	\$ 28,931,438	\$ 27,181,556
Land and land improvements	3,771,979	3,761,804	509,976	509,976	4,281,955	4,271,780
Construction in progress	5,592,836	3,428,141	616,697	925,450	6,209,533	4,353,591
Buildings and facilities	22,457,958	23,172,430	1,931,434	2,111,826	24,389,392	25,284,256
Furniture and fixtures	2,406,431	2,408,626	11,309,533	9,771,076	13,715,964	12,179,702
Books	280,160	257,048	-	-	280,160	257,048
	<u>\$ 63,440,802</u>	<u>\$ 60,209,605</u>	<u>\$ 14,367,640</u>	<u>\$ 13,318,328</u>	<u>\$ 77,808,442</u>	<u>\$ 73,527,933</u>

Additional information on the Borough of Lansdale's capital assets can be found in Note C on pages 51 to 53 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 \$31,014,826. 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	
	2019	2018	2019	2018	2019	2018
General obligation bonds and notes	<u>\$ 31,014,826</u>	<u>\$ 32,607,702</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,014,826</u>	<u>\$ 32,607,702</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 55 to 62 of this report.

BOROUGH OF LANSDALE, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2019

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The elected officials for the Borough of Lansdale considered many factors when setting the 2019 calendar year's budget, tax rates, and fees that will be charged for government-wide and business-type activities (electric and sewer rates.) One of those factors is the economy. Overall employment data is not compiled for municipalities, but such data is compiled for the Philadelphia Labor Market Area which includes Montgomery County. Unemployment in Montgomery County is typically below that of the state. For 2019, the county unemployment rate was 3.4 percent, 1.2 percent below the state level of 4.6 percent. This statistic reflects an increase at the county level over 2018 of 0.4 percent.

The Borough of Lansdale property tax rate of 5.75 mills was raised from 5.5 beginning in 2020. 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 2020 did not have increases for electric and sewer rates. The last increase in rates was the beginning of 2015. The Borough will be able to maintain its electric rates for future years. This is especially important at a time when overall energy costs are rising in all sectors of the economy.

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

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

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

REQUESTS FOR INFORMATION

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

BOROUGH OF LANSDALE, PENNSYLVANIA
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities	Business-Type Activities	Totals
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash and cash equivalents	\$ 24,877,437	\$ 8,167,164	\$ 33,044,601
Investments	-	2,934,459	2,934,459
Receivables, net of allowance for uncollectibles			
Taxes, real estate	219,380	-	219,380
Electric and sewer	-	3,026,167	3,026,167
Other	867,059	248,882	1,115,941
Intergovernmental receivable	-	180,266	180,266
Prepaid items	46,564	68,368	114,932
Inventories	-	509,669	509,669
Capital assets			
Depreciable capital assets, net	43,115,608	13,750,943	56,866,551
Nondepreciable capital assets	20,325,194	616,697	20,941,891
TOTAL ASSETS	89,451,242	29,502,615	118,953,857
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding, net of accumulated amortization	245,201	-	245,201
Deferred outflows of resources, pension activity	369,333	-	369,333
Deferred outflows of resources, OPEB activity	425,399	-	425,399
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,039,933	-	1,039,933
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 90,491,175	\$ 29,502,615	\$ 119,993,790
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
LIABILITIES			
Accounts payable	\$ 1,066,751	\$ 106,317	\$ 1,173,068
Accrued payroll	239,120	99,319	338,439
Accrued interest	142,976	-	142,976
Other current liabilities	557,311	-	557,311
Liabilities payable for customer deposits	-	681,985	681,985
Unearned revenue	10,000	-	10,000
Bonds and notes payable			
Due within one year	1,751,792	-	1,751,792
Due in more than one year	29,337,111	-	29,337,111
Net pension liability, due in more than one year	2,945,773	-	2,945,773
Total OPEB liability, due in more than one year	4,015,446	-	4,015,446
TOTAL LIABILITIES	40,066,280	887,621	40,953,901
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources, pension activity	1,226,819	-	1,226,819
Deferred inflows of resources, OPEB activity	150,083	-	150,083
TOTAL DEFERRED INFLOWS OF RESOURCES	1,376,902	-	1,376,902
NET POSITION			
Net investment in capital assets	35,099,845	14,367,640	49,467,485
Restricted			
Electric utility activities	-	1,714,327	1,714,327
Highways and street projects	821,737	-	821,737
Library	169,674	-	169,674
Unrestricted	12,956,737	12,533,027	25,489,764
TOTAL NET POSITION	49,047,993	28,614,994	77,662,987
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 90,491,175	\$ 29,502,615	\$ 119,993,790

See accompanying notes to the basic financial statements.

BOROUGH OF LANSDALE, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
Borough administration	\$ 2,847,894	\$ 2,010,291	\$ 766,846	\$ -
Police department	6,947,379	87,557	-	-
Public works	1,830,011	9,600	468,031	68,464
Culture and recreation	1,973,516	340,464	-	-
Code enforcement	917,149	218,658	-	-
Library	529,655	44,219	85,793	-
Public services	2,815,245	145,854	-	1,840,588
Interest on long-term debt	1,213,392	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	19,074,241	2,856,643	1,320,670	1,909,052
BUSINESS-TYPE ACTIVITIES				
Electric	13,359,942	20,408,821	-	-
Sewer	4,383,435	5,529,949	-	-
421 West Main Street	95,621	126,312	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	17,838,998	26,065,082	-	-
TOTAL BOROUGH ACTIVITIES	\$ 36,913,239	\$ 28,921,725	\$ 1,320,670	\$ 1,909,052

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, governmental activities restated

NET POSITION AT END OF YEAR

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Totals
\$ (70,757)	\$ -	\$ (70,757)
(6,859,822)	-	(6,859,822)
(1,283,916)	-	(1,283,916)
(1,633,052)	-	(1,633,052)
(698,491)	-	(698,491)
(399,643)	-	(399,643)
(828,803)	-	(828,803)
(1,213,392)	-	(1,213,392)
<u>(12,987,876)</u>	<u>-</u>	<u>(12,987,876)</u>
-	7,048,879	7,048,879
-	1,146,514	1,146,514
<u>-</u>	<u>30,691</u>	<u>30,691</u>
-	8,226,084	8,226,084
<u>(12,987,876)</u>	<u>8,226,084</u>	<u>(4,761,792)</u>
2,696,828	-	2,696,828
4,256,454	-	4,256,454
450,094	-	450,094
425,017	306,993	732,010
315,833	-	315,833
7,567,379	(7,567,379)	-
<u>15,711,605</u>	<u>(7,260,386)</u>	<u>8,451,219</u>
2,723,729	965,698	3,689,427
<u>46,324,264</u>	<u>27,649,296</u>	<u>73,973,560</u>
<u>\$ 49,047,993</u>	<u>\$ 28,614,994</u>	<u>\$ 77,662,987</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General Fund	Capital Projects Fund	Lansdale Parking Authority Revenue Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 16,880,043	\$ 2,545,356	\$ 3,930,312	\$ -	\$ 1,577,569	\$ 24,933,280
Receivables, net of allowance for uncollectible accounts						
Taxes, real estate	219,380	-	-	-	-	219,380
Other	416,076	450,983	-	-	-	867,059
Prepaid items	46,404	-	-	-	160	46,564
TOTAL ASSETS	\$ 17,561,903	\$ 2,996,339	\$ 3,930,312	\$ -	\$ 1,577,729	\$ 26,066,283
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 566,879	\$ 495,987	\$ -	\$ 56,893	\$ 2,835	\$ 1,122,594
Accrued payroll	235,212	-	-	-	3,908	239,120
Other current liabilities	557,311	-	-	-	-	557,311
Unearned revenues	-	-	-	-	10,000	10,000
TOTAL LIABILITIES	1,359,402	495,987	-	56,893	16,743	1,929,025
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue, property taxes	174,867	-	-	-	-	174,867
FUND BALANCES						
Nonspendable, prepaid items	-	-	-	-	160	160
Restricted						
Highway and street projects	-	2,455,151	-	-	821,737	3,276,888
Building and infrastructure projects	-	45,201	-	-	-	45,201
Library	-	-	-	-	169,674	169,674
Committed						
Capital projects	8,263,500	-	-	-	-	8,263,500
Parking projects	-	-	3,930,312	-	569,415	4,499,727
Other post employment benefits	3,711,215	-	-	-	-	3,711,215
Unassigned	4,052,919	-	-	(56,893)	-	3,996,026
TOTAL FUND BALANCES	16,027,634	2,500,352	3,930,312	(56,893)	1,560,986	23,962,391
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 17,561,903	\$ 2,996,339	\$ 3,930,312	\$ -	\$ 1,577,729	\$ 26,066,283

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, 2019

TOTAL GOVERNMENTAL FUNDS BALANCES	\$ 23,962,391
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>	
Land and land improvements	3,771,979
Construction in progress	5,592,836
Infrastructure	36,251,600
Building, structures and facilities	28,349,627
Furniture, fixtures, equipment and related assets	6,313,846
Library books	1,252,552
Accumulated depreciation	(18,091,638)
<p>Other long-term assets are not available to pay current period expenditures and are deferred in the funds.</p>	
	174,867
<p>Bond discounts are not recorded as assets in the Governmental Funds; however, these items are capitalized and amortized in the government-wide financial statements.</p>	
	116,634
<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>	
	(190,711)
<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	245,201
<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>	
	(582,170)
<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	(142,976)
Bonds and notes payable	(31,014,826)
Net pension liability	(2,945,773)
Total OPEB liability	(4,015,446)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 49,047,993</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, 2019

	General Fund	Capital Projects Fund	Lansdale Parking Authority Revenue Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 7,395,668	\$ -	\$ -	\$ -	\$ -	\$ 7,395,668
Licenses and permits	767,775	-	-	-	-	767,775
Fines and forfeitures	67,917	-	-	-	-	67,917
Interest and rent	251,357	93,856	62,922	-	21,779	429,914
Grants and gifts	766,846	557,693	1,840,588	-	553,824	3,718,951
Departmental earnings	456,029	-	-	-	-	456,029
Parking collections and rentals	-	-	-	-	109,784	109,784
Library deposits	-	-	-	-	44,219	44,219
Miscellaneous	898,282	153,206	-	-	68,464	1,119,952
TOTAL REVENUES	10,603,874	804,755	1,903,510	-	798,070	14,110,209
EXPENDITURES						
Current						
Borough administration	2,812,447	-	-	-	-	2,812,447
Public safety	6,498,912	-	-	-	-	6,498,912
Highways/public works	1,952,340	3,295,077	-	-	421,070	5,668,487
Code enforcement, planning and zoning	917,149	-	-	-	-	917,149
Parks and recreation	1,337,222	372,688	-	-	-	1,709,910
Library	-	-	-	-	514,342	514,342
Public services	565,053	-	2,213,788	-	36,404	2,815,245
Debt service						
Principal	-	-	-	1,867,875	-	1,867,875
Interest and other charges	-	-	-	1,022,430	-	1,022,430
TOTAL EXPENDITURES	14,083,123	3,667,765	2,213,788	2,890,305	971,816	23,826,797
DEFICIENCY OF REVENUES OVER EXPENDITURES	(3,479,249)	(2,863,010)	(310,278)	(2,890,305)	(173,746)	(9,716,588)
OTHER FINANCING SOURCES (USES)						
Refunding bonds issued	-	-	-	9,940,000	-	9,940,000
Premiums on refunding bonds issued	-	-	-	54,208	-	54,208
Payment to refunded bond escrow agent	-	-	-	(9,843,373)	-	(9,843,373)
Transfers in	6,400,000	1,200,000	-	2,810,904	395,000	10,805,904
Transfers out	(2,162,298)	(1,076,227)	-	-	-	(3,238,525)
TOTAL OTHER FINANCING SOURCES (USES)	4,237,702	123,773	-	2,961,739	395,000	7,718,214
NET CHANGE IN FUND BALANCES	758,453	(2,739,237)	(310,278)	71,434	221,254	(1,998,374)
FUND BALANCES AT BEGINNING OF YEAR	15,269,181	5,239,589	4,240,590	(128,327)	1,339,732	25,960,765
FUND BALANCES AT END OF YEAR	\$ 16,027,634	\$ 2,500,352	\$ 3,930,312	\$ (56,893)	\$ 1,560,986	\$ 23,962,391

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, 2019

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ <u>(1,998,374)</u>
 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 (\$5,495,482) exceeds depreciation (\$2,264,285) in the current period.	 <u>3,231,197</u>
 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.	 <u>7,708</u>
 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.	
Issuance of general obligation notes	(9,994,208)
Repayment of bond principal	11,416,759
Deferred amount on refunding	116,118
Amortization of bond discounts and premiums	11,768
Amortization of deferred amount on refunding	<u>(22,541)</u>
	<u>1,527,896</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	(12,174)
Pension plan expense	200,938
OPEB plan expense	<u>(233,462)</u>
	<u>(44,698)</u>
 CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	 \$ <u><u>2,723,729</u></u>

See accompanying notes to the basic financial statements.

BOROUGH OF LANSDALE, PENNSYLVANIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019

	Enterprise Funds			Total Proprietary Funds
	Electric Fund	Sewer Fund	421 West Main Street Fund	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 5,206,104	\$ 1,516,763	\$ 229,970	\$ 6,952,837
Investments	1,056,405	1,878,054	-	2,934,459
Accounts receivable for utility service, less allowances for uncollectible accounts of \$2,650 (electric) and \$11,003 (sewer)	2,098,725	927,442	-	3,026,167
Receivable liened	21,681	227,201	-	248,882
Intergovernmental receivables	-	180,266	-	180,266
Inventories	509,669	-	-	509,669
Prepaid expenses	743	67,625	-	68,368
TOTAL CURRENT ASSETS	8,893,327	4,797,351	229,970	13,920,648
NONCURRENT ASSETS				
Cash and cash equivalents	1,214,327	-	-	1,214,327
Property, plant and equipment				
Construction in progress	108,759	507,938	-	616,697
Building and building improvements at depreciated cost	-	-	700,535	700,535
Utility plant in service at depreciated cost	5,505,639	7,544,769	-	13,050,408
TOTAL PROPERTY, PLANT AND EQUIPMENT	5,614,398	8,052,707	700,535	14,367,640
TOTAL NONCURRENT ASSETS	6,828,725	8,052,707	700,535	15,581,967
TOTAL ASSETS	15,722,052	12,850,058	930,505	29,502,615
LIABILITIES				
CURRENT LIABILITIES				
Payable from nonrestricted assets				
Accounts payable	46,475	59,137	705	106,317
Accrued payroll	54,342	44,977	-	99,319
TOTAL CURRENT LIABILITIES	100,817	104,114	705	205,636
NONCURRENT LIABILITIES				
Customers' deposits	681,985	-	-	681,985
TOTAL LIABILITIES	782,802	104,114	705	887,621
NET POSITION				
Net investment in capital assets	5,614,398	8,052,707	700,535	14,367,640
Restricted for electric utility activities	1,714,327	-	-	1,714,327
Unrestricted	7,610,525	4,693,237	229,265	12,533,027
TOTAL NET POSITION	\$ 14,939,250	\$ 12,745,944	\$ 929,800	\$ 28,614,994

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, 2019

	Enterprise Funds			Total Proprietary Funds
	Electric Fund	Sewer Fund	421 West Main Street Fund	
OPERATING REVENUES				
Charges for services				
Sales of electricity				
Residential	\$ 9,422,017	\$ -	\$ -	\$ 9,422,017
General services	5,976,117	-	-	5,976,117
Primary	4,834,711	-	-	4,834,711
Sewer rents	-	5,507,056	-	5,507,056
TOTAL CHARGES FOR SERVICES	20,232,845	5,507,056	-	25,739,901
Penalties	207,108	43,404	-	250,512
Miscellaneous services and rentals	(31,132)	(20,511)	126,312	74,669
TOTAL OPERATING REVENUES	20,408,821	5,529,949	126,312	26,065,082
OPERATING EXPENSES				
Cost of providing electrical service				
Purchased power	9,103,606	-	-	9,103,606
Transmission	42,608	-	-	42,608
Distribution	1,379,869	-	-	1,379,869
Customer accounts	650,323	-	-	650,323
Administrative and general	1,780,458	-	-	1,780,458
Cost of providing sewer service				
Sanitary sewers	-	345,992	-	345,992
Disposal plant	-	2,154,484	-	2,154,484
Administrative and general	-	1,133,114	-	1,133,114
Cost of maintaining rental property	-	-	59,624	59,624
Depreciation	403,078	749,845	35,997	1,188,920
TOTAL OPERATING EXPENSES	13,359,942	4,383,435	95,621	17,838,998
OPERATING INCOME	7,048,879	1,146,514	30,691	8,226,084
NONOPERATING REVENUES				
Interest earned	202,491	97,356	7,146	306,993
INCOME BEFORE INTERFUND TRANSFERS	7,251,370	1,243,870	37,837	8,533,077
INTERFUND TRANSFERS				
Transfers in	932,621	2,466,411	-	3,399,032
Transfers out	(6,600,000)	(3,966,411)	(400,000)	(10,966,411)
TOTAL INTERFUND TRANSFERS	(5,667,379)	(1,500,000)	(400,000)	(7,567,379)
CHANGE IN NET POSITION	1,583,991	(256,130)	(362,163)	965,698
NET POSITION AT BEGINNING OF YEAR	13,355,259	13,002,074	1,291,963	27,649,296
NET POSITION AT END OF YEAR	\$ 14,939,250	\$ 12,745,944	\$ 929,800	\$ 28,614,994

See accompanying notes to the basic financial statements.

BOROUGH OF LANSDALE, PENNSYLVANIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019

	Enterprise Funds			Total Proprietary Funds
	Electric Fund	Sewer Fund	421 West Main Street Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 20,371,166	\$ 5,826,825	\$ -	\$ 26,197,991
Cash paid to vendors	(11,284,872)	(2,470,344)	(59,602)	(13,814,818)
Cash paid to employees	(1,644,947)	(1,184,738)	-	(2,829,685)
Cash received for rentals	-	-	126,312	126,312
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>7,441,347</u>	<u>2,171,743</u>	<u>66,710</u>	<u>9,679,800</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from Capital Projects Fund	932,621	1,216,411	-	2,149,032
Transfers to General Fund	(5,000,000)	(1,000,000)	(400,000)	(6,400,000)
Transfers to Debt Service Fund	(700,000)	(500,000)	-	(1,200,000)
Transfers to Capital Projects Fund	(900,000)	(1,216,411)	-	(2,116,411)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	<u>(5,667,379)</u>	<u>(1,500,000)</u>	<u>(400,000)</u>	<u>(7,567,379)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(932,622)	(1,216,411)	(89,198)	(2,238,231)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	163,753	325,323	-	489,076
Interest received	221,732	97,356	7,146	326,234
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>385,485</u>	<u>422,679</u>	<u>7,146</u>	<u>815,310</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>1,226,831</u>	<u>(121,989)</u>	<u>(415,342)</u>	<u>689,500</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>5,193,600</u>	<u>1,638,752</u>	<u>645,312</u>	<u>7,477,664</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 6,420,431</u>	<u>\$ 1,516,763</u>	<u>\$ 229,970</u>	<u>\$ 8,167,164</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019

	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	\$ 7,048,879	\$ 1,146,514	\$ 30,691	\$ 8,226,084
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	403,078	749,845	35,997	1,188,920
(Increase) decrease in				
Accounts receivable	(87,273)	23,509	-	(63,764)
Other receivables	454	(484)	-	(30)
Intergovernmental receivables	-	273,851	-	273,851
Inventory	88,407	-	-	88,407
Increase (decrease) in				
Accounts payable	(55,889)	(8,743)	22	(64,610)
Accrued payroll	(5,473)	(12,749)	-	(18,222)
Customers' deposits	49,164	-	-	49,164
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 7,441,347</u>	<u>\$ 2,171,743</u>	<u>\$ 66,710</u>	<u>\$ 9,679,800</u>

See accompanying notes to the basic financial statements.

BOROUGH OF LANSDALE, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2019

	<u>Police Pension Trust Fund</u>
ASSETS	
Cash and cash equivalents	\$ 313,370
Mutual funds	<u>20,306,585</u>
 TOTAL ASSETS	 <u>\$ 20,619,955</u>
 NET POSITION	
Net position restricted for pensions	<u>\$ 20,619,955</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, 2019

	<u>Police Pension Trust Fund</u>
ADDITIONS	
Contributions	
Employer	\$ 1,177,230
Plan members	112,682
TOTAL CONTRIBUTIONS	<u>1,289,912</u>
Investment earnings	
Net increase in fair value of investments	2,580,451
Interest	134
Dividends	754,334
TOTAL INVESTMENT EARNINGS	<u>3,334,919</u>
TOTAL ADDITIONS	<u>4,624,831</u>
DEDUCTIONS	
Benefits	1,093,900
Administrative expenses	4,000
TOTAL DEDUCTIONS	<u>1,097,900</u>
CHANGE IN NET POSITION	3,526,931
NET POSITION AT BEGINNING OF YEAR	<u>17,093,024</u>
NET POSITION AT END OF YEAR	<u>\$ 20,619,955</u>

See accompanying notes to the basic financial statements.

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, 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, 2019, 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.

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, 2019

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.

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.

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Restricted Assets - The Borough maintains cash and investments within the restricted assets held by its Electric Fund for various purposes as determined by Borough Council or Borough ordinances. A schedule of the purpose for which investments are held in the restricted assets of the Electric Fund as of December 31, 2019, is shown below:

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

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

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

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

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

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

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

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

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2019, 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 OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2019, \$1,203,871 of the total Borough's bank balance of \$34,069,593 was insured by the Federal Depository Insurance Corporation. Of the remaining bank balance of \$32,865,722, \$32,864,939 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 \$783 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, 2019, 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	\$ 566,081	\$ -	\$ 566,081
Federal Home Loan Mortgage	AAA	626,128	300,089	326,039
Federal Farm Credit Bank	AAA	754,504	-	754,504
US Treasury Notes	AAA	253,798	100,852	152,946
Corporate bonds	unrated	733,948	126,209	607,739
		<u>\$ 2,934,459</u>	<u>\$ 527,150</u>	<u>\$ 2,407,309</u>
PENSION ACTIVITIES				
Exchange traded funds	unrated	\$ 4,784,539	\$ 4,784,539	\$ -
Mutual funds	unrated	15,522,046	15,522,046	-
		<u>\$ 20,306,585</u>	<u>\$ 20,306,585</u>	<u>\$ -</u>

All investments were valued using Level 1 inputs (quoted prices in active markets).

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, were as follows:

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land and land improvements	\$ 3,761,804	\$ 10,175	\$ -	\$ 3,771,979
Infrastructure	10,960,379	-	-	10,960,379
Construction in progress	3,428,141	5,057,931	(2,893,236)	5,592,836
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	18,150,324	5,068,106	(2,893,236)	20,325,194
Capital assets being depreciated				
Buildings, structures and facilities	28,339,227	10,400	-	28,349,627
Furniture, fixtures, equipment and related assets	5,975,214	338,632	-	6,313,846
Library books	1,341,094	78,344	(166,886)	1,252,552
Infrastructure	22,397,985	2,893,236	-	25,291,221
TOTAL CAPITAL ASSETS BEING DEPRECIATED	58,053,520	3,320,612	(166,886)	61,207,246
Accumulated depreciation				
Buildings, structures and facilities	(5,166,797)	(724,872)	-	(5,891,669)
Furniture, fixtures, equipment and related assets	(3,566,588)	(340,827)	-	(3,907,415)
Library books	(1,084,046)	(55,232)	166,886	(972,392)
Infrastructure	(6,176,808)	(1,143,354)	-	(7,320,162)
TOTAL ACCUMULATED DEPRECIATION	(15,994,239)	(2,264,285)	166,886	(18,091,638)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	42,059,281	1,056,327	-	43,115,608
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net	\$ 60,209,605	\$ 6,124,433	\$ (2,893,236)	\$ 63,440,802

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE C - CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

Borough administration	\$ 326,135
Police department	498,449
Public works	935,154
Culture and recreation	408,193
Library	<u>96,354</u>
	<u>\$ 2,264,285</u>

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
ELECTRIC FUND CAPITAL ASSETS NOT BEING DEPRECIATED				
Construction in progress	\$ 477,192	\$ 646,616	\$ (1,015,049)	\$ 108,759
ELECTRIC FUND CAPITAL ASSETS BEING DEPRECIATED				
Transmission system	3,405,535	-	-	3,405,535
Distribution system	9,835,478	331,369	-	10,166,847
General equipment	2,009,215	951,093	-	2,960,308
Service building	534,447	18,594	-	553,041
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>15,784,675</u>	<u>1,301,056</u>	<u>-</u>	<u>17,085,731</u>
Accumulated depreciation				
Transmission system	(2,814,256)	(16,784)	-	(2,831,040)
Distribution system	(6,372,956)	(259,857)	-	(6,632,813)
General equipment	(1,455,819)	(125,166)	-	(1,580,985)
Service building	(533,983)	(1,271)	-	(535,254)
TOTAL ACCUMULATED DEPRECIATION	<u>(11,177,014)</u>	<u>(403,078)</u>	<u>-</u>	<u>(11,580,092)</u>
ELECTRIC FUND CAPITAL ASSETS, net	<u>\$ 5,084,853</u>	<u>\$ 1,544,594</u>	<u>\$ (1,015,049)</u>	<u>\$ 5,614,398</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE C - CAPITAL ASSETS (Continued)

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
SEWER FUND CAPITAL ASSETS				
NOT BEING DEPRECIATED				
Construction in progress	\$ 398,952	\$ 507,034	\$ (398,048)	\$ 507,938
SEWER FUND CAPITAL ASSETS				
BEING DEPRECIATED				
Collection system	8,170,595	1,107,425	-	9,278,020
Pumping plant	4,162,309	-	-	4,162,309
Treatment and disposal plant	20,732,423	-	-	20,732,423
General plant	968,718	-	-	968,718
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>34,034,045</u>	<u>1,107,425</u>	<u>-</u>	<u>35,141,470</u>
Accumulated depreciation				
Collection system	(6,077,574)	(236,430)	-	(6,314,004)
Pumping plant	(3,107,830)	(75,818)	-	(3,183,648)
Treatment and disposal plant	(16,967,017)	(397,765)	-	(17,364,782)
General plant	(694,435)	(39,832)	-	(734,267)
TOTAL ACCUMULATED DEPRECIATION	<u>(26,846,856)</u>	<u>(749,845)</u>	<u>-</u>	<u>(27,596,701)</u>
SEWER FUND CAPITAL ASSETS, net	<u>\$ 7,586,141</u>	<u>\$ 864,614</u>	<u>\$ (398,048)</u>	<u>\$ 8,052,707</u>
421 WEST MAIN STREET CAPITAL				
ASSETS NOT BEING DEPRECIATED				
Construction in progress	\$ 49,306	\$ 89,197	\$ (138,503)	\$ -
421 WEST MAIN STREET CAPITAL				
ASSETS BEING DEPRECIATED				
Building	166,451	-	-	166,451
Building improvements	1,155,577	138,504	-	1,294,081
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>1,322,028</u>	<u>138,504</u>	<u>-</u>	<u>1,460,532</u>
Accumulated depreciation				
Building	(130,843)	(3,084)	-	(133,927)
Building improvements	(593,157)	(32,913)	-	(626,070)
TOTAL ACCUMULATED DEPRECIATION	<u>(724,000)</u>	<u>(35,997)</u>	<u>-</u>	<u>(759,997)</u>
421 WEST MAIN STREET CAPITAL ASSETS, net	<u>\$ 647,334</u>	<u>\$ 191,704</u>	<u>\$ (138,503)</u>	<u>\$ 700,535</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE D - INTERFUND TRANSFERS

Interfund transfers at December 31, 2019, are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
GOVERNMENTAL FUNDS		
General Fund	\$ 6,400,000	\$ 2,162,298
Capital Projects Fund	1,200,000	1,076,227
Debt Service Fund	2,810,904	-
Other Governmental Funds	395,000	-
PROPRIETARY FUNDS		
Electric Fund	932,621	6,600,000
Sewer Fund	2,466,411	3,966,411
421 West Main Street Fund	-	400,000
	<u>\$ 14,204,936</u>	<u>\$ 14,204,936</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, 2019

NOTE E - LONG-TERM DEBT

Summary of Activity

A summary of activity in the Borough's debt payable accounts during 2019 is as follows:

	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019	Amount Due Within One Year
GOVERNMENTAL ACTIVITIES					
Radio replacement					
loan of 2015	\$ 64,299	\$ -	\$ (32,150)	\$ 32,149	\$ 32,149
Energy Conservation					
loan of 2017	673,403	-	(240,726)	432,677	105,643
Note payable of 2017	2,440,000	-	(135,000)	2,305,000	139,000
General Obligation Bonds					
Series of 2010	1,045,000	-	(335,000)	710,000	350,000
Series of 2012	9,220,000	-	(255,000)	8,965,000	260,000
Series of 2014	9,980,000	-	(9,665,000)	315,000	-
Series of 2015	9,185,000	-	(815,000)	8,370,000	835,000
Series of 2019	-	9,940,000	(55,000)	9,885,000	30,000
TOTAL BONDS AND LOANS PAYABLE	32,607,702	9,940,000	(11,532,876)	31,014,826	1,751,792
Deferred bond discount	(242,803)	126,169	-	(116,634)	-
Deferred bond premium	158,320	54,209	(21,818)	190,711	-
Net pension liability	5,436,287	-	(2,490,514)	2,945,773	-
Total OPEB liability	3,722,975	292,471	-	4,015,446	-
TOTAL LONG-TERM LIABILITIES	\$ 41,682,481	\$ 10,412,849	\$ (14,045,208)	\$ 38,050,122	\$ 1,751,792

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

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE E - LONG-TERM DEBT (Continued)

Governmental Activities Debt

General long-term debt (debt for general Borough purposes to which its full faith, credit and taxing power has been pledged) at December 31, 2019, is as follows:

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

<u>Interest Rate</u>	<u>Maturing October 1,</u>	<u>Amount</u>	<u>Interest</u>
2.590%	2020	\$ 139,000	\$ 59,699
2.590%	2021	142,000	56,099
2.590%	2022	146,000	52,422
2.590%	2023	150,000	48,640
2.590%	2024	154,000	44,755
2.590%	2025	158,000	40,767
2.590%	2026	162,000	36,674
2.590%	2027	166,000	32,479
2.590%	2028	170,000	28,179
2.590%	2029	174,000	23,776
2.590%	2030	179,000	19,270
2.590%	2031	184,000	14,633
2.590%	2032	188,000	9,868
2.590%	2033	193,000	4,999
		<u>\$ 2,305,000</u>	<u>\$ 472,260</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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%	2020	\$ 105,643	\$ 15,419
2.950%	2021	108,802	12,260
2.950%	2022	112,055	9,006
2.950%	2023	<u>106,177</u>	<u>5,656</u>
		<u>\$ 432,677</u>	<u>\$ 42,341</u>

Radio Replacement Loan of 2015 - The Radio Replacement Loan of 2015, was issued on November 25, 2015, in the amount of \$160,747 in order to replace the Borough's emergency services radios.

<u>Interest Rate</u>	<u>Maturing January 25,</u>	<u>Amount</u>	<u>Interest</u>
0.000%	2020	<u>\$ 32,149</u>	<u>\$ -</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE E - LONG-TERM DEBT (Continued)

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 current 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%	2020	\$ 30,000	\$ 264,878
2.000%	2021	30,000	264,278
2.000%	2022	30,000	263,678
2.000%	2023	30,000	263,078
2.000%	2024	30,000	262,478
2.000%	2025	35,000	261,878
2.000%	2026	35,000	261,178
2.000%	2027	395,000	260,478
2.000%	2028	725,000	252,578
2.100%	2029	740,000	238,078
3.000%	2030	750,000	222,538
3.000%	2031	780,000	200,038
3.000%	2032	805,000	176,638
3.000%	2033	825,000	152,488
2.750%	2034	850,000	127,738
2.750%	2035	1,870,000	104,363
2.750%	2036	1,925,000	52,938
		<u>\$ 9,885,000</u>	<u>\$ 3,629,321</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE E - LONG-TERM DEBT (Continued)

General Obligation Bonds, Series of 2015 - The General Obligation Bonds, Series of 2015, were issued on March 31, 2015, in the amount of \$9,650,000 to advance refund a portion of the Borough's General Obligation Bonds, Series of 2010 and pay the costs of issuing the bonds. The refunding resulted in an economic gain of \$617,087, and a decrease in future cash flows of \$705,563.

<u>Interest Rate</u>	<u>Maturing October 15,</u>	<u>Amount</u>	<u>Interest</u>
3.000%	2020	\$ 835,000	\$ 230,255
3.000%	2021	860,000	205,205
3.000%	2022	1,260,000	179,405
3.000%	2023	1,300,000	141,605
2.375%	2024	1,340,000	102,605
2.500%	2025	1,370,000	70,780
2.600%	2026	<u>1,405,000</u>	<u>36,530</u>
		<u>\$ 8,370,000</u>	<u>\$ 966,385</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE E - LONG-TERM DEBT (Continued)

General Obligation Bonds, Series of 2014 - The General Obligation Bonds, Series of 2014, were issued on July 24, 2014, in the amount of \$10,000,000 for the purpose of general improvements to the Electric Department infrastructure and the Wastewater Collection and Treatment infrastructure, the planning, constructing, renovation, equipping and furnishing of a new Police Service Building, certain general improvements to General Public Works Buildings, including roofs, mechanical systems and HVAC systems, general improvements to the Electric Department infrastructure and the Wastewater Collection and Treatment infrastructure and general improvements to parks and recreation buildings and infrastructure.

<u>Interest Rate</u>	<u>Maturing October 15,</u>	<u>Amount</u>	<u>Interest</u>
2.000%	2020	\$ -	\$ 9,450
3.000%	2021	-	9,450
3.000%	2022	-	9,450
3.000%	2023	-	9,450
3.000%	2024	-	9,450
3.000%	2025	-	9,450
3.000%	2026	-	9,450
3.000%	2027	<u>315,000</u>	<u>9,450</u>
		<u>\$ 315,000</u>	<u>\$ 75,600</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE E - LONG-TERM DEBT (Continued)

General Obligation Bonds, Series of 2012 - The General Obligation Bonds, Series of 2012, were issued on December 27, 2012, in the amount of \$10,000,000 for the purpose of providing moneys for the planning, constructing, renovation, equipping and furnishing of a Borough Administration Building and new Police Service Building, certain general improvements to General Public Works Buildings, including roofs, mechanical systems and HVAC systems, general improvements to the Electric Department infrastructure and the Wastewater Collection and Treatment infrastructure and general improvements to parks and recreation buildings and infrastructure.

<u>Interest Rate</u>	<u>Maturing October 15,</u>	<u>Amount</u>	<u>Interest</u>
2.000%	2020	\$ 260,000	\$ 239,140
2.125%	2021	265,000	233,940
2.125%	2022	270,000	228,309
2.125%	2023	275,000	222,571
2.300%	2024	280,000	216,728
2.300%	2025	290,000	210,288
2.300%	2026	295,000	203,618
2.500%	2027	800,000	196,833
2.500%	2028	820,000	176,833
2.650%	2029	840,000	156,333
2.650%	2030	865,000	134,073
3.000%	2031	885,000	111,150
3.000%	2032	910,000	84,600
3.000%	2033	940,000	57,300
3.000%	2034	970,000	29,100
		<u>\$ 8,965,000</u>	<u>\$ 2,500,816</u>

General Obligation Bonds, Series of 2010 - The General Obligation Bonds, Series of 2010, were issued on June 17, 2010, in the amount of \$18,070,000 for the purpose of providing moneys for the refunding of the General Obligation Bonds, Series of 2003 and 2004, and for constructing capital improvements, purchasing capital equipment and paying the cost of issuing and insuring the bonds.

<u>Interest Rate</u>	<u>Maturing October 15,</u>	<u>Amount</u>	<u>Interest</u>
3.500%	2020	\$ 350,000	\$ 25,030
3.550%	2021	360,000	12,780
		<u>\$ 710,000</u>	<u>\$ 37,810</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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>	
2020	\$ 1,751,792
2021	1,765,802
2022	1,818,055
2023	1,861,177
2024	1,804,000
2025	1,853,000
2026	1,897,000
2027	1,676,000
2028	1,715,000
2029	1,754,000
2030	1,794,000
2031	1,849,000
2032	1,903,000
2033	1,958,000
2034	1,820,000
2035	1,870,000
2036	<u>1,925,000</u>
	<u>\$ 31,014,826</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, 2019.

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 (2019)	\$1,577,657	\$4,115,584
Total Borough payroll (\$9,193,277)		
Contributions made (2019)		
Employer	\$95,941	\$326,726
Employer contribution as a percentage of current annual covered payroll	6.1%	7.9%
Employees	Not applicable	\$49,045
Expenses paid by the Borough	None	None
Amount of state-provided funds used by employer to make contributions and pay plan expenses	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
\$1,577,657	\$1,019,096	\$0
\$94,582	\$50,968	None
6.0%	5.0%	Not applicable
\$20,951	\$19,452	\$0
None	None	None
None	None	None

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, plan membership consisted of the following:

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

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

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 2019, the MMO obligation for the Police Pension Plan was \$1,177,230 for the year 2019. Contributions of \$1,177,230 were made by the Borough and included \$256,025 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, 2019

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, 2019:

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

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

Rate of Return - For the year ended December 31, 2019, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 17.7%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Borough

The components of the net pension liability of the Borough at December 31, 2019, were as follows:

Total pension liability	\$ 23,565,728
Plan fiduciary net position	<u>(20,619,955)</u>
NET PENSION LIABILITY	<u>\$ 2,945,773</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>87.50%</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, 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 IRS 2017 Static Combined Table for Small Plans.

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, 2019 (see the plan's investment policy) are summarized in the following table:

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

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

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	<u> </u>	<u> </u>	<u> </u>
Balances at December 31, 2018	\$ 22,499,949	\$ 17,063,662	\$ 5,436,287
Changes for the year			
Service cost	602,968	-	602,968
Interest cost	1,577,465	-	1,577,465
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(20,754)	-	(20,754)
Contributions			
Employer	-	921,205	(921,205)
State aid	-	256,025	(256,025)
Member	-	112,682	(112,682)
Net investment income	-	3,339,089	(3,339,089)
Other income	-	25,192	(25,192)
Benefit payments	(1,093,900)	(1,093,900)	-
Administrative expenses	-	(4,000)	4,000
NET CHANGES	<u>1,065,779</u>	<u>3,556,293</u>	<u>(2,490,514)</u>
Balances at December 31, 2019	<u>\$ 23,565,728</u>	<u>\$ 20,619,955</u>	<u>\$ 2,945,773</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability 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%)
	<u> </u>	<u> </u>	<u> </u>
Net pension liability	\$ 5,866,641	\$ 2,945,773	\$ 504,798

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, the Borough recognized pension expense of \$976,292. At December 31, 2019, 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	\$ -	\$ 106,309
Changes of assumptions	369,333	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>1,120,510</u>
Total	<u>\$ 369,333</u>	<u>\$ 1,226,819</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>	
2020	\$ (131,967)
2021	(205,872)
2022	(74,599)
2023	(439,854)
2024	(3,112)
Thereafter	(2,082)

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	20
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>26</u>
	<u><u>46</u></u>

Funding Policy

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

Assumptions

The following assumptions and actuarial methods and calculations were used:

Interest Rate – 3.64%, based on S&P Municipal Bond 20 Year High Grade Rate Index at January 1, 2019.

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 2019 through 2021. Rates gradually decrease from 5.4% in 2022 to 3.8% 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, 2019

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

Mortality – IRS 2017 Static Combined Table for Small Plans.

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 2019 actuarial valuation, the discount rate changed from 3.16% to 3.64%. The trend assumption was updated.

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2018	\$ <u>3,722,975</u>
Changes for the year	
Service cost	242,025
Interest cost	123,682
Differences between Expected and Actual Experience	192,438
Changes of assumptions	(171,524)
Benefit payments	<u>(94,150)</u>
Net changes	<u>292,471</u>
Balance at December 31, 2019	\$ <u><u>4,015,446</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 (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current discount rate:

	<u>1% Decrease 2.64%</u>	<u>Current Discount Rate 3.64%</u>	<u>1% Increase 4.64%</u>
Total OPEB Liability	\$ <u>4,382,523</u>	\$ <u>4,015,446</u>	\$ <u>3,683,917</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>3,578,020</u>	\$ <u>4,015,446</u>	\$ <u>4,528,813</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, the Borough recognized OPEB expense of \$388,681. At December 31, 2019, 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	\$ 168,383	\$ -
Changes in assumptions	101,797	150,083
Benefits payments subsequent to the measurement date	<u>155,219</u>	<u>-</u>
	<u>\$ 425,399</u>	<u>\$ 150,083</u>

\$155,219 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>	
2020	\$ 22,974
2021	22,974
2022	22,974
2023	22,974
2024	22,971
Thereafter	<u>5,230</u>
	<u>\$ 120,097</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, 2019

NOTE J - SUBSEQUENT EVENT

Subsequent to year end, a global pandemic due to the spread of COVID-19 coronavirus caused the United States government to declare a national emergency. The pandemic has led to widespread voluntary and government-mandated closings of local stores and businesses, which has resulted in significant job losses. Those job losses have the potential to have a significant impact on all aspects of Borough operations including tax collections and the collection of sewer charges. In addition, due to the temporary closure of all businesses that are not deemed life sustaining, state tax revenues are also significantly decreased. The decrease could result in less grant money that is relied upon by local municipalities to fund specific projects. Overall, decreased funding could result in the Borough having to reduce expenses.

Due to the pandemic, the financial markets have experienced significant market decline since the beginning of the year. These losses, if not regained, will have a significant detrimental impact on the value of investments held by the Borough's pension and OPEB plans. Decreases in the value of investments held by the Plans may result in a significant impact on the pension and OPEB liabilities and related deferred inflows and outflows related to the pension and OPEB plans. At this point, the extent to which COVID-19 will impact our financial condition or results of operations is uncertain and cannot be reasonably estimated at this time.

In March of 2020, the Borough issued General Obligation Bonds, Series of 2020, in the amount of \$9,185,000. Proceeds of the Bond will be used 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.

In May of 2020, the Borough issued General Obligation Bonds, Series A of 2020, in the amount of \$9,170,000. Proceeds of the Bond will be used 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.

NOTE K - PRIOR PERIOD ADJUSTMENT

The Borough made a prior period adjustment to recognize construction in progress for the year ended December 31, 2018 that had been reported as expenditures. For the government-wide governmental activities, the Borough has made a \$1,478,626 adjustment which increased the December 31, 2018 capital assets from \$58,730,979 to \$60,209,605, reduced expenditures from \$20,403,481 to \$18,924,855 and improved the change in net position from (\$1,271,423) to \$207,203. As a result, we have adjusted beginning net position from \$44,845,638 to \$46,324,264.

REQUIRED SUPPLEMENTARY INFORMATION

BOROUGH OF LANSDALE, PENNSYLVANIA**BUDGETARY COMPARISON SCHEDULE****GENERAL FUND****YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts (GAAP)		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Taxes	\$ 7,232,175	\$ 7,232,175	\$ 7,395,668	\$ 163,493
Licenses and permits	736,600	736,600	767,775	31,175
Fines and forfeitures	75,000	75,000	67,917	(7,083)
Interest and rent	101,600	101,600	251,357	149,757
Grants and gifts	728,500	728,500	766,846	38,346
Departmental earnings	558,800	558,800	456,029	(102,771)
Miscellaneous	882,510	882,510	898,282	15,772
TOTAL REVENUES	<u>10,315,185</u>	<u>10,315,185</u>	<u>10,603,874</u>	<u>288,689</u>
EXPENDITURES				
Current				
Borough administration	2,546,403	2,546,403	2,812,447	266,044
Public safety	6,818,886	6,818,886	6,498,912	(319,974)
Highways/public works	1,773,335	1,773,335	1,952,340	179,005
Code enforcement, planning and zoning	845,635	845,635	917,149	71,514
Parks and recreation	1,582,050	1,582,050	1,337,222	(244,828)
Community development	25,000	25,000	25,000	-
Public services	661,578	661,578	540,053	(121,525)
TOTAL EXPENDITURES	<u>14,252,887</u>	<u>14,252,887</u>	<u>14,083,123</u>	<u>(169,764)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(3,937,702)</u>	<u>(3,937,702)</u>	<u>(3,479,249)</u>	<u>458,453</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,400,000	6,400,000	6,400,000	-
Transfers out				
Debt Service Funds	(1,467,298)	(1,467,298)	(1,467,298)	-
Other	(695,000)	(695,000)	(695,000)	-
TOTAL OTHER FINANCING SOURCES	<u>4,237,702</u>	<u>4,237,702</u>	<u>4,237,702</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 758,453</u>	<u>\$ 458,453</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
NOTE TO THE BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2019

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 SIX FISCAL YEARS

	2019	2018
TOTAL PENSION LIABILITY		
Service cost	\$ 602,968	\$ 526,954
Interest	1,577,465	1,507,322
Changes of benefit terms	-	-
Differences between expected and actual experience	(20,754)	-
Changes of assumptions	-	-
Benefit payments	(1,093,900)	(1,081,101)
NET CHANGE IN TOTAL PENSION LIABILITY	1,065,779	953,175
Total pension liability, beginning	22,499,949	21,546,774
TOTAL PENSION LIABILITY, ENDING (a)	<u>\$ 23,565,728</u>	<u>\$ 22,499,949</u>
PLAN FIDUCIARY NET POSITION		
Contributions		
Employer	\$ 921,205	\$ 343,176
State aid	256,025	585,549
Member	112,682	79,326
Net investment income	3,339,089	(165,777)
Other income	25,192	-
Benefit payments, including refunds of member contributions	(1,093,900)	(1,081,101)
Administrative expense	(4,000)	(10,461)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	3,556,293	(249,288)
Plan fiduciary net position, beginning	17,063,662	17,312,950
PLAN FIDUCIARY NET POSITION, ENDING (b)	<u>\$ 20,619,955</u>	<u>\$ 17,063,662</u>
NET PENSION LIABILITY, ENDING (a)-(b)	<u>\$ 2,945,773</u>	<u>\$ 5,436,287</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>87.50%</u>	<u>75.84%</u>
COVERED PAYROLL	<u>\$ 2,367,932</u>	<u>\$ 2,547,579</u>
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>124.40%</u>	<u>213.39%</u>

NOTES TO SCHEDULES

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

Changes of assumptions : In 2017, the mortality rates were based on the IRS 2017 Static Combined Table for Small Plans. In prior years, the mortality rates were based on the RP-2000 Tables. In 2015 the assumed cost-of-living increase was 3.0%. In prior year, the assumption was that the cost-of-living increase was 4.0%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	501,861	\$ 467,468	\$ 445,208	\$ 464,879
	1,444,312	1,324,630	1,266,913	1,218,096
	-	333,123	-	-
	(177,335)	-	72,907	-
	738,669	-	(225,083)	-
	<u>(1,182,204)</u>	<u>(872,577)</u>	<u>(825,860)</u>	<u>(769,465)</u>
	1,325,303	1,252,644	734,085	913,510
	<u>20,221,471</u>	<u>18,968,827</u>	<u>18,234,742</u>	<u>17,321,232</u>
\$	<u><u>21,546,774</u></u>	<u><u>20,221,471</u></u>	<u><u>18,968,827</u></u>	<u><u>18,234,742</u></u>
\$	881,678	\$ 967,144	\$ 940,183	\$ 868,240
	-	-	-	-
	88,372	87,906	89,592	88,781
	1,753,336	681,493	(186,697)	446,425
	-	-	-	-
	(1,182,204)	(872,577)	(825,860)	(769,465)
	<u>(10,300)</u>	<u>(9,900)</u>	<u>-</u>	<u>(3,600)</u>
	1,530,882	854,066	17,218	630,381
	<u>15,782,068</u>	<u>14,928,002</u>	<u>14,910,784</u>	<u>14,280,403</u>
\$	<u><u>17,312,950</u></u>	<u><u>15,782,068</u></u>	<u><u>14,928,002</u></u>	<u><u>14,910,784</u></u>
\$	<u><u>4,233,824</u></u>	<u><u>4,439,403</u></u>	<u><u>4,040,825</u></u>	<u><u>3,323,958</u></u>
	<u>80.35%</u>	<u>78.05%</u>	<u>78.70%</u>	<u>81.77%</u>
\$	<u><u>2,542,416</u></u>	<u><u>2,457,938</u></u>	<u><u>2,432,222</u></u>	<u><u>2,502,173</u></u>
	<u>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 SIX FISCAL YEARS

	<u>2019</u>	<u>2018</u>
ACTUARIALLY DETERMINED CONTRIBUTION	\$ 921,205	\$ 343,176
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	<u>921,205</u>	<u>343,176</u>
CONTRIBUTION (EXCESS) DEFICIENCY	<u>\$ -</u>	<u>\$ -</u>
COVERED PAYROLL	<u>\$ 2,367,932</u>	<u>\$ 2,547,579</u>
CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL	<u>38.90%</u>	<u>13.47%</u>

NOTES TO SCHEDULE

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

Methods and assumptions used to determine contribution rates:

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

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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 881,678	\$ 967,144	\$ 940,183	\$ 868,240
<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>2,542,416</u>	\$ <u>2,457,938</u>	\$ <u>2,432,222</u>	\$ <u>2,502,173</u>
<u>34.68%</u>	<u>39.35%</u>	<u>38.66%</u>	<u>34.70%</u>

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

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

BOROUGH OF LANSDALE, PENNSYLVANIA
SCHEDULE OF POLICE PENSION PLAN
INVESTMENT RETURNS
LAST SIX FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	<u>17.73%</u>	<u>0.11%</u>	<u>11.58%</u>	<u>1.85%</u>	<u>-5.66%</u>	<u>3.22%</u>

NOTES TO SCHEDULE

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

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

	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY		
Service cost	\$ 242,025	\$ 212,117
Interest	123,682	129,535
Differences between expected and actual experience	192,438	-
Changes of assumptions	(171,524)	142,517
Benefit payments	<u>(94,150)</u>	<u>(88,581)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	292,471	395,588
 TOTAL OPEB LIABILITY, BEGINNING	 <u>3,722,975</u>	 <u>3,327,387</u>
 TOTAL OPEB LIABILITY, ENDING	 <u>\$ 4,015,446</u>	 <u>\$ 3,722,975</u>
 COVERED PAYROLL	 <u>\$ 2,784,658</u>	 <u>\$ 2,745,728</u>
 TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	 <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.

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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Taxes			
Real estate	\$ 4,230,800	\$ 4,177,108	\$ (53,692)
Earned income tax	2,255,000	2,357,838	102,838
Emergency municipal services	343,375	338,990	(4,385)
Penalties and interest	55,000	71,638	16,638
Real estate transfer	348,000	450,094	102,094
TOTAL TAXES	<u>7,232,175</u>	<u>7,395,668</u>	<u>163,493</u>
Licenses and permits			
Beverage	5,000	11,850	6,850
Building and occupancy	140,000	78,102	(61,898)
Business and mercantile	155,000	279,168	124,168
Zoning permits and fees	1,000	32,260	31,260
Plumbing	40,000	25,923	(14,077)
Cable TV fees	320,000	285,404	(34,596)
Other	75,600	55,068	(20,532)
TOTAL LICENSES AND PERMITS	<u>736,600</u>	<u>767,775</u>	<u>31,175</u>
Fines and forfeitures			
Motor vehicle code violations	45,000	49,484	4,484
Violations of ordinances	30,000	18,433	(11,567)
TOTAL FINES AND FORFEITURES	<u>75,000</u>	<u>67,917</u>	<u>(7,083)</u>
Interest and rent	101,600	251,357	149,757
Grants and gifts	728,500	766,846	38,346
Departmental earnings			
Police services	206,500	84,578	(121,922)
Inspection services	10,000	11,194	1,194
Public works	38,000	25,414	(12,586)
Recreational facilities	304,300	334,843	30,543
TOTAL DEPARTMENTAL EARNINGS	<u>558,800</u>	<u>456,029</u>	<u>(102,771)</u>
Miscellaneous			
Miscellaneous	242,510	258,282	15,772
Reimbursement of expenditures			
Sewer Fund	220,000	220,000	-
Electric Fund	420,000	420,000	-
TOTAL MISCELLANEOUS	<u>882,510</u>	<u>898,282</u>	<u>15,772</u>
TOTAL REVENUES	<u>10,315,185</u>	<u>10,603,874</u>	<u>288,689</u>
OTHER FINANCING SOURCES			
Transfers in			
421 W. Main Street Fund	400,000	400,000	-
Electric Fund	5,000,000	5,000,000	-
Sewer Fund	1,000,000	1,000,000	-
TOTAL OTHER FINANCING SOURCES	<u>6,400,000</u>	<u>6,400,000</u>	<u>-</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 16,715,185</u>	<u>\$ 17,003,874</u>	<u>\$ 288,689</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY ACTIVITY AND
OTHER FINANCING USES
GENERAL FUND
YEAR ENDED DECEMBER 31, 2019

	Budget	Actual	Over (Under) Budget
EXPENDITURES			
Borough administration			
Elected officials	\$ 30,920	\$ 29,353	\$ (1,567)
Office of Borough Manager/Secretary	678,500	701,021	22,521
Finance department	459,500	385,156	(74,344)
Borough building	244,856	334,687	89,831
Tax collector	62,000	63,862	1,862
General Borough administration	1,070,627	1,298,368	227,741
TOTAL BOROUGH ADMINISTRATION	<u>2,546,403</u>	<u>2,812,447</u>	<u>266,044</u>
Public safety (Police Department)			
Service wages	3,060,000	3,054,896	(5,104)
Crossing guards	77,000	75,027	(1,973)
Civil Service Commission	20,000	14,113	(5,887)
General police personnel	3,085,886	2,794,022	(291,864)
General administration	407,100	392,631	(14,469)
Police headquarters	97,600	93,994	(3,606)
Police vehicles	71,300	74,229	2,929
TOTAL PUBLIC SAFETY	<u>6,818,886</u>	<u>6,498,912</u>	<u>(319,974)</u>
Highways/public works			
General, public works	1,422,185	1,539,683	117,498
Street cleaning	130,600	103,011	(27,589)
Snow and ice removal	24,350	19	(24,331)
Streets and alleys, maintenance and repairs	130,100	169,212	39,112
Curbs, construction	36,750	110,471	73,721
Storm sewers, maintenance, repairs and construction	29,350	29,944	594
TOTAL HIGHWAYS/PUBLIC WORKS	<u>1,773,335</u>	<u>1,952,340</u>	<u>179,005</u>
Code enforcement, planning and zoning			
Code enforcement	765,635	831,091	65,456
Planning commission	65,500	70,019	4,519
Zoning board	14,500	16,039	1,539
TOTAL CODE ENFORCEMENT, PLANNING AND ZONING	<u>845,635</u>	<u>917,149</u>	<u>71,514</u>
Parks and recreation			
Administration	532,250	416,829	(115,421)
Parks maintenance	235,100	207,629	(27,471)
Labor, park maintenance	373,300	332,094	(41,206)
Recreation and park facilities	118,600	107,396	(11,204)
Programs	322,800	273,274	(49,526)
TOTAL PARKS AND RECREATION	<u>1,582,050</u>	<u>1,337,222</u>	<u>(244,828)</u>
Community development			
Economic development	25,000	25,000	-
SUBTOTAL FORWARD	<u>\$ 13,591,309</u>	<u>\$ 13,543,070</u>	<u>\$ (48,239)</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY ACTIVITY AND
OTHER FINANCING USES
GENERAL FUND
YEAR ENDED DECEMBER 31, 2019

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
EXPENDITURES			
SUBTOTAL FORWARDED	\$ 13,591,309	\$ 13,543,070	\$ (48,239)
Public services			
Fire company	460,738	353,697	(107,041)
Historical Society	38,500	39,451	951
Other	162,340	146,905	(15,435)
TOTAL PUBLIC SERVICES	<u>661,578</u>	<u>540,053</u>	<u>(121,525)</u>
TOTAL EXPENDITURES	<u>14,252,887</u>	<u>14,083,123</u>	<u>(169,764)</u>
OTHER FINANCING USES			
Transfers out			
Debt Service Funds	1,467,298	1,467,298	-
Other	300,000	300,000	-
Library	395,000	395,000	-
TOTAL OTHER FINANCING USES	<u>2,162,298</u>	<u>2,162,298</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 16,415,185</u>	<u>\$ 16,245,421</u>	<u>\$ (169,764)</u>

BOROUGH OF LANSDALE, PENNSYLVANIA
DESCRIPTION OF NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2019

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, 2019

	Special Revenue Funds			Total Other Governmental Funds
	Library Fund	Highway Aid Fund	Parking Fund	
ASSETS				
Cash and cash equivalents	\$ 182,509	\$ 825,431	\$ 569,629	\$ 1,577,569
Prepaid items	-	-	160	160
TOTAL ASSETS	\$ 182,509	\$ 825,431	\$ 569,789	\$ 1,577,729
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,835	\$ -	\$ -	\$ 2,835
Accrued payroll	-	3,694	214	3,908
Unearned revenue	10,000	-	-	10,000
TOTAL LIABILITIES	12,835	3,694	214	16,743
FUND BALANCES				
Nonspendable, prepaid items	-	-	160	160
Restricted				
Highway and streets projects	-	821,737	-	821,737
Library	169,674	-	-	169,674
Committed, parking projects	-	-	569,415	569,415
TOTAL FUND BALANCES	169,674	821,737	569,575	1,560,986
TOTAL LIABILITIES AND FUND BALANCES	\$ 182,509	\$ 825,431	\$ 569,789	\$ 1,577,729

BOROUGH OF LANSDALE, PENNSYLVANIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds			Total Other Governmental Funds
	Library Fund	Highway Aid Fund	Parking Fund	
REVENUES				
Interest and rent	\$ 3,241	\$ 11,684	\$ 6,854	\$ 21,779
Grants and gifts	85,793	468,031	-	553,824
Parking collections and rentals	-	-	109,784	109,784
Library deposits	44,219	-	-	44,219
Miscellaneous	-	68,464	-	68,464
TOTAL REVENUES	<u>133,253</u>	<u>548,179</u>	<u>116,638</u>	<u>798,070</u>
EXPENDITURES				
Highways/public works	-	421,070	-	421,070
Library	514,342	-	-	514,342
Public services	-	-	36,404	36,404
TOTAL EXPENDITURES	<u>514,342</u>	<u>421,070</u>	<u>36,404</u>	<u>971,816</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(381,089)</u>	<u>127,109</u>	<u>80,234</u>	<u>(173,746)</u>
OTHER FINANCING SOURCES				
Transfers in				
General Fund	<u>395,000</u>	<u>-</u>	<u>-</u>	<u>395,000</u>
NET CHANGE IN FUND BALANCES	<u>13,911</u>	<u>127,109</u>	<u>80,234</u>	<u>221,254</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>155,763</u>	<u>694,628</u>	<u>489,341</u>	<u>1,339,732</u>
FUND BALANCES AT END OF YEAR	<u>\$ 169,674</u>	<u>\$ 821,737</u>	<u>\$ 569,575</u>	<u>\$ 1,560,986</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, 2019

	Highway Aid Fund		Parking Fund	
	Budget	Actual	Budget	Actual
REVENUES				
Interest	\$ 300	\$ 11,684	\$ 5,500	\$ 6,854
Grants	455,600	468,031	-	-
Parking collections and rentals	-	-	120,200	109,784
Other	-	68,464	-	-
TOTAL REVENUES	<u>455,900</u>	<u>548,179</u>	<u>125,700</u>	<u>116,638</u>
EXPENDITURES				
Highways/public works	455,900	421,070	-	-
Public services	-	-	125,700	36,404
TOTAL EXPENDITURES	<u>455,900</u>	<u>421,070</u>	<u>125,700</u>	<u>36,404</u>
NET CHANGE IN FUND BALANCES	-	127,109	-	80,234
FUND BALANCES AT BEGINNING OF YEAR	<u>694,628</u>	<u>694,628</u>	<u>489,341</u>	<u>489,341</u>
FUND BALANCES AT END OF YEAR	<u>\$ 694,628</u>	<u>\$ 821,737</u>	<u>\$ 489,341</u>	<u>\$ 569,575</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 Five Fiscal Years

	Fiscal Year				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental activities					
Net Investment in Capital Assets	\$ 35,099,845	\$ 31,598,973	\$ 25,034,485	\$ 31,197,153	\$ 30,399,146
Restricted for					
Electric Utility Activities	-	-	-	-	-
Highway and Street Projects	821,737	694,628	6,517,314	2,066,231	2,498,515
Building Projects	-	-	1,575,703	1,569,319	3,562,716
Library	169,674	155,763	222,414	274,002	327,520
Unrestricted	<u>12,956,737</u>	<u>12,396,274</u>	<u>13,430,948</u>	<u>8,144,980</u>	<u>9,747,617</u>
Total governmental activities net position	<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>
Business-type activities					
Net Investment in Capital Assets	\$ 14,367,640	\$ 13,318,328	\$ 13,554,178	\$ 13,164,647	\$ 12,793,002
Restricted for					
Electric Utility Activities	1,714,327	1,695,085	1,680,475	1,675,692	1,675,100
Highway and Street Projects	-	-	-	-	-
Building Projects	-	-	-	-	-
Library	-	-	-	-	-
Unrestricted	<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>
Total business-type activities net position	<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>
Primary government					
Net Investment in Capital Assets	\$ 49,467,485	\$ 44,917,301	\$ 38,588,663	\$ 44,361,800	\$ 43,192,148
Restricted for					
Electric Utility Activities	1,714,327	1,695,085	1,680,475	1,675,692	1,675,100
Highway and Street Projects	821,737	694,628	6,517,314	2,066,231	2,498,515
Building Projects	-	-	1,575,703	1,569,319	3,562,716
Library	169,674	155,763	222,414	274,002	327,520
Unrestricted	<u>25,489,764</u>	<u>25,032,157</u>	<u>25,285,795</u>	<u>21,180,875</u>	<u>21,078,162</u>
Total Net Position	<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>

Source: Borough of Lansdale Records, Statement of Net Position

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

	Fiscal Year									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses										
Governmental activities										
Borough Administration	\$ 2,847,894	\$ 2,741,172	\$ 2,517,561	\$ 2,270,574	\$ 2,208,179	\$ 2,054,947	\$ 1,960,084	\$ 1,768,337	\$ 1,471,749	\$ 1,778,946
Police Department	6,947,379	6,829,350	6,267,588	7,469,563	6,395,943	6,138,006	5,883,473	5,567,892	5,222,273	4,886,347
Public Works	1,830,011	4,391,667	2,918,060	2,848,081	3,123,652	3,770,911	2,915,931	2,348,222	2,296,927	1,790,099
Culture and Recreation	1,973,516	1,837,586	1,632,654	1,881,084	1,659,651	1,561,808	1,482,045	1,425,532	1,309,024	1,171,363
Code Enforcement	917,149	779,770	967,701	985,724	896,737	784,893	663,329	595,914	480,854	534,755
Library	529,655	520,329	586,782	577,915	601,185	531,229	510,814	515,319	512,797	481,774
Public Services	2,815,245	2,322,300	1,197,410	1,499,735	677,081	741,232	864,623	1,081,710	852,037	538,648
Interest on Long-Term Debt	1,213,392	1,008,307	1,005,688	1,023,923	1,173,445	1,067,048	776,718	714,131	607,397	581,125
Total Governmental activities expenses	<u>\$ 19,074,241</u>	<u>\$ 20,430,481</u>	<u>\$ 17,093,444</u>	<u>\$ 18,556,599</u>	<u>\$ 16,735,873</u>	<u>\$ 16,650,074</u>	<u>\$ 15,057,017</u>	<u>\$ 14,017,057</u>	<u>\$ 12,753,058</u>	<u>\$ 11,763,057</u>
Business-type activities										
Electric	\$ 13,359,942	\$ 13,742,564	\$ 13,874,041	\$ 13,951,054	\$ 14,435,529	\$ 16,221,654	\$ 15,467,631	\$ 14,102,581	\$ 15,043,282	\$ 15,125,322
Sewer	4,383,435	4,427,410	4,170,435	4,223,618	3,878,417	3,844,571	3,763,262	3,377,635	3,346,695	3,319,576
421 West Main Street	95,621	69,963	67,377	61,852	61,699	58,843	65,666	55,908	64,871	66,828
Total business-type activities expenses	<u>\$ 17,838,998</u>	<u>\$ 18,239,937</u>	<u>\$ 18,111,853</u>	<u>\$ 18,236,524</u>	<u>\$ 18,375,645</u>	<u>\$ 20,125,068</u>	<u>\$ 19,296,559</u>	<u>\$ 17,536,124</u>	<u>\$ 18,454,848</u>	<u>\$ 18,511,726</u>
Total primary governmental expenses	<u>\$ 36,913,239</u>	<u>\$ 38,670,418</u>	<u>\$ 35,205,297</u>	<u>\$ 36,793,123</u>	<u>\$ 35,111,518</u>	<u>\$ 36,775,142</u>	<u>\$ 34,353,576</u>	<u>\$ 31,553,181</u>	<u>\$ 31,207,906</u>	<u>\$ 30,274,783</u>

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

	Fiscal Year									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Program Revenues										
Governmental activities										
Charges for services										
Borough Administration	\$ 2,010,291	\$ 1,366,596	\$ 2,098,837	\$ 1,266,760	\$ 1,357,859	\$ 1,313,373	\$ 1,377,414	\$ 1,569,875	\$ 1,253,059	\$ 1,557,345
Police Department	87,557	96,152	109,206	197,404	91,215	128,371	84,798	84,572	91,683	74,682
Public Works	9,600	186,475	615,667	71,969	25,163	125,400	263,600	106,928	126,576	83,675
Culture and Recreation	340,464	316,971	325,582	302,408	291,129	263,437	279,669	320,887	298,903	308,279
Code Enforcement	218,658	242,018	344,729	312,539	398,202	294,246	184,100	167,382	136,937	91,428
Library	44,219	45,167	43,884	45,062	47,337	48,369	51,036	51,562	104,570	102,055
Public Services	145,854	4,193	2,173,116	63,635	3,367	2,315	32,437	18,219	29,663	24,937
Operating grants & contributions										
Borough Administration	766,846	781,067	662,762	739,850	550,592	634,345	645,342	508,202	831,939	508,689
Public Works	468,031	472,652	448,725	436,830	366,564	327,584	310,114	314,864	313,073	309,626
Culture and Recreation	-	-	150	-	-	-	-	-	-	240
Library	85,793	65,478	97,425	80,643	141,200	84,428	59,341	86,502	10,168	17,730
Capital grants & contributions										
Public Works	68,464	-	166,109	13,061	442,708	1,337,367	2,388,977	592,781	3,030,020	385,549
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Public Services	1,840,588	445,009	61,850	-	-	-	-	-	-	109,308
Total governmental activities program revenues	\$ 6,086,365	\$ 4,021,778	\$ 7,148,042	\$ 3,530,161	\$ 3,715,336	\$ 4,759,235	\$ 5,676,828	\$ 3,821,774	\$ 6,226,591	\$ 3,573,543
Business-type activities										
Charges for service										
Electric	\$ 20,408,821	\$ 20,615,785	\$ 19,983,115	\$ 20,045,915	\$ 20,782,881	\$ 19,402,927	\$ 19,396,729	\$ 19,324,351	\$ 19,828,017	\$ 19,988,033
Sewer	5,529,949	5,501,516	5,324,300	5,595,603	5,472,464	4,848,306	5,205,812	3,773,588	3,708,213	3,326,922
421 West Main Street	126,312	97,924	113,518	55,846	79,268	115,147	113,848	121,853	110,828	109,405
Operating grants & contributions										
Sewer	-	-	-	-	-	-	-	7,000,000	-	-
Capital grants & contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	\$ 26,065,082	\$ 26,215,225	\$ 25,420,933	\$ 25,697,364	\$ 26,334,613	\$ 24,366,380	\$ 24,716,389	\$ 30,219,792	\$ 23,647,058	\$ 23,424,360
Total primary government program revenues	\$ 32,151,447	\$ 30,237,003	\$ 32,568,975	\$ 29,227,525	\$ 30,049,949	\$ 29,125,615	\$ 30,393,217	\$ 34,041,566	\$ 29,873,649	\$ 26,997,903
Net (Expense)/Revenue										
Governmental activities	\$ (12,987,876)	\$ (16,408,703)	\$ (9,945,402)	\$ (15,026,438)	\$ (13,020,537)	\$ (11,890,839)	\$ (9,380,189)	\$ (10,195,283)	\$ (6,526,467)	\$ (8,189,514)
Business-type activities	8,226,084	7,975,288	7,309,080	7,460,840	7,958,968	4,241,312	5,419,830	12,683,668	5,192,210	4,912,634
Total primary government net expense	\$ (4,761,792)	\$ (8,433,415)	\$ (2,636,322)	\$ (7,565,598)	\$ (5,061,569)	\$ (7,649,527)	\$ (3,960,359)	\$ 2,488,385	\$ (1,334,257)	\$ (3,276,880)

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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General revenues and other changes in net position										
Governmental activities										
Earned Income Tax	\$ 2,696,828	\$ 2,542,485	\$ 2,452,281	\$ 2,427,476	\$ 2,362,863	\$ 2,390,536	\$ 2,343,480	\$ 2,005,600	\$ 1,883,860	\$ 1,927,353
Real Property Tax	4,256,454	4,259,793	3,452,002	3,536,590	3,413,280	2,601,020	2,565,054	2,613,432	2,518,680	1,493,287
Real Estate Transfer Tax	450,094	536,719	449,796	326,974	506,990	303,354	241,831	216,960	195,189	213,842
Unrestricted Investment Earnings	425,017	254,363	119,209	43,297	25,993	22,198	19,709	16,207	40,791	12,979
Gain on Sale of Capital Assets	-	-	(4,136,676)	-	-	-	-	-	-	-
Miscellaneous	315,833	-	-	-	-	-	-	-	-	-
Transfers	7,567,379	7,543,920	8,120,400	5,408,272	1,516,056	6,238,941	5,150,000	13,085,889	12,949,467	5,000,000
Total governmental activities	\$ 15,711,605	\$ 15,137,280	\$ 10,457,012	\$ 11,742,609	\$ 7,825,182	\$ 11,556,049	\$ 10,320,074	\$ 17,938,088	\$ 17,587,987	\$ 8,647,461
Business-type activities										
Unrestricted Investment Earnings	\$ 306,993	\$ 128,428	\$ 24,586	\$ 25,019	\$ 22,426	\$ 34,600	\$ 23,188	\$ 35,233	\$ 90,161	\$ 43,064
Transfers	(7,567,379)	(7,543,920)	(8,120,400)	(5,408,272)	(1,516,056)	(6,238,941)	(5,150,000)	(13,085,889)	(12,949,467)	(5,000,000)
Total business-type activities	\$ (7,260,386)	\$ (7,415,492)	\$ (8,095,814)	\$ (5,383,253)	\$ (1,493,630)	\$ (6,204,341)	\$ (5,126,812)	\$ (13,050,656)	\$ (12,859,306)	\$ (4,956,936)
Total primary government	\$ 8,451,219	\$ 7,721,788	\$ 2,361,198	\$ 6,359,356	\$ 6,331,552	\$ 5,351,708	\$ 5,193,262	\$ 4,887,432	\$ 4,728,681	\$ 3,690,525
Changes in Net Assets										
Governmental activities	\$ 2,723,729	\$ (1,271,423)	\$ 511,610	\$ (3,283,829)	\$ (5,195,355)	\$ (334,790)	\$ 939,885	\$ 7,742,805	\$ 11,061,520	\$ 457,947
Business-type activities	965,698	559,796	(786,734)	2,077,587	6,465,338	(1,963,029)	293,018	(366,988)	(7,667,096)	(44,302)
Total primary government	\$ 3,689,427	\$ (711,627)	\$ (275,124)	\$ (1,206,242)	\$ 1,269,983	\$ (2,297,819)	\$ 1,232,903	\$ 7,375,817	\$ 3,394,424	\$ 413,645

Source: Borough of Lansdale Records, Statement of Activities

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

General Fund	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Nonspendable										
Prepaid Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Highway and Street Projects	-	-	-	-	-	-	-	-	-	-
Committed										
Capital Projects	8,263,500	8,171,786	8,096,460	8,050,354	8,043,512	8,032,978	8,022,466	8,019,081	8,017,467	-
Other Post Employment Benefit	3,711,215	3,639,157	3,319,984							
Assigned										
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Parking Projects	-	-	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-	-	-
Unrestricted	4,052,919	3,458,238	2,735,557	1,831,400	2,027,409	1,717,446	1,937,092	2,553,367	144,422	117,546
Total General Fund	\$ 16,027,634	\$ 15,269,181	\$ 14,152,001	\$ 9,881,754	\$ 10,070,921	\$ 9,750,424	\$ 9,959,558	\$ 10,572,448	\$ 8,161,889	\$ 117,546
All other governmental funds										
Nonspendable										
Prepaid Items	\$ 160	\$ 160	\$ 160	\$ 160	\$ 160	\$ 160	\$ 160	\$ 160	\$ 160	\$ 160
Restricted										
Highway and Street Projects	3,276,888	4,339,012	6,517,394	2,066,231	2,498,515	4,792,517	7,596,152	20,412,114	8,182,764	9,752,541
Building Projects	45,201	1,595,205	1,575,703	1,569,319	3,562,716	14,239,701	9,483,372	-	-	-
Library	169,674	155,763	222,414	274,002	327,520	329,552	-	-	-	-
Committed										
Capital Projects	-	-	-	-	-	-	-	-	-	-
Parking Projects	4,499,727	4,729,771	5,794,431	4,126,950	4,961,068	4,997,001	-	-	-	-
Assigned										
Debt Service Fund	-	-	-	14,485	-	-	-	-	13,797	39,020
Parking Projects	-	-	-	-	-	-	5,065,519	5,233,528	5,699,907	9,085,815
Library	-	-	-	-	-	-	336,329	353,189	338,494	326,327
Unrestricted	(56,893)	(128,327)	(124,321)	-	-	-	-	-	-	-
Total all other governmental funds	\$ 7,934,757	\$ 10,691,584	\$ 13,985,781	\$ 8,051,147	\$ 11,349,979	\$ 24,358,931	\$ 22,481,532	\$ 25,998,991	\$ 14,235,122	\$ 19,203,863
Total Governmental Funds	\$ 23,962,391	\$ 25,960,765	\$ 28,137,782	\$ 17,932,901	\$ 21,420,900	\$ 34,109,355	\$ 32,441,090	\$ 36,571,439	\$ 22,397,011	\$ 19,321,409

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Taxes	\$ 7,395,668	\$ 7,309,266	\$ 6,383,856	\$ 6,310,284	\$ 6,272,329	\$ 5,278,675	\$ 5,150,365	\$ 4,779,865	\$ 4,597,729	\$ 3,634,482
Licenses and Permits	767,775	585,085	796,362	750,839	852,305	716,430	613,889	596,131	547,070	534,234
Fines and Forfeitures	67,917	61,002	62,261	69,036	105,883	106,946	139,810	118,378	114,727	133,532
Interest and Rent	429,914	242,541	122,386	46,022	29,360	24,513	22,024	17,669	40,791	12,979
Grants and Gifts	3,718,951	1,880,038	2,089,438	1,272,352	1,515,880	2,583,726	3,444,632	1,768,512	4,217,100	1,680,646
Departmental Earnings	456,029	434,621	482,620	532,848	414,564	435,531	398,839	447,769	407,505	398,692
Parking Collections and Rentals	109,784	115,228	121,543	84,420	93,814	100,518	92,585	74,275	79,380	71,964
Library Deposits	44,219	45,151	43,855	45,052	46,620	47,265	48,886	50,739	96,489	49,318
Reimbursements and Miscellaneous	1,119,952	912,277	3,548,786	772,889	682,903	766,504	935,872	764,508	764,320	762,524
Total Revenue	\$ 14,110,209	\$ 11,585,209	\$ 13,651,107	\$ 9,883,742	\$ 10,013,658	\$ 10,060,108	\$ 10,846,902	\$ 8,617,846	\$ 10,865,111	\$ 7,278,371
Expenditures										
Current										
Borough Administration	\$ 2,812,447	\$ 2,435,728	\$ 2,198,575	\$ 1,907,400	\$ 1,960,749	\$ 1,801,447	\$ 1,764,877	\$ 1,582,702	\$ 1,361,832	\$ 1,662,013
Police Department	6,498,912	5,873,640	5,687,586	6,666,216	6,325,281	5,654,687	5,477,975	5,261,127	5,010,465	4,509,134
Health and Sanitation	-	-	-	-	-	-	-	-	-	-
Highways/Public Works	5,668,487	5,029,210	3,480,167	3,355,851	10,088,405	11,532,301	7,608,449	4,942,702	6,136,190	1,644,382
Code Enforcement, Planning and Zoning	917,149	779,770	967,701	985,724	896,737	784,893	663,329	595,914	480,854	534,755
Parks and Recreation	1,709,910	1,624,867	1,578,598	1,480,382	1,394,459	1,320,322	1,413,932	1,642,042	1,922,389	1,097,847
Library	514,342	574,885	589,639	577,200	573,537	522,381	495,446	476,789	483,308	397,190
Public Services	2,815,245	2,322,300	1,197,410	1,499,735	677,081	741,232	864,623	1,081,710	852,037	538,648
Capital Outlay	-	-	-	-	-	-	-	-	-	1,377,590
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	1,867,875	1,641,502	1,450,904	1,298,138	1,242,107	1,084,635	1,057,052	1,034,542	3,881,279	569,738
Interest and other charges	1,022,430	1,024,443	998,968	1,009,395	1,201,509	1,038,866	781,568	754,022	610,622	743,617
Total Expenditures	\$ 23,826,797	\$ 21,306,345	\$ 18,149,548	\$ 18,780,041	\$ 24,359,865	\$ 24,480,764	\$ 20,127,251	\$ 17,371,550	\$ 20,738,976	\$ 13,074,914
Excess of revenues over/(under) expenditures	\$ (9,716,588)	\$ (9,721,136)	\$ (4,498,441)	\$ (8,896,299)	\$ (14,346,207)	\$ (14,420,656)	\$ (9,280,349)	\$ (8,753,704)	\$ (9,873,865)	\$ (5,796,543)

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Other financing sources (uses)										
Proceeds from Bond Issuance	\$ 9,940,000	\$ -	\$ -	\$ -	\$ 9,650,000	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -	\$ 18,070,000
Proceeds from Notes Issued	-	-	3,565,353	-	-	-	-	-	-	-
Premiums on refunding bonds issued	54,208	-	-	-	224,713	-	-	-	-	-
Pymt to refunded bond escrow agent	(9,843,373)	-	-	-	(9,732,989)	(150,020)	-	(157,757)	-	(88,207)
Debt Service, Principal	-	-	-	-	-	-	-	-	-	(8,220,000)
Proceeds from the sale of capital assets	-	198	-	-	-	-	-	-	-	-
Transfers in	10,805,904	10,573,423	9,953,273	9,293,000	8,765,893	8,540,851	7,203,620	14,687,889	23,262,108	6,749,147
Transfers out	(3,238,525)	(3,029,503)	(1,832,873)	(3,884,728)	(7,249,837)	(2,301,910)	(2,053,620)	(1,602,000)	(10,312,641)	(1,749,147)
Total other financing sources (uses)	\$ 7,718,214	\$ 7,544,118	\$ 11,685,753	\$ 5,408,272	\$ 1,657,780	\$ 16,088,921	\$ 5,150,000	\$ 22,928,132	\$ 12,949,467	\$ 14,761,793
Net change in fund balance	\$ (1,998,374)	\$ (2,177,018)	\$ 7,187,312	\$ (3,488,027)	\$ (12,688,427)	\$ 1,668,265	\$ (4,130,349)	\$ 14,174,428	\$ 3,075,602	\$ 8,965,250
Debt service as a percentage of non-capital expenditures*	15.77%	14.00%	15.35%	14.01%	11.15%	9.50%	10.05%	11.48%	27.65%	12.65%

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>
2009	1,490,000	2,068,478	237,658	3,796,136
2010	1,493,287	1,927,353	213,842	3,634,482
2011	2,518,680	1,883,860	195,189	4,597,729
2012	2,613,432	2,005,600	216,960	4,835,992
2013	2,564,054	2,343,480	241,831	5,149,365
2014	2,601,020	2,390,536	303,354	5,294,910
2015	3,413,280	2,362,863	506,990	6,283,133
2016	3,536,590	2,427,476	326,974	6,291,040
2017	3,452,002	2,452,281	449,796	6,354,079
2018	4,259,793	2,542,485	536,719	7,338,997
2019	4,256,454	2,696,828	450,094	7,403,376

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

Year Ending December 31 st	Real Property Assessed Value ⁽¹⁾	Less: Tax Exempt Property	Total Taxable Assessed Value	Estimated Actual Values of Real Property	Ratio of Total Assessed Value to Estimated Actual Value ⁽²⁾	Lansdale Borough Real Estate Millage Rate
2010	729,829,533	140,004,460	589,825,073	887,222,870	82.26%	2.086
2011	733,544,123	140,401,840	593,142,283	891,738,540	82.26%	3.500
2012	739,416,533	140,658,410	598,758,123	898,877,380	82.26%	3.500
2013	749,592,473	139,752,580	609,839,893	911,247,840	82.26%	3.500
2014	757,362,183	127,237,500	630,124,683	920,693,147	82.26%	3.500
2015	773,289,423	127,848,370	645,441,053	992,159,896	77.94%	4.500
2016	773,355,428	131,529,700	641,825,728	1,087,395,146	71.12%	4.500
2017	780,618,988	131,671,470	648,947,518	1,100,703,593	70.92%	4.500
2018	788,183,388	132,288,140	655,895,248	1,135,874,604	69.39%	5.500
2019	798,475,508	132,290,210	666,185,298	1,210,178,096	65.98%	5.500

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 \$1,000 of Assessed Value
Last Ten Fiscal Years

Year	Lansdale Borough			Overlapping Rates		All Government Totals
	Operating Millage	Debt Service Millage	Total Borough Millage	Montgomery County Total Millage	North Penn SD Total Millage	
2010	1.5572	0.5288	2.0860	2.6950	20.5399	25.3209
2011	2.9700	0.5300	3.5000	2.6950	21.9563	28.1513
2012	2.9700	0.5300	3.5000	2.6950	22.3256	28.5206
2013	2.9700	0.5300	3.5000	3.1520	22.7049	29.3569
2014	2.9700	0.5300	3.5000	3.1520	23.1819	29.8339
2015	2.9700	1.5300	4.5000	3.4590	23.6223	31.5813
2016	2.9700	1.5300	4.5000	3.4590	24.1890	32.1480
2017	2.9700	1.5300	4.5000	3.8490	24.6704	33.0194
2018	3.8500	1.6500	5.5000	3.8490	25.5090	34.8580
2019	3.8500	1.6500	5.5000	3.8490	26.0957	35.4447

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	2019			2010 ^(b)		
		Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
1180 Church Rd	Industrial	\$ 12,680,000	1	1.59%	\$ 8,842,640	3	1.50%
Wissahickon Park Associates	Apartment Complex	11,960,410	2	1.50%	9,850,000	1	1.67%
ELM Terrace Gardens	Assisted Living	11,860,430	3	1.49%	9,512,160		1.61%
St Mary's Manor Nursing Home	Nursing Home	10,388,020	4	1.30%	N/A	-	-
FA-LEI Silk Factory Assoc LLC	Apartment Complex	8,430,000	5	1.06%	N/A	-	-
401-581 South Broad St Holdings LLC	Shopping Center	8,358,900	6	1.05%	9,080,860	2	1.54%
Broadmore Associates	Apartment Complex	8,324,450	7	1.04%	6,446,300	8	1.09%
North Penn Holdings LLC	Industrial	8,080,678	8	1.01%	8,080,678	5	1.37%
HC Spectrum Partners LP	Shopping Center	6,800,000	9	0.85%	6,800,000	7	1.15%
Pleasantville Gardens Associates	Apartment Complex	5,657,960	10	0.71%	4,950,000	9	0.84%
Totals		\$92,540,848		11.60%	\$63,562,638		10.78%

Notes: ^(a) Total Assessed Valuation equal to: \$ 797,682,128.

^(b) Total Assessed Valuation for 2010 equal to: \$589,825,073

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

Borough of Lansdale
Property Tax Levies Collections
Last Ten Years

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percentage of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Collections to Tax Levy</u>
2010	1,522,424	1,467,391	96.39%	38,972	1,506,363	98.95%
2011	2,567,404	2,471,708	96.27%	55,720	2,527,428	98.44%
2012	2,587,958	2,470,048	95.44%	74,022	2,544,070	98.30%
2013	2,623,574	2,507,519	95.58%	93,049	2,600,568	99.12%
2014	2,650,768	2,501,173	94.36%	107,767	2,608,940	98.42%
2015	3,479,802	3,348,176	96.22%	127,055	3,475,231	99.87%
2016	3,480,099	3,388,261	97.36%	57,620	3,445,881	99.02%
2017	3,480,112	3,429,895	98.56%	38,250	3,468,145	99.66%
2018	4,335,009	4,185,021	96.54%	71,638	4,256,659	98.19%
2019	4,391,615	4,177,108	95.12%	-	4,177,108	95.12%

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 Five Fiscal Years

	Fiscal Year				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Operating Revenues					
Charges for Services					
Sales of Electricity					
Residential	\$ 9,422,017	\$ 9,479,857	\$ 8,970,537	\$ 9,176,826	\$ 9,348,835
General Services	5,976,117	5,981,370	5,776,305	5,774,141	6,050,800
Primary	<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>
Total Charges for Services	20,232,845	20,319,391	19,599,409	19,636,791	20,273,017
Penalties	207,108	223,918	202,948	218,039	253,831
Miscellaneous Services and Rentals	<u>(31,132)</u>	<u>72,476</u>	<u>180,758</u>	<u>191,085</u>	<u>256,033</u>
Total Operating Revenues	20,408,821	20,615,785	19,983,115	20,045,915	20,782,881
Operating Expenses					
Cost of Providing Electric Service					
Purchased Power	9,103,606	9,506,560	9,958,099	9,962,210	10,690,669
Transmission	42,608	54,338	36,140	24,812	42,077
Distribution	1,379,869	1,431,690	1,282,440	1,116,481	1,174,697
Customer accounts	650,323	600,037	621,945	586,573	579,538
Administrative and general	1,780,458	1,777,654	1,620,541	1,957,717	1,706,098
Depreciation	<u>403,078</u>	<u>372,285</u>	<u>354,876</u>	<u>303,261</u>	<u>242,450</u>
Total Operating Expenses	13,359,942	13,742,564	13,874,041	13,951,054	14,435,529
Operating Income:	<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>
Non-Operating Revenues					
State Grant	-	-	-	-	-
Interest earned	202,491	69,146	8,639	11,395	17,303
Interest and amortization on bonded debt	-	-	-	-	-
Return of capital contribution	-	-	-	-	-
Total Nonoperating Revenues	<u>202,491</u>	<u>69,146</u>	<u>8,639</u>	<u>11,395</u>	<u>17,303</u>
Income Before Interfund Transfers	7,251,370	6,942,367	6,117,713	6,106,256	6,364,655
Interfund Transfers	<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>
Change in Net Position	<u>\$ 1,583,991</u>	<u>\$ 827,770</u>	<u>\$ (362,287)</u>	<u>\$ 1,389,324</u>	<u>\$ 2,317,371</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 Five Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Residential Rates					
Residential Service - per kwh hour	\$ 0.16510	\$ 0.16510	\$ 0.16510	\$ 0.16510	\$ 0.16510
Residential Hot Water - per kwh hour	-	-	-	0.09534	0.09534
Residential Electric Space Heating - per kwh hour	-	-	-	0.10990	0.10990
Monthly Customer Charge	13.25	13.25	13.25	13.25	13.25
General Service Rates					
General Service w/o Demand	\$ 13.25	\$ 13.25	\$ 13.25	\$ 13.25	\$ 13.25
General Service with Demand	13.25	13.25	13.25	13.25	13.25
Monthly Customer Charge	38.65	38.65	38.65	38.65	38.65
Primary Service Rates					
Demand Charge Per Month	\$ 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
Monthly Customer Charge	110.44	110.44	110.44	110.44	110.44

Note: KWH = Kilowatt Hours

Source: Borough of Lansdale, Montgomery County, Pennsylvania records

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

	Fiscal Year				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Energy Consumption - (KWH)					
Residential Service	59,942,944	42,378,801	47,343,109	49,738,312	49,802,011
General Service	25,135,573	25,148,120	28,923,582	29,441,751	30,698,488
Primary Service	<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>
Total Energy (KWH) Consumption	119,358,865	98,014,033	112,177,591	115,603,523	117,179,719
Number of Electric Accounts					
Residential Service	7,485	7,323	7,174	7,141	7,061
General Service	1,139	1,157	1,150	1,167	1,125
Primary Service	<u>26</u>	<u>51</u>	<u>26</u>	<u>27</u>	<u>28</u>
Total Electric Accounts	8,650	8,531	8,350	8,335	8,214

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				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			
2010	21,135,000	542,894	4,424	4,424	-	-	-	260,354	21,942,672	6.18%	1,365
2011	17,335,000	461,616	-	-	-	-	-	185,967	17,982,583	3.97%	1,105
2012	26,385,000	341,932	-	-	-	-	-	111,580	26,838,512	5.92%	1,650
2013	25,415,000	254,880	-	(232,182)	-	-	-	-	25,437,698	5.61%	1,564
2014	34,420,000	165,245	-	(219,498)	-	-	-	-	34,365,747	7.58%	2,112
2015	33,350,000	83,138	-	(292,940)	219,606	-	-	-	33,140,198	7.31%	2,037
2016	32,135,000	-	-	(276,228)	199,177	-	-	-	31,858,772	7.03%	1,958
2017	30,805,000	3,444,449	-	(259,515)	178,749	-	-	-	34,168,683	7.54%	2,100
2018	29,430,000	3,177,702	-	(242,803)	158,320	-	-	-	32,523,219	7.17%	1,999
2019	28,256,000	2,758,826	-	(116,634)	190,711	-	-	-	31,088,903	6.86%	1,911

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-</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>
				<u>Liquidating Portion of Debt</u>	<u>Debt</u>				
2010	16,071	729,829,533	21,942,672	-	-	-	21,942,672	3.007%	1,365
2011	16,269	733,544,123	17,982,583	-	-	-	17,982,583	2.451%	1,105
2012	16,269	739,416,533	26,838,512	-	-	-	26,838,512	3.630%	1,650
2013	16,269	749,592,473	25,437,698	-	-	-	25,437,698	3.394%	1,564
2014	16,269	757,362,183	34,365,747	-	-	-	34,365,747	4.538%	2,112
2015	16,269	773,289,423	33,140,198	-	-	-	33,140,198	4.286%	2,037
2016	16,269	773,355,428	31,858,772	-	-	-	31,858,772	4.120%	1,958
2017	16,269	780,618,988	34,168,683	-	-	-	34,168,683	4.377%	2,100
2018	16,269	788,183,388	32,523,219	-	-	-	32,523,219	4.126%	1,999
2019	16,269	798,475,508	31,088,903	-	-	-	31,088,903	3.894%	1,911

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, 2019

<u>Jurisdiction</u>		<u>Gross Debt</u> <u>Outstanding</u>	Percentage Applicable to <u>Borough of</u> <u>Lansdale</u>	Amount Applicable to <u>Borough of Lansdale</u>
North Penn School District	(1)	\$ 99,080,000	11.50%	\$ 11,394,200
County of Montgomery	(2)	<u>410,834,920</u>	1.29%	<u>5,307,987</u>
Total - Overlapping Debt		\$ 509,914,920		\$ 16,702,187
Borough of Lansdale		\$ 32,523,219	100.00%	\$ 32,523,219

Notes: (1) 11.5% of total North Penn School District Debt as of June 30, 2019

(2) 1.29% of total Montgomery County debt as of December 31, 2019, based on the ratio of Lansdale's assessed valuation to Montgomery County's 2018 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, 2019

Borrowing Base Revenues: ⁽¹⁾	
2017	18,772,949
2018	17,566,346
2019	18,494,421
Total Revenues:	\$ 54,833,716
Debt Limit for General Obligation Bonds:	
Average Borrowing Base Revenues	\$ 18,277,905.33
Debt Limit Percent	<u>250%</u>
Debit Limit	\$ 45,694,763.33
Total amount of debt applicable to debt limit	28,256,000
Legal debt margin	\$ 17,438,763
Debt Limit for General Obligation Bonds and Lease Rental Debt	
Average Borrowing Base Revenues	\$ 18,277,905
Debt Limit Percent	<u>350%</u>
Debit Limit	\$ 63,972,669
Total amount of debt applicable to debt limit	31,014,826
Legal debt margin	\$ 32,957,843

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**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 27,132,279	\$ 27,662,131	\$ 36,704,458	\$ 38,606,808	\$ 37,509,316	\$ 34,167,381	\$ 36,857,350	\$ 42,728,323	\$ 41,103,428	\$ 45,694,763
Total Net Debt applicable to limit	<u>17,980,000</u>	<u>17,335,000</u>	<u>26,385,000</u>	<u>25,415,000</u>	<u>34,420,000</u>	<u>33,350,000</u>	<u>30,805,000</u>	<u>30,805,000</u>	<u>29,430,000</u>	<u>28,256,000</u>
Legal Debt Margin	\$ <u>9,152,279</u>	\$ <u>10,327,131</u>	\$ <u>10,319,458</u>	\$ <u>13,191,808</u>	\$ <u>3,089,316</u>	\$ <u>817,381</u>	\$ <u>6,052,350</u>	\$ <u>11,923,323</u>	\$ <u>11,673,428</u>	\$ <u>17,438,763</u>
Total Net Debt applicable to the limit as a percentage of debt limit	66.27%	62.67%	71.89%	65.83%	91.76%	97.61%	83.58%	72.10%	71.60%	61.84%

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

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

Year	Gross Revenues ⁽¹⁾	Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service ⁽³⁾	Debt Service Requirements ⁽³⁾			Coverage ⁽⁴⁾
				Principal	Interest	Total	
2010	19,988,033	15,125,322	4,862,711	-	-	-	N/A
2011	19,828,017	15,043,282	4,784,735	-	-	-	N/A
2012	19,324,351	14,102,581	5,221,770	-	-	-	N/A
2013	19,396,729	15,467,631	3,929,098	-	-	-	N/A
2014	19,402,927	16,221,654	3,181,273	-	-	-	N/A
2015	20,782,881	14,435,529	6,347,352	-	-	-	N/A
2016	20,045,915	13,951,054	6,094,861	-	-	-	N/A
2017	19,983,115	13,874,041	6,109,074	-	-	-	N/A
2018	20,615,785	13,742,564	6,873,221	-	-	-	N/A
2019	20,408,821	13,359,942	7,048,879	-	-	-	N/A

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⁾
2010	16,071	22,096	355,104,816	12,628	38	0.30%	7.5%
2011	16,269	27,872	453,449,568	12,665	29	0.23%	7.3%
2012	16,269	27,872	453,449,568	12,576	26	0.21%	6.7%
2013	16,269	27,872	453,449,568	12,604	14	0.11%	6.7%
2014	16,269	27,872	453,449,568	12,826	16	0.12%	5.6%
2015	16,269	27,872	453,449,568	12,704	14	0.11%	4.9%
2016	16,269	27,872	453,449,568	12,772	9	0.07%	4.9%
2017	16,269	27,872	453,449,568	12,808	29	0.23%	3.5%
2018	16,269	27,872	453,449,568	12,677	27	0.21%	3.9%
2019	16,269	27,872	453,449,568	12,373	26	0.21%	3.5%

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**

	2019				2010 ⁽²⁾			
	Employer	Description	Employees	Rank	Percentage of Total Borough Employment ⁽¹⁾	Employees	Rank	Percentage of Total Borough Employment
	1	Nursing Home	547	1	6.38%			
	2	School District	417	2	4.86%			
	3	Home Health Care	309	3	3.60%			
	4	Fitness	301	4	3.51%			
	5	Home Health Care	282	5	3.29%			
	6	Pharmaceutical	277	6	3.23%			
	7	Home Health Care	250	7	2.92%			
	8	Assisted Living	216	8	2.52%	102	8	
	9	Nursing Home	148	9	1.73%			
	10	Banking	125	10	1.46%			
	Totals		2,872		33.50%	102		0.00%

Notes: ⁽¹⁾ Total number of individuals employed in the Borough in 2019: 8,574

⁽²⁾ Complete employment information for 2010 is not available

Source: Berkeimer Tax Administrator records

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Government	9	9	9	10	10	11	11	15	13	12
Public Safety										
Officers	23	27	24	24	24	23	24	25	25	25
Civilians	7	7	7	7	7	7	7	7	7	7
Fire Safety										
Officers	1	1	1	1	1	1	1	1	2	2
Code Enforcement & Zoning	4	7	7	7	7	7	7	6	6	6
Public Works										
Highway and Streets	10	11	11	11	11	11	11	11	11	11
Electric	16	16	17	17	17	16	16	16	17	17
Culture and Recreation	6	6	6	6	6	6	7	7	7	7
WWTP	<u>13</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>15</u>
Totals:	89	96	94	95	96	96	97	102	103	102

Source: Borough of Lansdale, Montgomery County, Pennsylvania records

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Police										
Part I Crimes	335	402	220	316	295	287	254	283	197	228
Part II Crimes	1,077	847	1,183	873	761	697	757	839	1,701	1,147
Fire Safety										
Alarm	156	163	161	141	144	156	144	160	206	216
Building/Dwelling	1	3	1	1	-	2	2	2	-	-
Structure	131	106	108	90	81	96	88	85	35	43
Vehicle	21	28	29	19	18	21	17	20	12	27
Other	127	131	122	100	110	121	108	115	214	199
Code Enforcement & Zoning										
Building Permits	198	269	263	298	281	311	340	382	328	77
Electrical Permits	110	129	147	146	147	173	246	229	205	168
Sign Permits	19	27	34	35	35	31	43	47	21	23
Occupancy Permits	83	42	66	107	87	93	159	176	84	133
Plumbing Permits	73		110	125	118	116	176	238	206	132
Land Development	2	-	6	2	4	4	3	5	2	4
Zoning Hearing Board	3	46	8	9	13	8	10	3	6	10
Highway and Streets										
Street Resurfacing	0	1	1	1	1	1	1	1	4	3
Culture and Recreation										
Pool Memberships	4,349	3,862	3,285	3,324	3,088	2,925	2,630	2,526	2,499	2,472
Program Registration	192	160	219	880	857	968	1,146	937	1,058	978
Concert Series Attendance	7,920	6,105	7,975	7,270	9,090	9,450	8,925	9,685	7,700	7,225

Source: Borough of Lansdale, Montgomery County, Pennsylvania records

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

Function	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
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	12	12	13	14	14	14	14	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	1,120
Streetlights - Hwy	64	64	64	64	64	64	64	64	64	64
Traffic Signals	20	20	20	20	20	20	20	20	20	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, 2019**

Name of Company	Policy Period		Type of Coverage	Liability Limits	Deductible	Annual Premium
	From	To				
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	Real & Personal Property	\$1,000,000,000	\$1,000	\$136,634
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	Property - Flood	100,000,000	25,000	
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	Property - Earthquake	50,000,000	1,000	
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	Property - Terrorism	25,000,000	1,000	
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	Boiler & Machinery	100,000,000	1,000	
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	Inland Marine	1,000,000,000	1,000	
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	Crime	2,000,000	1,000	2,724
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	Business Income/Extra Expense	500,000/50,000,000	1,000	
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	General Liability	10,000,000	0	55,537
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	Sewer Back-up	10,000,000	0	
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	Employee Benefits Liability	1,000,000	2,500	
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	Abuse or Molestation	10,000,000	-	
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	Pesticide and Herbicide	10,000,000	-	
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	Automobile	10,000,000	500	36,069
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	Public Official Liability	10,000,000	7,500	36,030
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	Employment Practices	10,000,000	7,500	
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	Law Enforcement Professional Liability	10,000,000	7,500	33,653
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	Fiduciary Liability	1,000,000	2,500	
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	Cyber/Privacy Liability	10,000,000	2,500	
Delaware Valley Property & Liability Trust	1/1/19	1/1/20	Umbrella	8,000,000	-	
D.V.W.C.T.	1/1/19	1/1/20	Workers Compensation	1,000,000	-	290,529.00
Selective	1/1/19	1/1/20	Automobile - Fire Company	1,000,000	-	9,168
Indian Harbor	1/1/18	1/1/21	Pollution	3,000,000	25,000	22,708
Total Premium:						\$ 623,052

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	
2010	21	48,750	785,000	833,750	20
2011	20	73,803	929,068	1,002,871	21
2012	20	84,142	931,568	1,015,710	21
2013	24	86,328	833,200	919,528	21
2014	23	88,781	868,240	957,021	22
2015	24	89,592	929,127	1,018,719	22
2016	24	87,906	967,144	1,055,050	22
2017	23	88,732	881,678	970,410	25
2018	26	94,383	928,725	1,023,108	25
2019	25	104,806	1,177,230	1,282,036	25

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)
2010	51,460	148,274	63,906	24,620	None
2011	65,687	218,172	76,865	34,024	None
2012	76,528	205,001	76,647	44,768	None
2013	79,849	215,383	93,754	44,317	None
2014	96,134	226,178	91,639	32,709	None
2015	105,991	205,863	91,660	41,756	None
2016	104,421	254,912	89,953	47,604	None
2017	131,483	271,167	102,941	88,626	None
2018	121,050	284,997	100,388	54,126	None
2019	115,532	330,558	95,941	70,419	None

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

**Borough of Lansdale
Salaries of Elected Officials
December 31, 2019**

<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, 2019

Date Founded 1872

Form of Government Elected Borough Council and Mayor

Area 2.99 square miles

Miles of Road 49

Fire Protection 1 volunteer stations

Police Protection 25 full time Officers (including Chief)
 2 part-time Officers
 16 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, 2014)	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	103
Part Time	29

Population:

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

Borough of Lansdale
Miscellaneous Statistics
December 31, 2019

Age Group Comparisons:

	Borough				State			U.S.			
	2010	2000	1990	1980	2010	2000	1990	2010	2000	1990	1980
% Under 20	21.4%	24.5%	21.6%	24.22.0%	26.5%	23.5%	26.3%	24.0%	25.7%	25.6%	28.1%
% 20 - 64	64.4%	60.0%	62.2%	62.62.6%	53.7%	61.1%	60.8%	63.0%	61.9%	61.8%	60.7%
% over 65	14.2%	15.5%	16.2%	13.15.4%	19.8%	15.4%	12.9%	13.0%	12.4%	12.6%	11.2%
Median (years)	38.9	37.0	34.6	32.39.8	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, 2010 and Borough of Lansdale, Montgomery County, Pennsylvania records