

Township of Upper St. Clair, Pennsylvania

Annual Comprehensive Financial Report

Year Ended December 31, 2020



TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2020

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PREPARED BY THE FINANCE DEPARTMENT

Mark P. Romito, Director

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2020

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June 8, 2021

Board of Commissioners
Township of Upper St. Clair, Pennsylvania

The Comprehensive Annual Financial Report of the Township of Upper St. Clair, Pennsylvania (Township) for the year ended December 31, 2020, is submitted herewith. Management's representations concerning the finances of the Township are contained in this report. We believe that the data, as presented, is accurate in all material aspects and that the complete set of financial statements are presented in conformity with generally accepted accounting principles (GAAP) and have been audited in accordance with U. S. generally accepted auditing standards by a firm of licensed certified public accountants.

Management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the Township's management has established a comprehensive internal control framework that is designed both to protect the Township's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Township's financial statements in conformity with GAAP. Since the costs of internal controls should not outweigh their benefits, the Township's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements. The Township management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Maher Duessel CPAs, a firm of licensed certified public accountants, has audited the Township's financial statements. Their independent audit provides reasonable assurance that the Township's financial statements for the year ended December 31, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements: assessing the accounting principles used and significant estimates made by management, and evaluating 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 Township's financial statements for the year ended December 31, 2020 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 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 it. The Township's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The Township of Upper St. Clair was incorporated in 1788 as one of the original seven townships of Allegheny County located in southwestern Pennsylvania. In January 1954, Upper St. Clair was designated a First Class Township of the Commonwealth of Pennsylvania. On January 5, 1976, Upper St. Clair officially became a Home Rule Community when its Home Rule Charter went into effect. The Township currently occupies a land area of 10 square miles and serves a population estimated at 19,737 by the U. S. Census Bureau. The Township is empowered by the Commonwealth to levy a property tax on real estate and an earned income tax on wages and net profits.

The Home Rule Charter provides for a Board of seven Township Commissioners, two of whom are elected at large by all the voters of the Township, and one who is elected from each of the five wards in the Township. Each Commissioner serves a term of four years. This Board of Commissioners is the final policy authority of the Township. The Township Manager is appointed by the Board of Commissioners and is the Chief Administrative Officer of the Township, directly responsible and accountable to the Board of Commissioners. The Manager also serves as Secretary of the Township.

The Township provides a full range of services and programs for residents and businesses within its boundaries. Included in this report are public safety, public works (which includes the construction and maintenance of highways, streets, and other infrastructure), planning and community development, recreation programs for all age groups, library services, and general administration services. The Township also operates a Community & Recreation Center (C&RC) that features an outdoor and an indoor aquatic center, a gymnasium with two full-sized basketball courts, a fully-equipped fitness area, an indoor running track, and meeting spaces for community events. Fire protection services are provided by the Upper St. Clair Volunteer Fire Department (USCVFD), a self-governing organization independent of the Township which is not included in this report other than to report any financial support the Township provides to the USCVFD. Emergency and non-emergency medical transport services are provided by Tri-Community South Emergency Medical Services (TCS), which is a joint venture of the Township and two other local government units, the Municipality of Bethel Park and South Park Township. This report does not include the Upper St. Clair School District, which is also an independent organization.

The Annual Budget serves as a foundation for carrying out the Township's goals through financial planning and control. The Township Manager is required to present a proposed budget to the Board of Commissioners and to the public prior to October 31. The Board of Commissioners is required to hold a public hearing on the proposed budget in November and to adopt a final budget by no later than December 31, the close of the Township's fiscal year. Budget-to-actual comparisons are provided in this report for each governmental and proprietary fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 34 as part of the basic financial statements for governmental funds. For governmental funds, other than the general fund, and proprietary funds with appropriated annual budgets, budget-to-actual comparisons can be found on pages 102-115.

LOCAL ECONOMY

To understand the local economy in which the Township operates, it is important to note that the Township is primarily a residential community situated 12 miles south of the City of Pittsburgh in Allegheny County. As cited by the Allegheny Conference on Community Development, five key industry sectors create this region's balanced, diverse and dynamic economic base: advanced manufacturing, financial & business services, information technology, energy, and healthcare & life sciences. While there are retail and professional office developments within the Township, most of the residents are professional employees who commute to work outside of the Township.

In 2009, the Township was recognized by *U.S. News and World Report* as one of the "Top Ten Best Places to Live in the United States." The Township is generally regarded as a desirable community in which to live, and attracts many transferring corporate financial, technology, legal, and medical executives and other professionals. These individuals' incomes have grown steadily in recent years, with relatively minimal impact from regional economic changes. During the past ten years (2011-2020), the unemployment rate of Allegheny County has fluctuated from a low of 3.7% in 2018 to a high of 6.9% at the end of 2020. The average annual rate during that time was 5.1%. Shortly after the 2019 fiscal year ended, the worldwide spread of the novel coronavirus (COVID-19) resulted in disease prevention actions that caused significant economic volatility across the United States. These actions resulted in many businesses being forced to close or drastically alter their operational model, resulting in historically high unemployment rates nationwide. In Allegheny County, the unemployment rate in April 2020 was reported to be 15.9%. At the end of 2020, the Township's economic outlook was positive, as continued growth was expected for both the real estate and earned income tax bases. However, like municipalities across the country, the Township now faces both short-term and long-term economic uncertainty brought about by the response to COVID-19.

LONG-TERM FINANCIAL PLANNING

Unassigned fund balance in the General Fund (19.5 percent of total general fund revenues) continues to be well above the minimum acceptable amount established by policy guidelines set by the Board of Commissioners for budgetary and planning purposes (i.e. 8 percent of total general fund revenues). Furthermore, several consecutive years of positive financial performance in the General Fund has allowed for additional transfers of surplus funds into the Township's Capital Projects Fund. This has resulted in an assigned capital projects fund balance of approximately \$10.5 million at the end of 2020, providing the Township with a reserve level that can be used as matching funds as we continue to aggressively seek grant funding, something with which we have had great success in recent years. This has allowed the Township to continue meeting the Commissioners' long-term goal of holding the line on taxes.

The Township's Community & Recreation Center (C&RC) and its operation are also major components of the Township's long-term planning process. The revenue shortfall in 2020 resulting from two state-mandated temporary closures of recreation facilities during the year as well as the uncertain future of operating recreational facilities in a post-COVID environment has introduced a new challenge for long-term planning of the C&RC Fund. But the Township continues to carefully monitor the membership mix, participation levels, and fee structure of the C&RC in order to ensure its self-sustaining operation in the future, allowing the C&RC fund's reserve to be dedicated to capital rather than operational needs. Another major area of long-term focus for the Township continues to be the costs associated with sanitary sewer regulatory compliance, the future requirements of which remain unknown. The Township and other municipalities in the region previously entered into an Administrative Consent Order (ACO) with the Allegheny County Health Department, the Pennsylvania Department of Environmental Protection (PADEP), and the United States Environmental Protection Agency (EPA) related to stormwater inflow in municipal sanitary sewer systems. The initial ACO expired in mid-2015, and a subsequent interim ACO expired at the end of 2018. As municipalities in the region get closer to finalizing a new order, we are beginning to get more clarity on future requirements and financial burdens. However, a large degree of uncertainty remains, but it is likely that municipalities throughout the region, including Upper St. Clair, will incur costly sanitary sewer construction in the coming years.

Another area of uncertainty is the future cost of stormwater compliance. Municipalities throughout the United States remain under a Federal mandate requiring a stormwater management program for reducing pollution impacts from stormwater runoff. This mandate is tied to Municipal Separate Storm Sewer System (MS4) regulations enforced by the PADEP and the EPA. The Township has been studying the issue and developing plans, but the full cost impact is not yet known. It is possible that new funding mechanisms may have to be considered to cover the costs of compliance in future years.

RELEVANT FINANCIAL POLICIES

The Township's Finance Department regularly reviews established policies and procedures and considers implementation of new policies and procedures or modification of existing policies and procedures when necessary. No new policies were implemented in 2020. The Township believes its internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Township Staff navigated through many challenges, rapidly changing rules, and a lack of clear guidance from state officials to successfully hold an outdoor pool season in the summer of 2020. A limited number of slots were made available for two separate outdoor pool sessions each day. Members and residents were able to attend one of the sessions each day by pre-registering for an available slot.

Additionally, after a 3-month closure, the C&RC reopened its doors in late June. Members were welcomed back to the facility with some changes, including a new layout for fitness equipment and safety measures such as contactless check-in. During the closure, staff maintained communication with members to keep them abreast of reopening

progress, published a video walkthrough prior to reopening, and coordinated the completion of all annual maintenance items avoiding the need for the typical one-week facility closure in August.

Despite the state-mandated closure of the Township Library, staff continued to engage with the community in new, creative ways. Summer reading programs were adapted for a virtual environment, curbside checkout service was deployed, “Take & Make” kits were provided for pickup, and online library programming was developed for children. Many of these initiatives continued to be popular even after reopening the library in mid-June.

As a result of careful planning and scheduling, the Public Works Department was able to continue providing its usual level of full, high-quality service throughout the year. This included preparation and maintenance of popular outdoor amenities, enabling residents to enjoy the golf course and tennis courts at no charge – a much needed recreational relief during a stressful and uncertain time.

A \$1.52 million extension of the perimeter trail was completed. The project extended the trail from its previous end near Rostron Drive towards the Morton Fields Complex. A total of \$500,000 in grant funding was secured for this extension. Also completed was the installation of new traffic signal equipment at 2 intersections along Washington Road. This project was done in partnership with PennDOT.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Township for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2020. It was the thirty-second (32nd) consecutive year that the Township received this prestigious award. In order to be awarded a Certificate of Achievement, the Township published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements, and provided significant value for the report’s readers.

A Certificate of Achievement is valid for a period of one year only. We believe this ACFR continues to conform to the Certificate of Achievement Program requirements. We are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Department of Finance. We would like to express our appreciation to all members of the department who assisted and contributed to its preparation. We would like to thank the Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the Township’s finances.

Respectfully submitted,



Matthew R. Serakowski
Township Manager



Mark P. Romito, CPFO
Director of Finance

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

CERTIFICATE OF ACHIEVEMENT

YEAR ENDED DECEMBER 31, 2020



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Township of Upper St. Clair
Pennsylvania**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

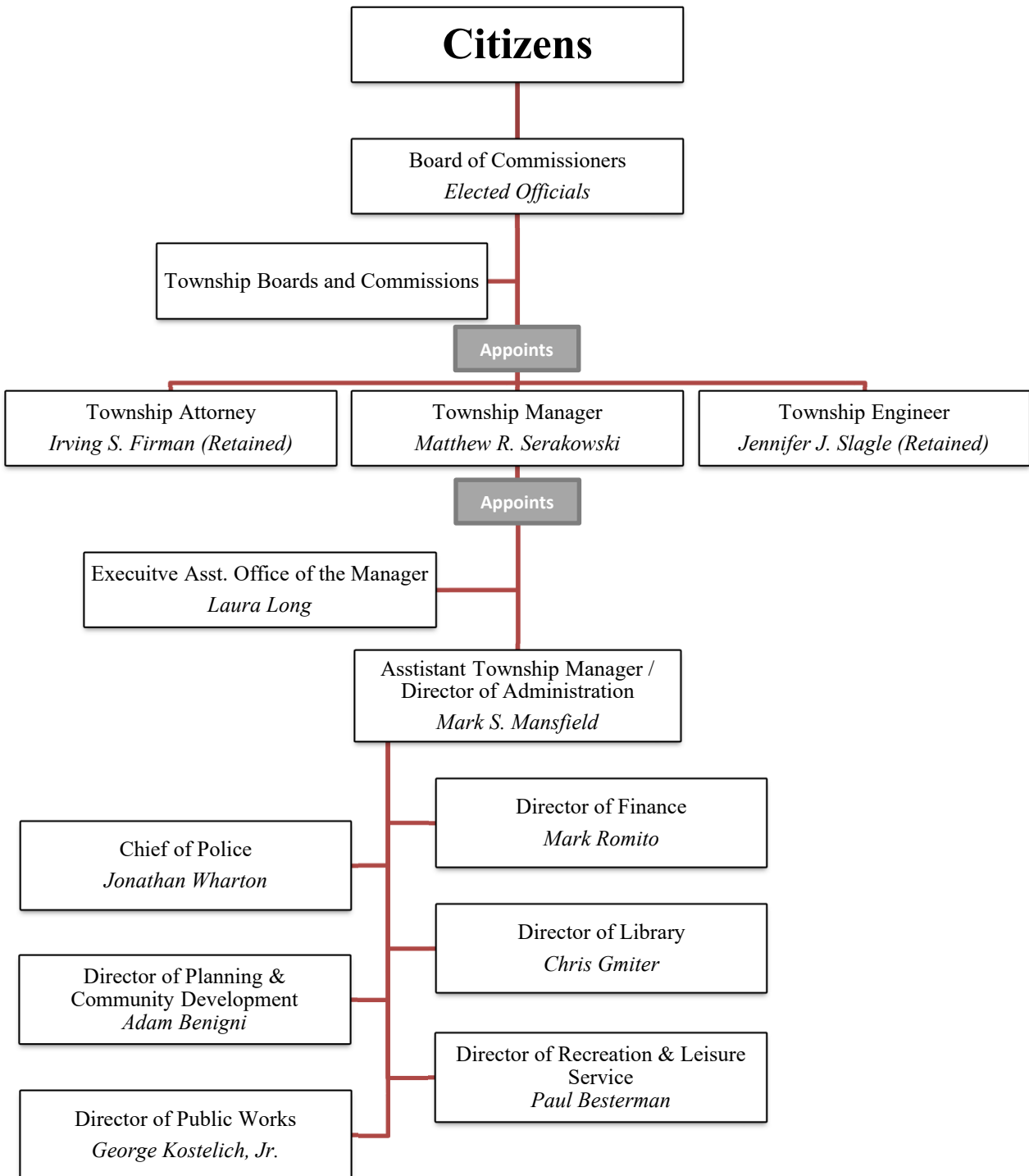
Christopher P. Morill

Executive Director/CEO

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

ORGANIZATIONAL CHART

YEAR ENDED DECEMBER 31, 2020



FINANCIAL SECTION

Independent Auditor's Report

Board of Commissioners Township of Upper St. Clair, Pennsylvania

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 Township of Upper St. Clair (Township), Pennsylvania, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township'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.

Auditor's 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 from 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 auditor's 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.

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 Township, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information on pages 16 through 27, 87 through 92, and 93 through 94 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budget and actual schedules, capital asset schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Board of Commissioners
Township of Upper St. Clair, Pennsylvania
Independent Auditor's Report

The combining and individual fund financial statements, budget and actual schedules, and capital asset schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Maher Duessel

Pittsburgh, Pennsylvania
June 8, 2021

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2020

Our Management’s Discussion and Analysis (MD&A) of the Township of Upper St. Clair’s (Township) financial performance provides an overview of the Township’s financial activities for the year ended December 31, 2020. This information should be reviewed in conjunction with the Township’s financial statements that begin on page 28.

The MD&A is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their statement No. 34, *“Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments,”* issued June 1999. The intent of this discussion and analysis is to look at the Township’s financial performance as a whole.

FINANCIAL HIGHLIGHTS

- At December 31, 2020, the Township’s net position was \$52,490,376, an increase of \$5,582,935 or 11.9% from 2019. This reflects continued strong budgetary performance and the ability of the Township’s revenues to withstand the uncertainty faced in 2020 from the COVID-19 pandemic.
- The unrestricted net position was \$27,942,053 at December 31, 2020, an increase of \$1,763,569 or 6.7% from the prior year. The governmental activities portion increased by \$1,425,113, reflecting sustained revenues and lower expenses that were reduced as part of the Township’s response to the COVID-19 pandemic. Business-type activities increased by \$338,456 reflecting mixed results – normal positive performance in the Sanitary Sewer Fund and a loss in the Boyce Mayview Community & Recreation Center (C&RC) Fund.
- At December 31, 2020, the Township had \$45,620,000 of general obligation debt outstanding. This represents a decrease of \$2,010,000 or 4.2% from the previous year. The outstanding amount represents a manageable \$2,363 of per capita debt, the Township’s 4th consecutive annual reduction in this metric.
- The Township continued to maintain the AA+/stable rating assigned by Standard & Poor’s Global Ratings Service to the outstanding bonds.
- The real estate tax rate remained at 3.83 mills for 2020, the 11th straight year without an increase.
- The total fund balance of the Township’s General Fund at December 31, 2020 was \$4,968,905, an increase of \$410,983 from the preceding year. The unassigned fund balance in the General Fund at December 31, 2020 was \$4,706,728, which represents 30.9% of the General Fund’s current expenditures for fiscal year 2020, and 19.5% of the General Fund’s revenues.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

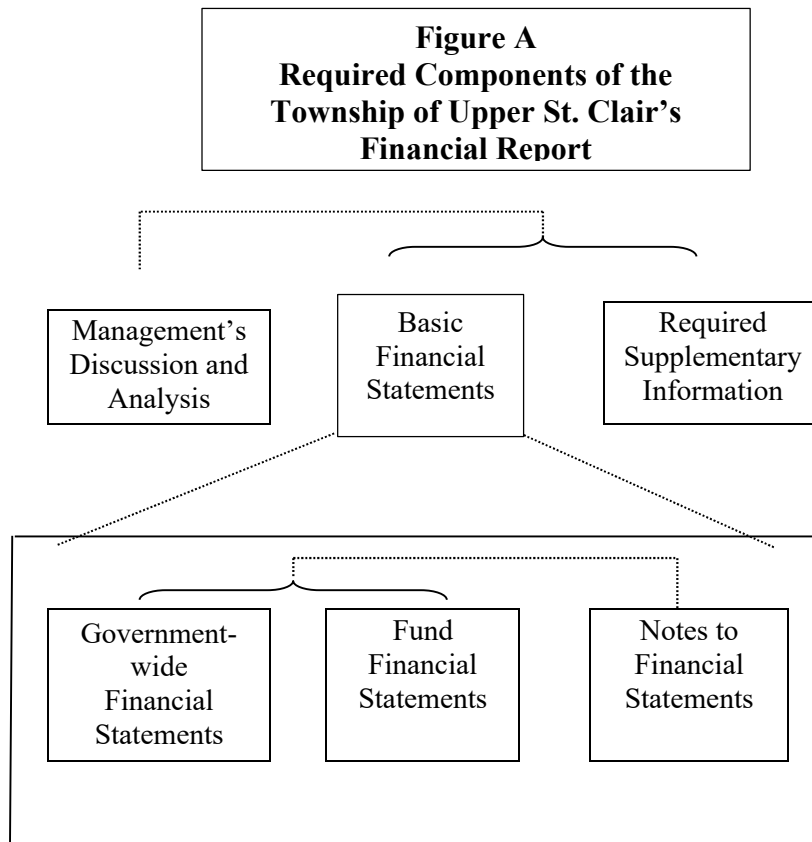
MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2020

USING THE BASIC FINANCIAL STATEMENT REPORT

This Basic Financial Statement Report consists of a transmittal letter and a Financial Section. Within the Financial Section are the Management’s Discussion and Analysis (this section) and a series of financial statements and notes to those statements. The statement of net position and statement of activities, on pages 28 and 29 respectively, provide information about the activities of the Township as a whole and present a longer-term view of the Township’s finances. Fund Financial Statements, which start on page 30, provide the next level of detail. For governmental funds, these statements show how services were financed in the short-term as well as what remains for future spending. The Fund Financial Statements also look at the Township’s most significant funds with all other non-major funds presented in total in one column. For the Township, the General Fund is the most significant fund. Lastly, the financial statements include notes that explain some of the information in the financial statements and provide more detailed data.

Figure A shows how the required parts of the Financial Section are arranged and relate to one another:



TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2020

Reporting the Township as a Whole

Government-wide Financial Statements

While the Fund Financial Statements beginning on page 30 contain the majority of funds used by the Township to provide programs and activities, the Statement of Net Position and the Statement of Activities answer the question, "How did we do financially during 2020?" These statements, beginning on page 28, include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Township's net position and the change in that position. This change in net position is important because it informs the reader, for the Township as a whole, whether the financial position of the Township has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Township's property tax base, current property tax laws in Pennsylvania restricting revenue growth, facility conditions, required governmental services and other factors.

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

- Governmental activities – Most of the Township's basic services are included here, such as general government, public safety, public works, community development, recreation, and library services. Earned income taxes and property taxes finance most of these activities.
- Business-type activities – The Township operates a sanitary sewer system, a magazine publication, and a community & recreation center (C&RC). The sanitary sewer system is funded through fees paid by users of the system. The magazine publication is financed through advertisements. The majority of the operating activities of the C&RC are financed through membership fees.

Reporting the Township's Most Significant Funds

Fund Financial Statements

Fund financial statements, which begin on page 30, provide detailed information about the most significant funds – not the Township as a whole. Some funds are required by state law and by bond requirements.

Governmental funds: Most of the Township's operating activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2020

provide a detailed short-term view of the Township's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's services. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reflected in a reconciliation after each fund statement on pages 31 and 33.

Proprietary funds: These funds are used to account for the Township's activities that are similar to business operations in the private sector. A significant portion of funding is from user charges. When the Township charges for services it provides – whether to outside customers or to other units in the Township – these services are generally reported in proprietary funds. The Sanitary Sewer Fund, the Township/School District Magazine Fund, and the C&RC Fund are the Township's proprietary funds and use the same basis of accounting as business-type activities. Therefore, these statements are the same as the business-type activities discussed above. The basic proprietary fund financial statements can be found on pages 35 through 37 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 those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 38 through 39 of this report.

Notes to 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 40 through 85 of this report.

Other supplementary information: In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning the Township's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 87 through 94 of this report.

The combining statements referred to 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 97 through 115.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net Position may serve over time as a useful indicator of the Township's financial position. The total net position was \$52,490,376 and \$46,907,441 at December 31, 2020 and 2019, respectively. The largest portion of the Township's net position (53.2%) is the *unrestricted* net position. The Township may use

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2020

these unrestricted funds to meet its debt requirements related to capital assets or other ongoing obligations to citizens and creditors.

Table 1
December 31
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
ASSETS						
Current and other assets	\$23,781,914	\$19,225,926	\$17,411,559	\$16,840,932	\$41,193,473	\$36,066,858
Capital assets	33,061,337	32,498,193	32,815,169	33,662,933	65,876,506	66,161,126
TOTAL ASSETS	56,843,251	51,724,119	50,226,728	50,503,865	107,069,979	102,227,984
DEFERRED OUTFLOWS						
OF RESOURCES	615,621	1,012,468	1,151,834	1,208,809	1,767,455	2,221,277
LIABILITIES						
Current and other liabilities	1,459,261	1,510,677	1,363,239	1,131,068	2,822,500	2,641,745
Long-term liabilities:						
Due within one year	931,853	896,899	1,208,148	1,138,102	2,140,001	2,035,001
Due in more than one year	16,482,294	17,895,847	31,116,824	32,333,439	47,599,118	50,229,286
TOTAL LIABILITIES	18,873,408	20,303,423	33,688,211	34,602,609	52,561,619	54,906,032
DEFERRED INFLOWS						
OF RESOURCES	3,785,439	2,635,788	-	-	3,785,439	2,635,788
NET POSITION						
Net investment in capital assets	19,096,961	17,636,918	1,642,031	1,400,201	20,738,992	19,037,119
Restricted	3,809,331	1,691,838	-	-	3,809,331	1,691,838
Unrestricted	11,893,733	10,468,620	16,048,320	15,709,864	27,942,053	26,178,484
TOTAL NET POSITION	\$34,800,025	\$29,797,376	\$17,690,351	\$17,110,065	\$52,490,376	\$46,907,441

Part of the Township's net position is invested in capital assets (infrastructure, land, buildings, and equipment). These capital assets cannot be used to liquidate the debt related to acquire them. *The unrestricted net position (\$27,942,053) may be used to meet the Township's debt requirements related to capital assets or other ongoing obligations to citizens and creditors.*

After excluding transfers from governmental funds to business-type funds of \$1,562,210 and \$1,692,345 for 2020 and 2019, respectively, governmental revenues for 2020 totaled \$26,289,381 compared to \$26,228,694 in 2019. This slight 0.2% increase in governmental revenue amounted to \$60,687 and provided funds that were sufficient to cover the total governmental expenditures of \$19,724,522. For 2020, governmental revenues exceeded governmental expenses by \$6,564,859 or 33.3%. Most local governments across Pennsylvania and the United States had significant concerns about their revenue sources in early 2020 due to the sudden onset and unknown impacts of the COVID-19. The largest concern for the Township – earned income tax revenue – withstood the pandemic, dropping by only \$6,083, or

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2020

0.1%, from 2019. An increase in property tax revenue of 2.5% and in real estate transfer tax revenue of 40.7% helped offset reductions in charges for services (largely from recreation programs) and capital grants.

Results of the business-type funds were mixed with sanitary sewer user fees covering the costs of that activity while the Community & Recreation Center Fund suffered its first operating loss. Business-type activities as a whole saw expenses exceed revenues by \$981,924. The results of this year's operations as a whole are reported in the statement of activities on page 29. All expenses are reported in the first column. Specific charges, grants, and revenues that directly relate to specific expense categories are presented to determine the final amount of the Township's activities that are supported by other general revenues. The four largest general tax revenues are listed below in Table 2.

Table 2
Year Ended December 31, 2020

	2020	2019
Earned income taxes, levied for general purposes	\$ 9,584,624	\$ 9,590,707
Property taxes, levied for general purposes	8,836,608	8,622,795
Real estate transfer tax	1,965,764	1,397,605
Local services taxes	292,994	297,279

The 2020 financial statements offer a view of the financial condition of the Township on a consolidated basis. For example, investment earnings (statement of activities, page 29) not only include interest earnings in the General Fund, but also interest earnings in the regular Capital Projects Fund and all other Governmental Funds. Table 3 summarizes total revenues for the current year, with comparative data from 2019.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2020

Table 3
Years Ended December 31
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 954,175	\$ 1,054,786	\$ 10,380,320	\$ 11,282,577	\$ 11,334,495	\$ 12,337,363
Operating grants and contributions	2,757,679	2,738,996	-	-	2,757,679	2,738,996
Capital grants and contributions	820,413	1,273,156	-	-	820,413	1,273,156
General revenues:						
Property taxes	8,836,608	8,622,795	-	-	8,836,608	8,622,795
Earned income taxes	9,584,624	9,590,707	-	-	9,584,624	9,590,707
Local services taxes	292,994	297,279	-	-	292,994	297,279
Real estate transfer tax	1,965,764	1,397,605	-	-	1,965,764	1,397,605
Franchise fees	446,544	459,794	-	-	446,544	459,794
Unrestricted investment earnings	98,508	295,706	144,504	343,726	243,012	639,432
Miscellaneous	532,072	497,870	-	-	532,072	497,870
Total revenues	26,289,381	26,228,694	10,524,824	11,626,303	36,814,205	37,854,997
Expenses:						
General government	2,553,266	2,334,355	-	-	2,553,266	2,334,355
Public safety	5,499,264	6,216,747	-	-	5,499,264	6,216,747
Public works	8,382,733	9,979,288	-	-	8,382,733	9,979,288
Community Development	677,869	678,103	-	-	677,869	678,103
Recreation and leisure services	1,277,889	1,577,398	-	-	1,277,889	1,577,398
Library services	869,713	1,213,053	-	-	869,713	1,213,053
Interest on long-term debt	463,788	480,341	-	-	463,788	480,341
Sanitary sewer	-	-	7,255,295	6,473,558	7,255,295	6,473,558
Community and recreation center	-	-	4,096,912	5,006,232	4,096,912	5,006,232
Magazine	-	-	154,541	161,466	154,541	161,466
Total expenses	19,724,522	22,479,285	11,506,748	11,641,256	31,231,270	34,120,541
Change in Net Position Before Transfers	6,564,859	3,749,409	(981,924)	(14,953)	5,582,935	3,734,456
Transfers	(1,562,210)	(1,692,345)	1,562,210	1,692,345	-	-
Change in Net Position	5,002,649	2,057,064	580,286	1,677,392	5,582,935	3,734,456
Net position - beginning	29,797,376	27,740,312	17,110,065	15,432,673	46,907,441	43,172,985
Net position - ending	\$ 34,800,025	\$ 29,797,376	\$ 17,690,351	\$ 17,110,065	\$ 52,490,376	\$ 46,907,441

Program revenues within governmental activities decreased by \$534,671 in 2020. This is a result of one-time grants having been received in 2019 for various capital projects that were not also received in 2020, and the temporary suspension of many annual recreation programs that were not able to be held in 2020 due to the COVID-19 pandemic. Business-type activities saw total program revenues decrease by \$902,257 in 2020. That change reflects an increase of \$861,501 in sanitary sewer user fee revenues while the C&RC revenues saw a very significant reduction of \$1,759,625, or nearly half of its 2019 revenue. The decline resulted from two state-mandated temporary closures of recreation facilities during 2020 due to

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2020

the COVID-19 pandemic. The C&RC was closed for approximately 4 months total, during which monthly membership fees were not assessed and no fitness, aquatics, daily admission, other revenue could be generated. After reopening, capacity and spacing restrictions continued to pressure the regular C&RC revenues.

Within general revenues, the most significant change from the prior year was a \$568,159, or 40.7%, increase in real estate transfer tax revenues. Despite the COVID-19 pandemic, residential real estate sales within Upper St. Clair strengthened both in volume and sale price. Additionally, the Township's 2nd largest general revenue source – property tax – continued to see growth in 2020 in the amount of \$213,813 (2.5%). The largest decline from the prior year was investment earnings due to significant drops in interest rates.

Table 4 categorizes the Township's expenses into seven functions – general government, public safety, public works, community development, recreation and leisure services, library services, and interest on long-term debt – and shows each program's net cost (total cost less revenues generated by the activities). The net cost reflects the remaining financial need supported by local taxes and miscellaneous revenues.

Table 4
Years Ended December 31
Governmental Activities

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Functions/Programs:		
General government	\$ 2,553,266	\$ 993,347
Public safety	5,499,264	4,846,948
Public works	8,382,733	7,269,838
Community development	677,869	677,869
Recreation and leisure services	1,277,889	392,975
Library services	869,713	547,490
Interest on long-term debt	463,788	463,788
Total expenses	<u>\$ 19,724,522</u>	<u>\$ 15,192,255</u>
Total required from local taxes and other insurance		<u>\$ 15,192,255</u>

The dependence upon local tax revenues for governmental activities is illustrated in Table 4. The Township had expenses for governmental activities of \$19.72 million, of which only \$4.5 million was supported by program-specific charges, grants, and contributions. As a result, an additional \$15.19 million of support had to be covered by local taxes and miscellaneous revenues. In other words, approximately 77 percent of all government activities were supported through taxes and miscellaneous revenues in 2020. This is the same percentage experienced in 2019. The community, as a whole, is the primary support for the Township's services for its citizens.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2020

Business-Type Activities

The business-type activities of the Township are the Sanitary Sewer, the Township/School District Magazine, and the C&RC operations. The Sanitary Sewer operation had program revenue of \$8.39 million and expenses of \$7.20 million. Sanitary sewer user fees are collected monthly, providing the revenues needed to cover expenses. Net position in this fund increased \$1,192,027 in 2020. The Township/School District Magazine operations had program revenues nearly equal to its expenses of \$.15 million. Print advertisements provide the majority of the revenue needed to cover this operation's expense. Net position in this fund decreased by \$4,137 in 2020. The C&RC had program revenues of \$1.84 million and expenses of \$2.45 million. The membership fees are designed to cover the operating costs of the center, while general tax revenues fund the debt service costs associated with the original construction of the facility. Including non-operating results, net position for the C&RC decreased \$607,604 in 2020.

THE TOWNSHIP'S FUNDS

The General Fund, which accounts for the Township's operations, represents the Township's most significant major fund. The Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds on page 32 is summarized in Table 5.

Table 5
Years Ended December 31
Summary of Governmental Changes in Fund Balance

	General Fund	Capital Projects Fund Regular	Other Governmental Funds	Total Governmental Funds
Beginning Fund Balance	\$ 4,557,922	\$ 7,815,729	\$ 2,740,744	\$ 15,114,395
Net Change in Fund Balance	410,983	2,697,058	(738,471)	2,369,570
Ending Fund Balance	<u>\$ 4,968,905</u>	<u>\$ 10,512,787</u>	<u>\$ 2,002,273</u>	<u>\$ 17,483,965</u>

General Fund Budgetary Highlights

The Township's budget is prepared according to the Home Rule Charter and Pennsylvania law and is based on accounting for certain transactions on a modified accrual basis of accounting.

During the year, the Board of Commissioners (Board) can authorize revisions to the original budget to accommodate differences between the original budget and the actual expenditures of the Township. No budget revisions were made to the 2020 original budget. The budgeting system is designed with internal controls that assign responsibility for each Township Department's budget to the managing Department Director with overall responsibility assigned to the Township Manager. The Department Directors are each responsible for their individual program areas.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2020

For the General Fund, revenues were above budget expectations by \$1,703,648. This amount is the net result of increases in nearly all revenue areas except for minor variances in "fees and fines" and "interest" and a more significant drop of \$169,881 in "recreation fees" which suffered from the temporary suspension of many annual recreation programs that were not able to be held during the year due to the COVID-19 pandemic. Expenditures were well under appropriations by \$1,972,411. A major contributor to the lower result was furloughs and layoffs that occurred during 2020, driven by the COVID-19 pandemic. Controlled spending, particularly with some routine maintenance items that were able to be deferred, also assisted in the reduction. With this combination of positive results, the Township Manager authorized an additional transfer from the General Fund to the Capital Projects Fund to finance future capital needs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets (See Note 5)

At December 31, 2020, the Township's Governmental Activities had \$33,061,337 invested in a broad range of capital assets, including land, infrastructure, site improvements, buildings, equipment, and vehicles. This amount represents a net increase (including additions, deletions and depreciation) of \$563,144 or 1.7% from last year. The largest capital investment growth areas in 2020 were infrastructure (\$968,367) and library (\$10,391).

The Township's Business-type Activities had \$32,815,169 in capital assets as of December 31, 2020, covering infrastructure, buildings, and equipment. The amount includes depreciation totaling \$28,523,355 of which \$7,454,502 is the C&RC Building. Detail of capital asset activity for 2020 can be found in Note No. 5 on pages 70 through 71 and in the section entitled "*Capital Assets Used in the Operation of Governmental Funds*" found on pages 116 through 120.

Table 6
Governmental and Business-Type Activities
Years Ended December 31
Capital Assets, Net of Depreciation (when applicable)

	Governmental Activities		Business-Type Activities	
	2020	2019	2020	2019
Land	\$ 2,617,784	\$ 2,608,394	\$ -	\$ -
Infrastructure	15,240,716	14,272,349	18,474,202	19,122,419
Buildings	8,568,278	8,832,782	11,725,975	12,392,216
Improvements other than buildings	2,522,838	2,595,896	-	-
Equipment	4,073,046	4,160,488	2,614,992	2,148,298
Library assets	38,675	28,284	-	-
	<u>\$ 33,061,337</u>	<u>\$ 32,498,193</u>	<u>\$ 32,815,169</u>	<u>\$ 33,662,933</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2020

Debt Administration

The Township had total outstanding bond and note principal of \$45.62 million and \$47.63 million as of December 31, 2020 and 2019, respectively. The Township made principal payments on its outstanding bonds and notes in 2020, totaling \$896,899 for governmental activity debt and \$1,113,101 for business-type activity debt. No new debt was incurred in 2020. More detailed information about the Township's long-term liabilities is included in Notes 6 and 7 to the financial statements on pages 72 through 76.

Table 7
Years Ended December 31
General Obligation Bonds and Notes

	Governmental Activities		Business-Type Activities	
	2020	2019	2020	2019
G.O. Note - 2015	\$ -	\$ 498,000	\$ -	\$ 212,000
Series of 2016 - Bonds	3,684,376	3,803,275	23,445,624	24,201,725
Series A of 2017 - Bonds	5,010,000	5,095,000	4,550,000	4,585,000
Series B of 2017 - Bonds	5,270,000	5,465,000	3,660,000	3,770,000
	<u>\$ 13,964,376</u>	<u>\$ 14,861,275</u>	<u>\$ 31,655,624</u>	<u>\$ 32,768,725</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The revenue budget for 2021 is \$990,550, or 2.2% higher than the final 2020 budget. Local revenues are expected to increase 13.2% over 2020 driven primarily from expected bond proceeds of \$5.5 million. State revenues are budgeted to decrease 7.4% from 2020 due to expected drops in state pension aid and liquid fuels funding, both the result of COVID-19 pandemic impacts. The use of fund reserves is planned to decrease by 41.1% in 2021; however, a substantial portion (\$4.9 million) remains designated for use primarily in the Township's Capital Fund Budget, which aligns with the Township's long-term goals to pay for certain capital projects using existing reserves in order to minimize the need for issuing debt. Plans to utilize reserves for capital improvements at the C&RC were reflected in the 2020 budget but eliminated from the 2021 budget which adds to the variance in 2021. The overall change in budgeted expenses is a 2.2% increase from 2020. This includes a \$5.5 million expense equal to the bond proceeds referenced above which will fund a capital project that is budgeted to begin in 2021. The Township's largest fund, the General Fund, is budgeted to have a 0.02% decrease in operating expenditures from 2020. The comparison of budgeted revenue and expenditure categories between the two years is listed in Table 8.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2020

Table 8
Years Ended December 31
Budgeted Revenues and Expenditures (Original and Final Budget)

	2021	2020
Revenues:		
Local	\$ 38,722,685	\$ 34,193,415
State	1,393,918	1,505,329
Fund reserve	4,920,959	8,348,268
Total	<u>\$ 45,037,562</u>	<u>\$ 44,047,012</u>
Expenses:		
General government	\$ 8,390,388	\$ 2,843,783
Public safety	6,266,407	6,218,995
Community development	837,426	731,348
Public works	17,631,877	18,139,210
Recreation and leisure services	7,396,591	11,475,184
Library services	1,164,365	1,215,778
Debt service/fund transfers/reserve	3,350,508	3,422,714
Total	<u>\$ 45,037,562</u>	<u>\$ 44,047,012</u>

The Township continues to commit itself to excellence in the delivery of essential governmental services and quality financial reporting for its taxpayers and residents.

CONTACTING THE TOWNSHIP FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to show the Board of Commissioners and Township Staff's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Mark P. Romito, CPFO, Director of Finance, 1820 McLaughlin Run Road, Upper St. Clair, PA 15241, 412-831-9000, ext. 2180, or by email at finance@twpusc.org.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

STATEMENT OF NET POSITION

DECEMBER 31, 2020

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and cash equivalents	\$ 16,087,630	\$ 16,499,611	\$ 32,587,241
Tax receivables	3,070,941	-	3,070,941
Other receivables	732,927	843,776	1,576,703
Internal balances	(68,172)	68,172	-
Prepaid assets	262,177	-	262,177
Net pension asset	3,696,411	-	3,696,411
Capital assets, not being depreciated	2,617,784	-	2,617,784
Capital assets, net of accumulated depreciation	15,202,837	21,089,194	36,292,031
Infrastructure assets, net of accumulated depreciation	15,240,716	11,725,975	26,966,691
Total Assets	56,843,251	50,226,728	107,069,979
Deferred Outflows of Resources			
Deferred charges on bond refundings	-	1,151,834	1,151,834
Pension related	615,621	-	615,621
Total Deferred Outflows of Resources	615,621	1,151,834	1,767,455
Liabilities			
Accounts payable	466,376	1,295,791	1,762,167
Accrued wages payable	356,013	-	356,013
Unearned revenue	-	67,448	67,448
Refundable deposits	636,872	-	636,872
Bonds/notes payable, current portion	931,853	1,208,148	2,140,001
Noncurrent liabilities:			
Other postemployment benefits liability	3,449,386	-	3,449,386
Net pension liability	385	-	385
Bonds/notes payable, net	13,032,523	31,116,824	44,149,347
Total noncurrent liabilities	16,482,294	31,116,824	47,599,118
Total Liabilities	18,873,408	33,688,211	52,561,619
Deferred Inflows of Resources			
Pension related	3,785,439	-	3,785,439
Net Position			
Net investment in capital assets	19,096,961	1,642,031	20,738,992
Restricted for:			
State Liquid Fuels expenses	36,095	-	36,095
Library expenses and service	76,825	-	76,825
Pension benefits	3,696,411	-	3,696,411
Unrestricted	11,893,733	16,048,320	27,942,053
Total Net Position	\$ 34,800,025	\$ 17,690,351	\$ 52,490,376

The notes to financial statements are an integral part of this statement.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 2,553,266	\$ 185,394	\$ 994,112	\$ 380,413	\$ (993,347)	\$ -	\$ (993,347)
Public safety	5,499,264	263,813	388,503	-	(4,846,948)	-	(4,846,948)
Public works	8,382,733	272,714	840,181	-	(7,269,838)	-	(7,269,838)
Community development	677,869	-	-	-	(677,869)	-	(677,869)
Recreation and leisure services	1,277,889	214,914	230,000	440,000	(392,975)	-	(392,975)
Library services	869,713	17,340	304,883	-	(547,490)	-	(547,490)
Interest on long-term debt	463,788	-	-	-	(463,788)	-	(463,788)
Total governmental activities	19,724,522	954,175	2,757,679	820,413	(15,192,255)	-	(15,192,255)
Business-type activities:							
Sanitary sewer	7,255,295	8,389,609	-	-	-	1,134,314	1,134,314
Community & recreation center	4,096,912	1,840,307	-	-	-	(2,256,605)	(2,256,605)
Magazine	154,541	150,404	-	-	-	(4,137)	(4,137)
Total business-type activities	11,506,748	10,380,320	-	-	-	(1,126,428)	(1,126,428)
Total primary government	\$ 31,231,270	\$ 11,334,495	\$ 2,757,679	\$ 820,413	(15,192,255)	(1,126,428)	(16,318,683)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					8,836,608	-	8,836,608
Earned income taxes, levied for general purposes					9,584,624	-	9,584,624
Local services tax					292,994	-	292,994
Real estate transfer taxes					1,965,764	-	1,965,764
Franchise fees (5% of gross cable receipts)					446,544	-	446,544
Unrestricted investment earnings					98,508	144,504	243,012
Miscellaneous					532,072	-	532,072
Transfers					(1,562,210)	1,562,210	-
Total general revenues and transfers					20,194,904	1,706,714	21,901,618
Change in Net Position					5,002,649	580,286	5,582,935
Net position - beginning					29,797,376	17,110,065	46,907,441
Net position - ending					<u>\$ 34,800,025</u>	<u>\$ 17,690,351</u>	<u>\$ 52,490,376</u>

The notes to financial statements are an integral part of this statement.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2020

	General Fund	Capital Projects Fund	Regional Asset District Boyce/Mayview Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 10,597,299	\$ 4,506,272	\$ -	\$ 984,059	\$ 16,087,630
Real estate taxes receivable	487,251	-	-	-	487,251
Earned income taxes receivable	2,583,690	-	-	-	2,583,690
Due from other funds	128,738	6,138,957	274,808	751,869	7,294,372
Other receivables	708,597	-	-	24,330	732,927
Prepaid assets	262,177	-	-	-	262,177
Total Assets	\$ 14,767,752	\$ 10,645,229	\$ 274,808	\$ 1,760,258	\$ 27,448,047
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$ 367,372	\$ 66,211	\$ 16,268	\$ 16,525	\$ 466,376
Due to other funds	7,362,544	-	-	-	7,362,544
Accrued wages payable	356,013	-	-	-	356,013
Refundable deposits	630,872	6,000	-	-	636,872
Total Liabilities	8,716,801	72,211	16,268	16,525	8,821,805
Deferred Inflows of Resources:					
Unavailable revenue - taxes	1,082,046	-	-	-	1,082,046
Fund Balance:					
Nonspendable	262,177	-	-	-	262,177
Restricted:					
State Liquid Fuels	-	-	-	36,095	36,095
Library services	-	-	-	76,825	76,825
Committed:					
Storm Sewer improvements	-	-	-	711,142	711,142
Field improvements	-	-	-	458,200	458,200
Infrastructure projects	-	-	-	461,471	461,471
Assigned:					
Capital projects	-	10,573,018	-	-	10,573,018
Boyce Mayview Park projects	-	-	258,540	-	258,540
Unassigned	4,706,728	-	-	-	4,706,728
Total Fund Balance	4,968,905	10,573,018	258,540	1,743,733	17,544,196
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 14,767,752	\$ 10,645,229	\$ 274,808	\$ 1,760,258	\$ 27,448,047

The notes to financial statements are an integral part of this statement.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2020

Total Fund Balance - Governmental Funds			\$	17,544,196
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the statement of net position.				
				33,061,337
Property and earned income taxes receivable will be collected next year, but are not available to pay for the current period's expenditures and, therefore, are unavailable in the funds.				
				1,082,046
The net pension asset is not a current financial resource and, therefore, is not reported in the fund financial statements.				
				3,696,411
Deferred outflows/inflows of resources for pension are recorded and amortized in the statement of net position. Additionally, deferred outflows/inflows of resources for pension are not recorded on the fund financial statements.				
				(3,169,818)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:				
	Bonds and notes payable, net of discounts and premiums	\$	(13,964,376)	
	Other postemployment benefits liability		(3,449,386)	
	Net pension liability		(385)	
				<u>(17,414,147)</u>
Total Net Position - Governmental Activities			\$	<u>34,800,025</u>

The notes to financial statements are an integral part of this statement.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	General Fund	Capital Projects Fund	Regional Asset District Boyce/Mayview Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Real estate taxes	\$ 8,853,274	\$ -	\$ -	\$ -	\$ 8,853,274
Earned income taxes	9,498,413	-	-	-	9,498,413
Other taxes	2,258,758	-	-	-	2,258,758
Licenses and permits	156,928	-	-	-	156,928
Fees and fines	507,274	-	-	-	507,274
Rents	5,648	-	-	-	5,648
Interest	39,702	40,651	-	18,155	98,508
Service agreements	288,735	-	-	-	288,735
Other revenue and grants	2,407,783	384,913	670,000	885,652	4,348,348
Recreation fees	179,619	-	-	24,331	203,950
Total revenues	24,196,134	425,564	670,000	928,138	26,219,836
Expenditures:					
Current:					
General government	2,136,832	186,245	-	1,250	2,324,327
Community development	667,379	5,850	-	-	673,229
Public safety	5,893,695	185,469	-	-	6,079,164
Public works	5,559,399	1,675,163	-	838,732	8,073,294
Recreation and leisure services	334,990	4,674	2,298,375	-	2,638,039
Library services	619,394	19,700	-	228,252	867,346
Total current	15,211,689	2,077,101	2,298,375	1,068,234	20,655,399
Capital outlay:					
General government	-	142,118	-	-	142,118
Public works	-	-	-	-	-
Recreation and leisure services	-	9,390	-	-	9,390
Total capital outlay	-	211,739	-	-	211,739
Debt service:					
Principal retirement	-	-	-	896,899	896,899
Interest	-	-	-	463,788	463,788
Total debt service	-	-	-	1,360,687	1,360,687
Total expenditures	15,211,689	2,288,840	2,298,375	2,428,921	22,227,825
Excess (Deficiency) of Revenues over Expenditures	8,984,445	(1,863,276)	(1,628,375)	(1,500,783)	3,992,011
Other Financing Sources (Uses):					
Interfund transfers in	-	5,150,565	500,000	1,890,687	7,541,252
Interfund transfers out	(8,573,462)	(530,000)	-	-	(9,103,462)
Total other financing sources (uses)	(8,573,462)	4,620,565	500,000	1,890,687	(1,562,210)
Net Change in Fund Balance	410,983	2,757,289	(1,128,375)	389,904	2,429,801
Fund balance - beginning	4,557,922	7,815,729	1,386,915	1,353,829	15,114,395
Fund balance - ending	<u>\$ 4,968,905</u>	<u>\$ 10,573,018</u>	<u>\$ 258,540</u>	<u>\$ 1,743,733</u>	<u>\$ 17,544,196</u>

The notes to financial statements are an integral part of this statement.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

Net Change in Fund Balance - Governmental Funds	\$	2,429,801
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays for capital assets as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays for capital assets exceeded depreciation expense in the current period.

Capital outlay for capital assets	\$	2,434,298	
Less: depreciation expense		<u>(1,871,154)</u>	563,144

Because some taxes will not be collected for several months after the Township's year-end, they are not considered as "available" revenues in the governmental funds. Unavailable revenues decreased by this amount during the year.

69,545

The increase in the other post-employment benefits liability does not require the use of current financial resources and, therefore, is not reflected on the fund statements.

(83,247)

Changes in the net pension liability and asset and related deferred inflows and outflows of resources do not affect current financial resources and, therefore, are not reflected on the fund statements.

1,126,507

Current year long-term debt principal payments reported as expenditures in the governmental fund financial statements are shown as a reduction in the debt in the government-wide financial statements.

896,899

Change in Net Position - Governmental Activities

\$ 5,002,649

The notes to financial statements are an integral part of this statement.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

YEAR ENDED DECEMBER 31, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
Revenues:				
Real estate taxes	\$ 8,478,300	\$ 8,478,300	\$ 8,853,274	\$ 374,974
Earned income taxes	9,370,000	9,370,000	9,498,413	128,413
Other taxes	1,470,000	1,470,000	2,258,758	788,758
Licenses and permits	137,700	137,700	156,928	19,228
Fees and fines	517,050	517,050	507,274	(9,776)
Rents	2,865	2,865	5,648	2,783
Interest	40,000	40,000	39,702	(298)
Service agreements	243,812	243,812	288,735	44,923
Other revenue and grants	1,883,259	1,883,259	2,407,783	524,524
Recreation fees	349,500	349,500	179,619	(169,881)
Total revenues	22,492,486	22,492,486	24,196,134	1,703,648
Expenditures:				
General government	2,253,633	2,253,633	2,136,832	116,801
Community development	716,348	716,348	667,379	48,969
Public safety	5,905,995	5,905,995	5,893,695	12,300
Public works	6,778,565	6,778,565	5,559,399	1,219,166
Recreation and leisure services	558,769	558,769	334,990	223,779
Library services	970,790	970,790	619,394	351,396
Total expenditures	17,184,100	17,184,100	15,211,689	1,972,411
Excess (Deficiency) of Revenues over Expenditures	5,308,386	5,308,386	8,984,445	3,676,059
Other Financing Sources (Uses):				
Interfund transfers out	(5,308,386)	(5,308,386)	(8,573,462)	(3,265,076)
Net Change in Fund Balance	\$ -	\$ -	\$ 410,983	\$ 410,983

The notes to financial statements are an integral part of this statement.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS

DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds			
	Sanitary Sewer Fund	Boyce/Mayview Community Recreation Center Fund	Other Business- type Activities: Township/School District Magazine Fund	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 9,467,027	\$ 7,032,584	\$ -	\$ 16,499,611
Accounts receivable	771,754	59,949	12,073	843,776
Due from other funds	36,978	-	145,519	182,497
Total current assets	10,275,759	7,092,533	157,592	17,525,884
Capital assets:				
Sewer lines, net of accumulated depreciation	11,725,975	-	-	11,725,975
Buildings and improvements, net of accumulated depreciation	-	18,474,202	-	18,474,202
Machinery and equipment, net of accumulated depreciation	1,514,688	1,100,304	-	2,614,992
Total capital assets	13,240,663	19,574,506	-	32,815,169
Total Assets	23,516,422	26,667,039	157,592	50,341,053
Deferred Outflows of Resources				
Deferred charge on bond refundings	546,012	605,822	-	1,151,834
Liabilities				
Current liabilities:				
Accounts payable	1,234,131	61,270	390	1,295,791
Unearned revenues	-	67,448	-	67,448
Accrued interest	-	-	-	-
Due to other funds	-	114,325	-	114,325
Current portion - bonds payable	643,930	564,218	-	1,208,148
Total current liabilities	1,878,061	807,261	390	2,685,712
Noncurrent liabilities:				
Bonds payable	14,133,041	16,983,783	-	31,116,824
Total Liabilities	16,011,102	17,791,044	390	33,802,536
Net Position				
Net investment in capital assets	(990,296)	2,632,327	-	1,642,031
Unrestricted	9,041,628	6,849,490	157,202	16,048,320
Total Net Position	\$ 8,051,332	\$ 9,481,817	\$ 157,202	\$ 17,690,351

The notes to financial statements are an integral part of this statement.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds			
	Sanitary Sewer Fund	Boyce/Mayview Community Recreation Center Fund	Other Business- type Activities: Township/School District Magazine Fund	Total Enterprise Funds
Operating Revenues:				
Charges for services	\$ 8,389,609	\$ 1,840,307	\$ 150,404	\$ 10,380,320
Operating Expenses:				
Sewage treatment charges	4,724,645	-	-	4,724,645
Personnel services	261,884	1,733,654	50,190	2,045,728
Contractual services	1,118,900	772,759	103,752	1,995,411
Materials and supplies	15,394	141,271	599	157,264
Depreciation	725,742	800,537	-	1,526,279
Bad debt	-	-	-	-
Total operating expenses	6,846,565	3,448,221	154,541	10,449,327
Operating Income (Loss)	1,543,044	(1,607,914)	(4,137)	(69,007)
Nonoperating Revenues (Expenses):				
Interest income	57,713	86,791	-	144,504
Interest expense	(408,730)	(648,691)	-	(1,057,421)
Total nonoperating revenues (expenses)	(351,017)	(561,900)	-	(912,917)
Change in Net Position Before Interfund Transfers	1,192,027	(2,169,814)	(4,137)	(981,924)
Transfers:				
Interfund transfers in	-	1,562,210	-	1,562,210
Change in Net Position	1,192,027	(607,604)	(4,137)	580,286
Net position - beginning	6,859,305	10,089,421	161,339	17,110,065
Net position - ending	\$ 8,051,332	\$ 9,481,817	\$ 157,202	\$ 17,690,351

The notes to financial statements are an integral part of this statement.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds			
	Sanitary Sewer Fund	Boyce/Mayview Community Recreation Center Fund	Other Business- type Activities: Township/School District Magazine Fund	Total Enterprise Funds
Cash Flows From Operating Activities:				
Receipts from customers and users	\$ 8,187,798	\$ 1,858,289	\$ 144,816	\$ 10,190,903
Payment for treatment charges	(4,511,058)	-	-	(4,511,058)
Payments to employees	(261,884)	(1,733,654)	(50,190)	(2,045,728)
Payments for services	(1,118,900)	(771,416)	(103,812)	(1,994,128)
Payments to suppliers	(15,394)	(141,271)	(599)	(157,264)
Net cash provided by (used in) operating activities	2,280,562	(788,052)	(9,785)	1,482,725
Cash Flows From Noncapital Financing Activities:				
Interfund receipts (payments)	(37,557)	1,547,768	9,785	1,519,996
Cash Flows From Capital and Related Financing Activities:				
Purchases of capital assets	(48,645)	(629,870)	-	(678,515)
Principal paid on capital debt	(562,561)	(550,540)	-	(1,113,101)
Interest paid on capital debt, including capitalized interest	(391,108)	(642,806)	-	(1,033,914)
Net cash provided by (used in) capital and related financing activities	(1,002,314)	(1,823,216)	-	(2,825,530)
Cash Flows From Investing Activities:				
Investment income	57,713	86,791	-	144,504
Net Increase (Decrease) in Cash and Cash Equivalents	1,298,404	(976,709)	-	321,695
Cash and Cash Equivalents:				
Beginning of year	8,168,623	8,009,293	-	16,177,916
End of year	\$ 9,467,027	\$ 7,032,584	\$ -	\$ 16,499,611
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 1,543,044	\$ (1,607,914)	\$ (4,137)	\$ (69,007)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	725,742	800,537	-	1,526,279
Changes in assets and liabilities				
Accounts receivable	(201,811)	681	(5,588)	(206,718)
Accounts payable	213,587	1,343	(60)	214,870
Unearned revenues	-	17,301	-	17,301
Total adjustments	737,518	819,862	(5,648)	1,551,732
Net cash provided by (used in) operating activities	\$ 2,280,562	\$ (788,052)	\$ (9,785)	\$ 1,482,725

The notes to financial statements are an integral part of this statement.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

COMBINED STATEMENT OF FIDUCIARY NET POSITION PENSION TRUST FUNDS

DECEMBER 31, 2020

Assets	
Cash and cash equivalents	\$ 2,169,373
Investments (at fair value):	
Exchange traded funds	11,119,821
Mutual funds	9,331,928
Investment trusts	5,311,360
Stocks	11,576,775
Accrued income receivable	19,114
Total Assets	39,528,371
Net Position	
Net position restricted for pension benefits	<u><u>\$ 39,528,371</u></u>

The notes to financial statements are an integral part of this statement.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2020

Additions:

Contributions:	
Member contributions/rollovers	\$ 177,441
Township contributions	163,881
State aid	679,489
Total contributions	1,020,811
Investment income (loss):	
Net appreciation (depreciation) in fair value of investments	5,082,795
Less: investment expenses	(119,810)
Net investment income (loss)	4,962,985
Total additions	5,983,796

Deductions:

Benefits	1,732,261
Withdrawal credits	109,927
Administrative expenses	9,772
Total deductions	1,851,960

Increase (Decrease) in Plan Net Position	4,131,836
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Net Position:

Beginning of year	35,396,535
End of year	\$ 39,528,371

The notes to financial statements are an integral part of this statement.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

1. Summary of Significant Accounting Policies

The Township of Upper St. Clair, Pennsylvania (Township) was founded in 1788 and operates as a Home Rule Township under a Charter adopted January 5, 1976. The Township, which operates under a Manager and a seven-member governing Board of Commissioners (Board), is a suburb of Pittsburgh with approximately 19,000 residents and an area of ten square miles.

The financial statements of the Township have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these principles are as follows:

A. Reporting Entity

The accompanying financial statements present the Township (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Blended Component Unit

The Municipal Authority of the Township of Upper St. Clair (MATUSC) was incorporated in 1950 under the Municipal Authorities Act of 1945 to construct and lease certain capital assets for and to the Township. The MATUSC Board is appointed by the Township's Board. MATUSC leases facilities to the Township and the Township pays lease rentals to MATUSC for repayment of the Authority's debt, if any. As of December 31, 2020, there is no active lease arrangement between MATUSC and the Township.

MATUSC is blended with the primary government for financial reporting because its purpose is to finance certain capital assets of the Township and the Township has the financial burden of any MATUSC debt. MATUSC operations are included with non-major Special Revenue Fund types. MATUSC operates on an August 31 fiscal year. Complete financial statements for MATUSC can be obtained from the Administration Offices of MATUSC at 1820 McLaughlin Run Road, Upper St. Clair, PA 15241.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Joint Ventures

The Township is a member of a joint venture with two other local government units. The joint venture, Tri-Community South Emergency Medical Services (TCS), provides emergency and non-emergency transport and first-aid services to the residents of three Communities. TCS is administered by a three-member board, composed of the members of all three participating governments. Neither the Township nor the other two local governments exercise specific control over the fiscal policies or operations of TCS. TCS's operating budget is funded by annual subscriptions, nonsubscriber medical charges, third-party billings, and non-emergency transport fees. The Township had no equity interest in TCS as of December 31, 2020. Complete financial statements for TCS can be obtained from the Administrative Offices of TCS at 5490 Progress Boulevard, Bethel Park, PA 15102.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

The statement of net position presents the financial condition of the governmental and business-type activities of the Township at year-end.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Township. Expenditures generally are recorded when a liability is incurred, as under the accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and other post-employment benefits, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The fund financial statements provide information about the Township's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The Township reports the following major governmental funds:

The *General Fund* is the primary operating fund of the Township. It accounts for all financial resources except those required to be accounted for in another fund.

The *Capital Projects Fund* accounts for costs of capital assets acquired for use in the Township for general government, public safety, public works, or parks and recreation purposes.

The *Regional Asset District Boyce Mayview Fund* is used to account for monies allocated to the Township by the Allegheny County Regional Asset District. These funds are to be used for continual maintenance and expansion of facilities and services of the Boyce Mayview Park.

The Township reports the following major enterprise funds:

The *Sanitary Sewer Fund* is used to account for costs associated with providing sewage treatment and disposal service to all parts of the Township. This fund was established in 1985 by ordinance so that user fees could primarily fund the costs associated with regular system maintenance and Corrective Action Plan projects.

The *Boyce Mayview Community & Recreation Center Fund (C&RC Fund)* is used to account for the operations of the Community & Recreation Center.

Additionally, the Township reports the following fiduciary fund types:

The *Pension Trust Funds* account for the accumulation of resources to be used for future payment of benefits to qualified employees. The Township provides pension coverage through three separate plans: Public Works Employees, Police, and Administrative and Management Employees.

Proprietary funds distinguish *operating revenues and expenses* from *non-operating* 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 Township's enterprise funds are sewer usage charges, membership fees, and advertisement fees. Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

D. Budgets and Budgetary Accounting

An operating budget is legally adopted each year for the General Fund, Capital Projects Fund, State Liquid Fuels Fund, Storm Sewer Improvement Fund, Field Improvement Fund, Regional Asset District Library Fund, Regional Asset District Boyce Mayview Fund, Debt Service Funds for the General Obligation Bonds/Notes of 2015, 2016, 2017-A and 2017-B, the Sanitary Sewer Fund, the Boyce Mayview Community & Recreation Center Fund, and the Township/School District Magazine Fund on a basis consistent with GAAP. No budgets were legally adopted for the Pension Trust Funds, the Library Endowment Fund, or MATUSC.

Adoption of the budget by the Board constitutes approximations of the expenditures for the fiscal year and the budget is employed as a management control device during the year. Within the General Fund accounts, the Township Manager is authorized to transfer budgeted amounts between operating departments provided that such transfers do not alter total expenditures approved by the Board. Therefore, in the General Fund, as in all other funds that have legally adopted budgets, the measurement level of control over expenditures is the surplus or deficit of the funds as a whole. Operating departments are charged with the maintenance of the budget for the department as a whole; however, operating departments may exceed the appropriation with the approval of the Township Manager. Any excess appropriations at the end of the fiscal year are not carried forward, but instead, lapse.

Expenditures for the Pension Trust Funds, the Library Endowment Fund, and MATUSC are limited to the level of available revenues.

Under the Home Rule Charter, the Board may amend the expenditure budget after public hearing.

E. Interfund Receivables, Payables, and Transfers

During the course of operations, the Township has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities' column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

amount is included as internal balances in the business-type activities column. Interfund services provided and used are not eliminated in the process of consolidation. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included in the governmental activities' column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Interfund receivables, payables, and transfers for the year ended December 31, 2020 are summarized below:

Fund	Due From	Due To	Transfers In	Transfers Out
Major Funds:				
General Fund	\$ 128,738	\$ 7,362,544	\$ -	\$ 8,573,462
Capital Projects Fund	6,138,957	-	5,150,565	530,000
Regional Asset District Boyce/Mayview Fund	274,808	-	500,000	-
Sanitary Sewer Fund	36,978	-	-	-
Boyce Mayview C&RC Fund	-	114,325	1,562,210	-
Other Enterprise Funds	145,519	-	-	-
Other Governmental Funds	751,869	-	1,890,687	-
Total	<u>\$ 7,476,869</u>	<u>\$ 7,476,869</u>	<u>\$ 9,103,462</u>	<u>\$ 9,103,462</u>

Outstanding interfund balances at year-end include a \$6,138,957 interfund balance between the General Fund and the Capital Projects Fund, primarily representing funds assigned to the Capital Projects Fund via a transfer from the General Fund.

Transfers are made from the General Fund 1) to the Capital Projects Fund to fund various capital projects, 2) to the Debt Service Fund for current principal and interest payments, 3) to the Boyce Mayview C&RC Fund for debt service as well as common area operations, and 4) to the Other Governmental Funds for maintenance and operating expenses associated with Boyce Mayview Park.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

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F. Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are recorded at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The Township categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. 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 significant unobservable inputs.

Governmental and Proprietary Funds

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. government obligations, short-term commercial paper issued by a public corporation, banker's acceptances, insured or collateralized time deposits, and certificates of deposit. The statutes allow pooling of governmental funds for investment purposes.

The deposit and investment policy of the Township adheres to state statutes and prudent business practice. Deposits of the governmental funds are either maintained in demand deposits, highly liquid money market funds or pooled for investment purposes in the Pennsylvania Local Government Investment Trust (PLGIT) or the Pennsylvania School District Liquid Asset Fund (PSDLAF). The deposits and investments of the Fiduciary Funds are administered by trustees and are held separately from those of other municipal funds. There were no deposit or investment transactions during the year that were in violation of either their state statutes or the policy of the Township.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

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Deposits

The following is a description of the Township's deposit risks:

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a formal deposit policy for custodial credit risk.

As of December 31, 2020, \$30,830,284 of the Township's bank balance of \$31,080,284 was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits had carrying amounts of \$31,083,212 as of December 31, 2020.

Investments

As of December 31, 2020, the Township's investments consisted of the following:

	<u>Bank Balance</u>	<u>Book Balance</u>
Investments:		
PLGIT	\$ 1,497,235	\$ 1,497,007
PSDLAF	<u>7,022</u>	<u>7,022</u>
Total investments	<u>\$ 1,504,257</u>	<u>\$ 1,504,029</u>

At December 31, 2020, the total of PLGIT and PSDLAF are considered to be a cash equivalent for presentation on the statement of net position and governmental funds balance sheet.

The Township's cash equivalent investments in external investment pools (PLGIT and PSDLAF) are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. PLGIT and PSDLAF were established as common law trusts organized under laws of the Commonwealth of Pennsylvania. Shares of the funds are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools, and municipalities. The purpose of these funds is to enable such governmental units to pool available funds for investment. The Township's position in the external investment pools is the same as the value of the pool shares and is reported at amortized cost, which approximates fair value. All

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

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investments in external investment pools that are not SEC-registered are subject to oversight by the Commonwealth of Pennsylvania. The Township can generally withdraw funds from the external investment pools without limitation, other than investments within the PLGIT/CD accounts, which can only be withdrawn at maturity. In addition, there are certain limitations placed on the following withdrawals: for PLGIT-Class accounts, there is a one-day holding period and withdrawals are limited to twice per calendar month for PLGIT/PRIME accounts.

The following is a description of the Township's investment risks:

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the Township's investments. The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Township's investments in PLGIT and PSDLAF have maturities of less than one year.

Credit Risk. The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Township has no formal investment policy that would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. At December 31, 2020, the Township's investments in PLGIT and PSDLAF were rated AAA by Standard & Poor's.

Pension Trust Funds

The pension trust funds are used to account for assets held by the Township in a trustee capacity for future payment of retirement benefits to employees or former employees. In addition to the investments authorized for governmental funds, pension trust fund investments may also be made in corporate stocks and bonds, real estate and other investments consistent with sound business practice. Assets in the pension trust funds are stated at fair value.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

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As of December 31, 2020, the Township had the following cash and investments in its pension trust funds:

Investments by Fair Value Level	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Exchange-traded funds:				
Fixed income	\$ 5,378,530	\$ 5,378,530	\$ -	\$ -
Equities	5,741,291	5,741,291	-	-
Total exchanged-traded funds	11,119,821	11,119,821	-	-
Mutual funds:				
Fixed income	5,671,745	5,671,745	-	-
Equities:				
Large value	1,310,080	1,310,080	-	-
Small blend	64,155	64,155	-	-
Large growth	1,946,028	1,946,028	-	-
Foreign small/mid growth	339,920	339,920	-	-
Total mutual funds	9,331,928	9,331,928	-	-
Stocks:				
Industrials	1,652,397	1,652,397	-	-
Consumer discretionary	1,535,782	1,535,782	-	-
Consumer staples	756,027	756,027	-	-
Energy	189,425	189,425	-	-
Financial	1,358,958	1,358,958	-	-
Materials	448,145	448,145	-	-
Information technology	2,850,089	2,850,089	-	-
Real estate	186,174	186,174	-	-
Utilities	177,911	177,911	-	-
Health care	1,692,621	1,692,621	-	-
Telecommunication services	729,246	729,246	-	-
Total stocks	11,576,775	11,576,775	-	-
Total investments by fair value level	32,028,524	\$ 32,028,524	\$ -	\$ -
Investments measured at NAV:				
Investment trusts:				
Bond	833,041			
Balanced/asset allocation	2,269,195			
Guaranteed lifetime income	215,616			
U.S. Stock	1,484,401			
International/global equity	443,601			
Specialty	65,506			
Total investments measured at NAV	5,311,360			
Total investments measured at fair value	\$ 37,339,884			

Investments classified in Level 1 are valued using prices quoted in active markets for those securities.

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Investment trusts (trusts) are valued at the net asset value (NAV) per share as determined by investment managers under the so-called “practical expedient.” The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met. The investment strategies of the trusts include seeking capital appreciation and current income. The trusts have daily redemption frequencies and full discretion to defer withdrawals or transfers.

The preceding methods described may produce a fair value classification that may not be indicative of net realizable value or reflective of the future fair values. Furthermore, although the Township pension trust fund believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In addition to the investments noted above, the Township’s pension trust funds have an investment of \$2,169,373 in money market funds, which is classified as cash and cash equivalents on the statement of fiduciary net position. The Township pension trust funds’ position in the money market funds is reported at cost which approximates fair value.

The following is a description of the investment risks of the Pension Trust Funds:

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the Township’s investments. The Pension Trust Funds do not have a formal investment policy that limits investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates, other than a 45 percent limit on fixed income securities.

Credit Risk. The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Pension Trust Funds do not have a formal investment policy that would limit investment choices based on credit ratings by nationally recognized statistical rating organizations. At December 31, 2020, none of the Pension Trust Fund investments were rated by Nationally Recognized Statistical Rating Organizations.

Concentration of Credit Risk. The risk of loss attributed to the magnitude of an investment in a single issuer. The Pension Trust Funds place a 10% limit on the amount that may be invested in any one issuer. At December 31, 2020, the Pension Trust Funds did not have any investments that represented 5% or more of total investments

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(excluding investments in the U.S. Government and U.S. Government guaranteed obligations, mutual funds, or other pooled investments).

The Pension Trust Funds are invested in various types of financial instruments. This diversification of the investment portfolio serves to assist in mitigating the various types of risks associated with different types of financial instruments. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments could occur in the near-term and that such changes could materially affect the amount reported on the statement of fiduciary net position.

G. Allowance for Uncollectible Accounts

Accounts receivable have been reported net of an allowance for uncollectible accounts.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Statement of Cash Flows

For the purpose of the statement of cash flows, the Township considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year, and all computers regardless of price. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the Township chose to include all such items regardless of their acquisition date or amount. For the initial reporting of these assets, the Township was able to use actual historical cost or estimated historical cost through back trending. As the Township constructs or acquires additional capital assets each period, including infrastructure assets; they are capitalized and reported at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as construction-in-progress, while in the construction phase. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40
Public domain infrastructure	40-50
Vehicles	3-15
Equipment	5-10
Sewer lines	40-50
Library assets	5

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

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K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or the balance sheet 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 and/or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Township has the following item that qualifies for reporting in this category:

Certain amounts determined in connection with pension accounting requirements are reported as deferred outflows of resources on the government-wide financial statements. These amounts are determined based on actuarial valuations performed for the plans. Note 3 presents additional information about the pension plans.

In addition to liabilities, the statement of net position and/or the balance sheet 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 and/or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Township has the following items that qualify for reporting in this category:

Unavailable revenue is reported only on the balance sheet and represents property and earned income taxes which will not be collected within the available period. These amounts will be recognized as an inflow of resources in the period that the amounts become available.

Certain amounts determined in connection with pension accounting requirements are reported as deferred inflows of resources on the government-wide financial statements. These amounts are determined based on the actuarial valuations performed for the pension plans.

Additionally, in accordance with applicable guidance, the excess or shortage of the reacquisition price over the net carrying amount of refunded debt is recorded as a deferred outflow or inflow of resources, respectively, on the statement of net position and amortized as a component of interest expense over the shorter of the term of the refunding issue or refunded bonds.

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L. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line amortization method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, the face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are also reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Net Position Flow Assumption

Sometimes the Township 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 Township's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

N. Fund Balance Flow Assumptions

Sometimes the Township will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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O. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Township itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Township's highest level of decision-making authority. The Board is the highest level of decision-making authority for the Township that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as committed. The Board has by ordinance authorized the Finance Director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The Board has adopted a financial policy to maintain a minimum level of unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the General Fund. The target level is set within a range of between 8%-20% of General Fund annual revenues. This amount is intended to provide fiscal stability when economic downturns and other unexpected events occur. If fund balance falls below the minimum target level because it has been used, essentially as a "revenue" source, as dictated by current circumstances, the policy provides for actions to replenish the amount to the minimum target level. Generally, replenishment is to occur within a three-year period.

P. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in categories based on level of constraint placed on the funds. The levels are as follows:

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Nonspendable – consists of amounts that cannot be spent because they are either (1) not in spendable form, or (2) legally or contractually required to be maintained intact. The Township reports nonspendable fund balance for prepaid expenses as of December 31, 2020.

Restricted – consists of amounts with constraints placed on the use either by (1) external groups such as creditors, grantors, or contributors, or (2) law through constitutional provisions or enabling legislation. The Township's restricted fund balances as of December 31, 2020 are described in the governmental funds balance sheet.

Committed – consists of amounts that can only be used pursuant to specific purposes pursuant to constraints imposed by a resolution enacted by the Township's governing Board. The Township's committed fund balances as of December 31, 2020 are described in the governmental funds balance sheet.

Assigned – consists of amounts that are constrained by the Township's intent to be used for specific purposes. The Township's assigned fund balance as of December 31, 2020 is described in the governmental funds balance sheet.

Unassigned – represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report negative unassigned fund balance in that fund.

Q. Net Position

The government-wide and proprietary fund financial statements are required to report three components of net position:

- *Net investments in capital assets* - This component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

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The unspent portion of the capital related debts are presented with unrestricted net position.

- *Restricted* - This component of net position consists of constraints placed on net position use through external restrictions, reduced by liabilities related to those assets. The Township's restricted net position is outlined on the statement of net position.
- *Unrestricted* - This is the component of net position that does not meet the definition of "restricted" or "net investment in capital assets."

R. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

S. Adoption of Accounting Pronouncements

The following GASB Statements were adopted for the year ended December 31, 2020: Statement Nos. 95 (Postponement of the Effective Dates of Certain Authoritative Guidance) and 97 (Certain Component Unit Criteria, and Accounting and Financial Report for Internal Revenue Code Section 457 Deferred Compensation Plans). These statements had no significant impact on the Township's financial statements for the year ended December 31, 2020.

T. Pending Pronouncements

GASB has issued statements that will become effective in future years, including Statement Nos. 87 (Leases), 89 (Accounting for Interest Cost Incurred before the End of a Construction Period), 91 (Conduit Debt Obligations), 92 (Omnibus 2020), 93 (Replacement of Interbank Offered Rates), 94 (Public-Private and Public-Public Partnerships and Availability Arrangements), 96 (Subscription-Based Information Technology Arrangements), and 97 (Deferred Compensation Plans). Management has not yet determined the impact of these statements on the financial statements.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

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2. Property Taxes

The Township bills and collects its own property taxes based on assessed valuations provided by the County of Allegheny. Property tax revenues are recognized when levied to the extent that they result in current receivables. The schedule for property taxes levied for 2020 at 3.83 mills (\$.383 per \$100 assessed valuation) is as follows:

May 1	Tax date
May 1 - June 30	2% discount period
July 1 - August 31	Face amount period
September 1 – December 31	10% penalty period
January 1, 2021	Lien date

3. Defined Benefit Pension Plans

A. Summary of Significant Accounting Policies

Financial information of the pension plans (Plans) is presented on the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans. Employer contributions to the Plans are recognized when due as required by applicable law. Investments of the Plans are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. For additional information related to basis of accounting and reported investment values, see Notes 1C and 1F.

B. Plan Descriptions

The Township's Police Pension Plan is a single-employer defined benefit pension plan. The plan was established effective December 2, 1957 under the provisions of Act 600 of 1956 of the Commonwealth of Pennsylvania. The pension plan was last amended and restated effective January 1, 2014. The plan covers all full-time police officers. The plan is governed by the Township's Board, which has delegated the authority to manage certain plan assets to PNC Institutional Asset Management. Plan provisions and contributions are established by Ordinance and may be amended by the Township. The pension plan is required to file Form PC-201C biennially with the Municipal Pension Reporting Program. The most recent filing was as of January 1, 2019.

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The Township's Public Works Employee Pension Plan is a single-employer defined benefit pension plan. The plan was established effective October 5, 1959 under the provisions of Act 600 of 1956 of the Commonwealth of Pennsylvania. The pension plan was last amended and restated effective January 1, 2018. The plan covers all full-time public works employees hired prior to January 1, 2018; all public works employees hired on or after January 1, 2018 are offered a defined contribution plan. The plan is governed by the Township's Board, which has delegated the authority to manage certain plan assets to Voya Financial Advisors, Inc. Plan provisions and contributions are established by Ordinance and may be amended by the Township. The pension plan is required to file Form PC-203C biennially with the Municipal Pension Reporting Program. The most recent filing was as of January 1, 2019.

The activity of the Plans is reported as the Pension Trust Funds in the accompanying financial statements. The Plans do not issue stand-alone financial reports. Individual plan financial statements are included in Note 12 of this report.

At January 1, 2019, the date of the most recent census, participants in the Plans were as follows:

	Police Pension Plan	Public Works Employees' Pension Plan
Inactive plan members or beneficiaries currently receiving benefits	20	24
Inactive plan members entitled to but not yet receiving benefits	4	2
Active plan members	24	25
	<u>48</u>	<u>51</u>

C. Benefits Provided – Police Pension Plan

Retirement Benefit – Participants are eligible for a normal retirement benefit after completing 25 years of service and attaining age 54. The scheduled normal monthly retirement benefit is 50% of the participant's gross pay averaged over the last 36 months of employment, plus a service increment of \$100 per month for completion of 26 years of service. During 2017, the plan was amended as a result of a new collective bargaining agreement to increase the service increment benefit by adding an additional \$100 for completion of 27 years of service. Participants may elect an early retirement benefit with only 20 years of service. The early retirement benefit is determined by

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actuarially reducing the normal retirement benefit amount to reflect the early commencement of retirement payments.

Disability Benefit – If a participant becomes totally and permanently disabled as a result of accident or sickness occurring in the line of duty, the participant is entitled to receive a monthly disability benefit. The scheduled monthly benefit is 50% of the participant's gross pay averaged over the last 36 months of employment at the time the disability was incurred, offset by Social Security disability benefits for the same injury. Payments will continue until the earliest of recovery, death, or normal retirement.

Death Benefit – If a participant's death occurs before retirement eligibility, the participant's beneficiary is entitled to receive a refund of contributions made by the participant, plus interest. If a participant shall die after commencement of benefit payments in the normal form, or after becoming eligible to receive benefit payments, a survivor benefit shall be paid to the surviving spouse or dependent children of the participant in an amount equal to 50% of the benefit the participant was receiving or was eligible to receive as of the date of death. The monthly survivor benefit is payable to the participant's spouse for life. If there is no spouse or the spouse later dies, the benefit will be paid to the participant's dependent children, if any, until age 18 (age 23 if attending college).

Deferred Retirement Option Plan (DROP) – The DROP provides an alternative method of payment for retirement benefits for a specified and limited period of time for eligible participants. Under the DROP, employees stop earning service credit toward a future benefit at the time their DROP period begins. The participant's normal retirement benefit is calculated at that point, and the participant is considered retired for pension plan purposes. At the same time, the Township retains the participant as an employee for a period not to exceed 30 months. During the DROP period, the participant's monthly retirement benefit is tracked as a separate account and credited with interest earnings between 0% and 4.5% for the duration of the DROP period. At DROP termination, the participant receives the lump sum value of the DROP account. At December 31, 2019, there were four employees participating in the DROP.

Cost-of-Living Adjustments – Effective on each anniversary of retirement, a retiree will receive an increase in the monthly benefit equal to the percentage increase in the Consumer Price Index. The total of all increases may not exceed 20% of the original benefit, nor may the total benefit exceed 75% of the average monthly salary used to calculate the original benefit.

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YEAR ENDED DECEMBER 31, 2020

D. Benefits Provided – Public Works Employees’ Pension Plan

Retirement Benefit – Participants are eligible for a normal retirement benefit after completing 10 years of service and attaining age 60. The scheduled normal retirement benefit is equal to the sum of \$60.00 multiplied by years of service before January 1, 2009, plus \$65.00 multiplied by years of service from January 1, 2009 through December 31, 2010, plus \$67.50 multiplied by years of service from January 1, 2011 through December 31, 2011, plus \$70.00 multiplied by years of service from January 1, 2012 through December 31, 2014, plus \$72.50 multiplied by years of service from January 1, 2015 to December 31, 2015, plus \$74.00, multiplied by years of service from January 1, 2016 and 2017. Effective January 1, 2018, the Public Works Employees’ Pension Plan was amended to include the following pension multiplier for all years of service commencing on or after January 1, 2018 - \$74.25; January 1, 2019 - \$74.75; January 1, 2020 - \$75.25; and January 1, 2021 - \$75.50. The total years of service shall not exceed forty years, which shall be the participant's final forty years of service. Participants may elect an early retirement benefit at age 57 with 10 years of service. The early retirement benefit is determined by reducing the normal retirement benefit amount by 0.5% for each month that early retirement precedes the normal retirement date.

Disability Benefit – A participant who has completed at least ten years of service, is an employee and incurs a total and permanent disability in the course of and as a direct result of employment shall be entitled to a disability retirement benefit as of the date which is twenty-seven (27) weeks after the disability date. The scheduled monthly benefit is equal to the normal retirement benefit reduced by the amount of workers' compensation (or other statutorily prescribed benefit) received on account of the same injury or disease which resulted in the disability. Disability benefits shall continue until the earliest of the death of the participant or cessation of total and permanent disability before attainment of age 60.

Death Benefit – If a participant’s death occurs before retirement eligibility, the participant’s beneficiary is entitled to receive a refund of contributions made by the participant. If a participant shall die after commencement of benefit payments in the normal form, or after becoming eligible to receive benefit payments, the beneficiary shall be entitled to a benefit payable as if the participant had retired on the day prior to the date of death and had commenced receipt of a fifty percent (50%) joint and survivor annuity benefit.

Cost-of-Living Adjustments – The plan does not provide for any post-retirement adjustments.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

E. Contributions

The Plans are funded by the Township on an annual basis pursuant to the provisions of Act 205 of 1984 (Act). The Act requires that annual contributions be based upon the calculation of the Minimum Municipal Obligation (MMO). Employees are not required to contribute under the Act; such contributions are subject to collective bargaining. For the year ended December 31, 2020, participating employees in the Police Plan and Public Works Plan were required to contribute 5.0% and 2.5%, respectively, of their compensation. During the year, employee contributions to the Police Plan and Public Works Plan totaled \$136,375 and \$35,907, respectively.

The Commonwealth of Pennsylvania provides annual State Pension Aid funding to the Township that must be contributed in the pension plans. For the year ended December 31, 2020, the State Pension Aid contributed to the Police Plan totaled \$236,344 and the State Pension Aid contributed to the Public Works Plan totaled \$176,182. If the amount of State Pension Aid received is not sufficient to meet the funding required by the MMO, the Township must make a contribution to fund the difference. For the year ended December 31, 2020, the Township contributed \$150,600 to the Police Plan and \$13,281 to the Public Works Plan.

F. Net Pension Liability (Asset)

The components of the net pension liability (asset) of the Plans at December 31, 2020 were as follows:

	Police Pension Plan	Public Works Employees' Pension Plan
Total pension liability	\$ 23,472,977	\$ 6,527,464
Plan fiduciary net position	(27,169,388)	(6,527,079)
Net pension liability (asset)	<u>\$ (3,696,411)</u>	<u>\$ 385</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>115.75%</u>	<u>99.99%</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

G. Changes in the Net Pension Liability (Asset)

The changes in the net pension liability (asset) of the Township for the Police Pension Plan for the year ended December 31, 2020 were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2019	\$ 22,949,115	\$ 24,537,468	\$ (1,588,353)
Changes for the year:			
Service cost	313,764	-	313,764
Interest	1,581,224	-	1,581,224
Contributions - employer	-	386,944	(386,944)
Contributions - employee	-	136,375	(136,375)
Net investment income	-	3,585,902	(3,585,902)
Benefit payments, including refunds	(1,371,126)	(1,371,126)	-
Administrative expense	-	(106,175)	106,175
Net changes	523,862	2,631,920	(2,108,058)
Balances at December 31, 2020	<u>\$ 23,472,977</u>	<u>\$ 27,169,388</u>	<u>\$ (3,696,411)</u>
Plan fiduciary net position as a percentage of the total pension liability			<u>115.75%</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The changes in the net pension liability (asset) of the Township for the Public Works Employees' Pension Plan for the year ended December 31, 2020 were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2019	\$ 6,387,532	\$ 5,822,200	\$ 565,332
Changes for the year:			
Service cost	62,728	-	62,728
Interest	438,339	-	438,339
Contributions - employer	-	189,463	(189,463)
Contributions - employee	-	35,907	(35,907)
Net investment income	-	861,009	(861,009)
Benefit payments, including refunds	(361,135)	(361,135)	-
Administrative expense	-	(20,365)	20,365
Net changes	139,932	704,879	(564,947)
Balances at December 31, 2020	<u>\$ 6,527,464</u>	<u>\$ 6,527,079</u>	<u>\$ 385</u>
Plan fiduciary net position as a percentage of the total pension liability			<u>99.99%</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Actuarial Assumptions – The total pension liability (asset) was determined by an actuarial valuation performed on January 1, 2019 using the following actuarial assumptions, applied to all periods in the measurement:

	Police Pension Plan	Public Works Employees' Pension Plan
Actuarial assumptions:		
Investment rate of return	7.0%	7.0%
Projected salary increases	4.5%, including inflation	n/a
Underlying inflation rate	2.75%	2.75%
Cost-of-living adjustments	100% change in CPI-W	n/a

Actuarial assumptions based on actuarial experience study for the period January 1, 2013 to December 31, 2014.

RP-2014 Mortality Table, with 50% of the Blue Collar Adjustment (Public Works Employees only), with rates set forward 5 years for disabled members (Police only).

Changes in Actuarial Assumptions – The Police Pension Plan had no changes in actuarial assumptions for the actuarial valuations performed on January 1, 2019.

The Public Works Employees' Pension Plan had no changes in actuarial assumptions for the actuarial valuations performed on January 1, 2019.

Investment Policy – The Plans' policies in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Township that all investments for the Plans be made with the care, skill, and diligence that a prudent person would exercise. The Plans' objectives are long-term in nature, and there are no foreseeable circumstances that would necessitate the immediate liquidation of over 20% of the portfolio.

Long-Term Expected Rate of Return – 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 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.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The following was the asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the Plans' target asset allocation as of December 31, 2020:

Asset Class	Target Allocation		Long-Term Expected Rate of Return	
	Police	Public Works Employees'	Police	Public Works Employees'
Equities	55-75%	55-75%	6.3%	6.3%
Fixed income	25-45%	25-45%	2.0%	2.0%
Cash equivalents	0-20%	0-20%	0.0%	0.0%

Rate of Return – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2020, the annual money-weighted rate of return on the Police Plan and Public Works Employees' Plan investments, net of investment expense, was 14.19% and 14.53%, respectively.

Discount Rate – The discount rate used to measure the total pension liability (asset) for both the Police Plan and Public Works Plan was 7.0%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the contractual contribution rates and that the Township's contributions will continue to be made based on the yearly MMO calculation. Based on those assumptions, the fiduciary net position of each Plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on each pension Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the net pension liability (asset) of each Plan calculated using the discount rates described above, as well as what each Plan's net pension liabilities (assets) would be if they were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rates:

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Police	<u>\$ (1,182,650)</u>	<u>\$ (3,696,411)</u>	<u>\$ (5,803,062)</u>
Public Works Employees'	<u>\$ 621,759</u>	<u>\$ 385</u>	<u>\$ (526,938)</u>

H. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2020, the Township recognized pension expense of approximately (\$550,100). At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Police	Public Works Employees'	Total
<u>Deferred Outflows of Resources:</u>			
Changes in assumption	<u>\$ 480,247</u>	<u>\$ 135,374</u>	<u>\$ 615,621</u>
Total deferred outflows of resources	<u>\$ 480,247</u>	<u>\$ 135,374</u>	<u>\$ 615,621</u>
	Police	Public Works Employees'	Total
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ 494,047	\$ 103,772	\$ 597,819
Net difference between projected and actual earnings on pension plan investments	<u>2,632,164</u>	<u>555,456</u>	<u>3,187,620</u>
Total deferred inflows of resources	<u>\$ 3,126,211</u>	<u>\$ 659,228</u>	<u>\$ 3,785,439</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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>	<u>Police</u>	<u>Public Works Employees'</u>	<u>Total</u>
2021	\$ (717,628)	\$ (102,898)	\$ (820,526)
2022	(426,018)	(69,047)	(495,065)
2023	(1,010,317)	(244,326)	(1,254,643)
2024	(434,147)	(107,583)	(541,730)
2025	(52,596)	-	(52,596)
Thereafter	(5,258)	-	(5,258)
	<u>\$ (2,645,964)</u>	<u>\$ (523,854)</u>	<u>\$ (3,169,818)</u>

4. Defined Contribution Plan

A. Plan Description

The Township provides pension benefits for its management, administrative, and Public Works employees hired on or after January 1, 2018 that are not eligible for the aforementioned defined benefit pension plans, through a single-employer defined contribution plan (plan). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate upon employment. Participants become 100% vested upon their admittance to the plan. Contributions to the plan are made by the Township for participating employees based upon a percentage of the participant's base salary. The percentage contributed is in accordance with the pension plan document as approved by the Board. Employees are not obligated to contribute to the plan.

This is a money purchase plan maintained in accordance with Internal Revenue Code Section 401(a). Although the Township has fiduciary responsibility for plan assets, the Township contracts the International City Management Association Retirement Corporation (ICMA-RC) for management and investment of plan assets. At December 31, 2020, the Township has \$5,830,286 accumulated in a trust for purposes of providing pensions through this plan.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The amount contributed by the Township to the plan for the year ended December 31, 2020 was \$266,963 or 7.5% of the approximately \$3.6 million in wages paid to participants. The Township had no liability outstanding at December 31, 2020. The Township Manager and the Township Board are responsible for establishing and/or amending the plan provisions and contribution requirements. Separate audited financial statements are not issued for the plan.

B. Summary of Significant Accounting Policies

The financial statements of the defined contribution plan are included in Note 12 of this report. For additional information related to the basis of accounting used and the categorization of reported investment values, see Notes 1C and 1F, respectively.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

5. Capital Assets

A summary of changes in capital assets during 2020 is as follows:

	January 1, 2020	Increases	Decreases	December 31, 2020
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 2,608,394	\$ 9,390	\$ -	\$ 2,617,784
Capital assets being depreciated:				
Infrastructure	35,920,227	1,515,650	-	37,435,877
Buildings	17,261,080	30,857	-	17,291,937
Improvements	4,196,268	62,452	-	4,258,720
Equipment	11,652,664	796,249	(83,230)	12,365,683
Library assets	766,958	19,700	-	786,658
	<u>72,405,591</u>	<u>2,434,298</u>	<u>(83,230)</u>	<u>74,756,659</u>
Less: accumulated depreciation for:				
Infrastructure	(21,647,878)	(547,283)	-	(22,195,161)
Buildings	(8,428,298)	(295,361)	-	(8,723,659)
Improvements	(1,600,372)	(135,510)	-	(1,735,882)
Equipment	(7,492,176)	(883,691)	83,230	(8,292,637)
Library assets	(738,674)	(9,309)	-	(747,983)
	<u>(39,907,398)</u>	<u>(1,871,154)</u>	<u>83,230</u>	<u>(41,695,322)</u>
Governmental activities capital assets, net	<u>\$ 32,498,193</u>	<u>\$ 563,144</u>	<u>\$ -</u>	<u>\$ 33,061,337</u>
<u>Business-type activities:</u>				
Capital assets being depreciated:				
C&RC building	\$ 25,928,704	\$ -	\$ -	\$ 25,928,704
Sewer lines and improvements	30,833,788	-	-	30,833,788
Equipment	3,906,517	678,515	-	4,585,032
	<u>60,669,009</u>	<u>678,515</u>	<u>-</u>	<u>61,347,524</u>
Less: accumulated depreciation for:				
C&RC building	(6,806,285)	(648,217)	-	(7,454,502)
Sewer lines and improvements	(18,441,572)	(666,241)	-	(19,107,813)
Equipment	(1,758,219)	(211,821)	-	(1,970,040)
	<u>(27,006,076)</u>	<u>(1,526,279)</u>	<u>-</u>	<u>(28,532,355)</u>
Business-type activities capital assets, net	<u>\$ 33,662,933</u>	<u>\$ (847,764)</u>	<u>\$ -</u>	<u>\$ 32,815,169</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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

Governmental activities:

General government	\$ 252,677
Public safety	344,135
Public works	1,033,617
Community development	4,640
Recreation and leisure	214,018
Library	<u>22,067</u>

Total depreciation expense - governmental activities	<u><u>\$ 1,871,154</u></u>
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Business-type activities:

Sanitary Sewer	\$ 725,742
Community & Recreation Center	<u>800,537</u>

Total depreciation expense - business-type activities	<u><u>\$ 1,526,279</u></u>
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TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

6. Changes in Long-Term Liabilities

	Amounts Payable as of January 1, 2020			Amounts Payable as of December 31, 2020		Due Within One Year
		Additions	Reductions			
Governmental Activities:						
Bonds/notes payable	\$ 14,861,275	\$ -	\$ (896,899)	\$ 13,964,376	\$ 931,853	
Net pension liability	565,332	521,432	(1,086,379)	385	-	
OPEB Liability	3,366,139	237,137	(153,890)	3,449,386	-	
Governmental activities long-term liabilities	<u>\$ 18,792,746</u>	<u>\$ 758,569</u>	<u>\$ (2,137,168)</u>	<u>\$ 17,414,147</u>	<u>\$ 931,853</u>	
Business-type Activities:						
Bonds/notes payable	\$ 32,768,725	\$ -	\$ (1,113,101)	\$ 31,655,624	\$ 1,208,148	
Plus deferred amounts: Bond premium	702,816	-	(33,468)	669,348	-	
Business-type activities long-term liabilities	<u>\$ 33,471,541</u>	<u>\$ -</u>	<u>\$ (1,146,569)</u>	<u>\$ 32,324,972</u>	<u>\$ 1,208,148</u>	

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

7. Description of Long-Term Debt

Issue: General Obligation Note of 2015 (Direct Borrowing)

Date: May 15, 2015

Original Proceeds: \$3,550,000

Interest Rate: 1.40%

Debt Service Source: General Fund transfers to Debt Service Fund and Sanitary Sewer Fund.

Purpose: The proceeds were used to current refund \$3,550,000 of the Township's General Obligation Bonds of 2009. In connection with this refunding, the net proceeds of \$3,550,000 were used to redeem the 2009 General Obligation Bonds. As a result, the liability for those bonds has been removed from the statement of net position.

The General Obligation Note of 2015 was fully paid in 2020.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Issue: General Obligation Bonds of 2016

Date: November 18, 2016

Original Proceeds: \$30,560,000

Principal Amount at December 31, 2020: \$27,130,000

Interest Rate: 1.15% – 4.00%

Debt Service Source: General Fund transfers to Debt Service Fund, Sanitary Sewer Fund, and C&RC Fund.

Purpose: The proceeds were used to current refund the General Obligation Bonds of 2008, to fund a termination payment associated with the cancellation of the interest rate swap agreement associated with the General Obligation Bonds of 2008, to fund various capital projects, and to pay the related issuance costs. As a result, the liability for the General Obligation Bonds of 2008 has been removed from the statement of net position. The General Obligation Bonds of 2016 were issued at a premium of \$803,220.

The annual debt service requirements to maturity for the General Obligation Bonds of 2016 are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 121,853	\$ 135,229	\$ 773,148	\$ 860,996
2022	124,068	132,769	790,932	845,356
2023	127,761	128,973	812,240	821,202
2024	131,453	123,789	838,547	788,186
2025	136,623	118,428	868,378	754,047
2026-2030	746,624	512,610	4,763,377	3,263,621
2031-2035	1,499,894	323,236	9,200,107	2,080,770
2036-2040	796,100	52,434	5,248,895	400,467
2041	-	-	150,000	3,000
Total	<u>\$ 3,684,376</u>	<u>\$ 1,527,468</u>	<u>\$ 23,445,624</u>	<u>\$ 9,817,645</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Issue: General Obligation Bonds of 2017, Series A

Date: May 5, 2017

Original Proceeds: \$9,905,000

Principal Amount at December 31, 2020: \$9,560,000

Interest Rate: 2.00% – 3.125%

Debt Service Source: General Fund transfers to Debt Service Fund and Sanitary Sewer Fund.

Purpose: The proceeds were used to current refund the General Obligation Bonds of 2011 and to pay the related issuance costs. As a result, the liability for the General Obligation Bonds of 2011 has been removed from the statement of net position.

The annual debt service requirements to maturity for the General Obligation Bonds of 2017, Series A are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 585,000	\$ 152,612	\$ 310,000	\$ 81,033
2022	600,000	136,621	325,000	74,199
2023	610,000	121,595	330,000	65,950
2024	620,000	108,058	345,000	59,834
2025	625,000	93,126	355,000	52,998
2026-2030	1,970,000	181,095	1,810,000	192,302
2031-2033	-	-	1,075,000	51,015
Total	<u>\$ 5,010,000</u>	<u>\$ 793,107</u>	<u>\$ 4,550,000</u>	<u>\$ 577,331</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Issue: General Obligation Bonds of 2017, Series B

Date: August 29, 2017

Original Proceeds: \$9,910,000

Principal Amount at December 31, 2020: \$8,930,000

Interest Rate: 1.00% – 3.00%

Debt Service Source: General Fund transfers to Debt Service Fund and Sanitary Sewer Fund.

Purpose: The proceeds were used to current refund the General Obligation Bonds of 2012 and to pay the related issuance costs. As a result, the liability for the General Obligation Bonds of 2012 has been removed from the statement of net position.

The annual debt service requirements to maturity for the General Obligation Bonds of 2017, Series B are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 225,000	\$ 143,071	\$ 125,000	\$ 73,199
2022	220,000	141,804	125,000	69,253
2023	240,000	135,543	125,000	69,277
2024	245,000	129,766	125,000	67,704
2025	240,000	123,112	135,000	66,908
2026-2030	2,825,000	563,350	720,000	225,947
2031-2035	1,275,000	112,054	1,665,000	173,494
2036	-	-	640,000	9,600
Total	<u>\$ 5,270,000</u>	<u>\$ 1,348,700</u>	<u>\$ 3,660,000</u>	<u>\$ 755,382</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

8. Unpaid Vacation and Sick Days

The Township's vacation policy for union and non-union employees provides that such employees are to take vacation within the year it is earned, with no carry forward provisions. Thus, there is no current liability for unused vacation at December 31, 2020. Vacation days may be carried forward only upon approval of the Township Manager. At December 31, 2020, there was no General Fund liability for unused vacation days. Sick days are earned continuously at the rate of seven to ten days per year to a maximum of 125 days depending upon applicable contracts. Employees may use this time during their term of employment. No accrual is necessary, as employees are not entitled to receive compensation for unused days.

9. Post-Employment Benefits Other Than Pension Benefits (OPEBs)

A. Plan Description

In addition to the pension benefits previously described, the Township provides post-retirement health and life insurance benefits to certain administrative and police retirees through a single employer defined benefit plan. The benefit limits, funding policy, and employee and employer contributions are established and amended through union contracts or the Township's Board. The plan is not accounted for as a trust fund, an irrevocable trust has not been established, the plan does not issue a separate report, and activity of the plan is reported in the Township's General Fund.

At January 1, 2019, the date of the most recent census, participants in the OPEB Plan were as follows:

	<u>Police</u>	<u>Non-Uniformed</u>
Inactive plan members currently receiving benefits	18	22
Active plan members	<u>28</u>	<u>90</u>
	<u>46</u>	<u>112</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Details of the benefits provided are as follows:

Police

The Township provides post-retirement medical coverage to all eligible police officers who retire with normal retirement (age 54 and 25 years of service), early retirement, or total and permanent service-related disability retirement benefits if no alternative no-cost health insurance coverage is available. The coverage includes the employee, spouse, and dependents of the employee. If hired prior to October 1, 2014, the Township will pay 100% of the amount of medical insurance premium in effect at the time of retirement, less the employee's medical insurance premium contribution percentage that was in effect at the time of retirement, until the retiree's Medicare eligibility. The retiree is responsible for any increase over the premium in effect at the time of retirement. Upon the retiree's attainment of Medicare eligibility, the Township will provide a fully employer-paid Medicare Supplement Plan (Security Blue HMO Value Rx Plan + \$45 per month) until the retiree dies. If the spouse is not yet eligible for Medicare at that time, the Township will provide benefits or reimbursement up to the same cost as the employee's supplement plan. If hired on or after October 1, 2014, this coverage is not provided.

Employees retiring on or after January 1, 2014 with at least 15 years of service are also provided a term life insurance policy for life with a death benefit of \$15,000.

Non-Uniformed

For administrative employees, upon retirement at age 59 1/2, a \$15,000 life insurance policy is provided by the Township. For Teamsters employees, upon retirement at age 60 with 10 years of service, a \$10,000 life insurance policy is provided by the Township.

B. Funding Policy

Life insurance benefits are expensed when incurred and are financed on a pay-as-you-go basis. If hired before October 1, 2014, the Township contributes \$1,000 per year per police officer to a Voluntary Employee's Beneficiary Association (VEBA) account to be applied toward the cost of post-retirement health benefits. Upon retirement, each retiree shall have the option to accept the full amount deposited in his/her account with accrued interest in lieu of receipt of post-retirement health benefits from the Township. For fiscal year 2020, the Township incurred \$152,693 for post-employment health benefits (not including \$56,714 in contributions to VEBA accounts) and \$1,197 for post-

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

employment life insurance benefits. No amounts were required to be reimbursed by retirees receiving benefits. At December 31, 2020, the total of the VEBA account balances was \$1,384,613.

C. Changes in the Total OPEB Liability

The changes in the OPEB liability of the Township for the year ended December 31, 2020 were as follows:

	<u>Liability</u>
Balances at December 31, 2019	\$ 3,366,139
Changes for the year:	
Service cost	111,397
Interest	125,740
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments	<u>(153,890)</u>
Net changes	<u>83,247</u>
Balances at December 31, 2020	<u><u>\$ 3,449,386</u></u>

D. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation performed as of January 1, 2019, and rolled forward to December 31, 2020 using the following actuarial assumptions, applied to all periods in the measurement:

- Actuarial cost method: Entry Age Normal
- Mortality: RP-2014 Combined Healthy Mortality Table with rates set forward 5 years for disabled lives
- Mortality improvement: Rates derived from the Long-Range Demographic Assumptions for the 2015 Social Security Administration's Trustee Report
- Withdrawal: Table T-1, *Actuary's Pension Handbook*
- Retirement age: Police – Participants who are eligible for normal retirement are assumed to enter DROP or retire in accordance with the following rates: age 54 – 30%, age 55 – 75%, age 56 – 60%, age 57 – 50%, age 58+ – 100%. Non-Uniformed – Admin, age 60; Teamsters – age 60 with 10 years of service.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

- DROP Participation (Police only): 75% of eligible participants are assumed to participate, with 100% remaining in the DROP for 2 years.
- Participant Percentage: Police – 90% of future retirees for health insurance. Police and Non-Uniformed – 100% of future retirees for life insurance.
- Discount rate – 3.75%, based on the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.
- Inflation rate – 2.75%
- Annual Trend Rates for OPEB Costs (Medical):
 - 2020 – 6.00%
 - 2021 – 6.00%
 - 2022 – 6.00%
 - 2023 – 5.75%
 - 2024 – 5.50%
 - 2025 – 5.50%
 - 2026 – 5.25%
 - 2027 & later – 5.00%
- Current Premium Schedules: The following are the reported applicable annual rates of medical (including prescription drug) coverage for retirees, which were used to project retiree contributions only:

	<u>Medical/Rx</u>
	<u>PPO 1250</u>
<u>Coverage</u>	<u>(Retiree)</u>
Single	\$ 6,850.32
Parent/Child(ren)	16,468.56
Husband/Wife	18,455.04
Family	21,209.28

E. Changes in Actuarial Assumptions

For the January 1, 2019 actuarial valuation, the medical trend was updated, and the police retirement rates were updated to include 30% at age 54.

F. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability calculated using the discount rate described above, as well as what the total OPEB liability would be if it were calculated

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

1% Decrease (2.75%)	Current Discount Rate (3.75%)	1% Increase (4.75%)
<u>\$ 3,928,880</u>	<u>\$ 3,449,386</u>	<u>\$ 3,060,575</u>

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

The following presents the total OPEB liability calculating using the stated healthcare cost trend rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

1% Decrease	Current Trend Rate	1% Increase
<u>\$ 3,155,362</u>	<u>\$ 3,449,386</u>	<u>\$ 3,822,830</u>

10. Commitments and Contingencies

The Township and other municipalities in the region previously entered into an Administrative Consent Order (ACO) with the Allegheny County Health Department, the Pennsylvania Department of Environmental Protection (PADEP), and the United States Environmental Protection Agency (EPA) related to stormwater inflow in the municipal sanitary sewer systems. The initial ACO expired in mid-2015, and a subsequent interim Consent Order and Agreement (COA) expired at the end of 2018. A new COA has yet to be negotiated, leaving municipalities in this region to guess what regulatory requirements will be faced in the future. Despite the lack of an official order, it remains likely that the Township and municipalities throughout the region will have to undertake major sanitary sewer construction in the coming years. In previous years, the Township estimated such costs to be in excess of \$30 million.

Municipalities throughout the United States, including the Township, remain under a Federal mandate requiring a stormwater management program for reducing pollution impacts from stormwater runoff. This mandate is tied to Municipal Separate Storm Sewer System (MS4) regulations enforced by the PADEP and the EPA. Although the Township's

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Capital Improvements Program estimates \$2.2 million in related expenses over the next five years, there is still uncertainty related to the true cost of MS4 compliance. Financial activity associated with the Township's MS4 compliance occurs in the Storm Sewer Fund. If the costs of such compliance exceed the amount that the Storm Sewer Fund can handle, new funding mechanisms may need to be considered.

11. Risk Management

The Township is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

The Township also purchases commercial insurance for its employee health and accident insurance coverage. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

12. Pension Plan Financial Statements

Financial statements for the Township's individual pension plans are shown below. State Aid represents amounts recognized during the year related to the Commonwealth of Pennsylvania's allocation to assist in pension funding. The contributions and investment income shown below for each individual pension plan were recognized as revenue in the Township's financial statements when earned and the benefits paid, and expenses incurred were recognized when the liability was incurred.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Pension Trust Fund Financial Information as of December 31, 2020

Plan Net Position

	Police	Public Works Employees¹	Administrative & Management	Total
Assets				
Cash and cash equivalents	\$ 1,299,678	\$ 350,769	\$ 518,926	\$ 2,169,373
Investments (at fair value):				
Exchange traded funds	9,021,241	2,098,580	-	11,119,821
Mutual funds	7,462,461	1,869,467	-	9,331,928
Investment trusts	-	-	5,311,360	5,311,360
Stocks	9,370,591	2,206,184	-	11,576,775
Accrued income receivable	15,417	3,697	-	19,114
Total Assets	27,169,388	6,528,697	5,830,286	39,528,371
Net Position Restricted for Pensions	\$ 27,169,388	\$ 6,528,697	\$ 5,830,286	\$ 39,528,371

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Changes in Plan Net Position

	<u>Police</u>	<u>Public Works Employees'</u>	<u>Administrative & Management</u>	<u>Total</u>
Additions:				
Contributions:				
Member contributions/rollovers	\$ 136,375	\$ 35,907	\$ 5,159	\$ 177,441
Township contributions	150,600	13,281	-	163,881
State aid	236,344	176,182	266,963	679,489
Total contributions	<u>523,319</u>	<u>225,370</u>	<u>272,122</u>	<u>1,020,811</u>
Investment income (loss):				
Net appreciation (depreciation) in fair value of investments	3,585,902	862,627	634,266	5,082,795
Less investment expense	(100,900)	(18,910)	-	(119,810)
Net investment income (loss)	<u>3,485,002</u>	<u>843,717</u>	<u>634,266</u>	<u>4,962,985</u>
Total additions	<u>4,008,321</u>	<u>1,069,087</u>	<u>906,388</u>	<u>5,983,796</u>
Deductions:				
Benefits	1,371,126	361,135	-	1,732,261
Withdrawal credits	-	-	109,927	109,927
Administrative expenses	5,275	1,455	3,042	9,772
Total deductions	<u>1,376,401</u>	<u>362,590</u>	<u>112,969</u>	<u>1,851,960</u>
Increase (Decrease) in Plan Net Position	<u>2,631,920</u>	<u>706,497</u>	<u>793,419</u>	<u>4,131,836</u>
Net Position:				
Beginning of year	<u>24,537,468</u>	<u>5,822,200</u>	<u>5,036,867</u>	<u>35,396,535</u>
End of year	<u>\$ 27,169,388</u>	<u>\$ 6,528,697</u>	<u>\$ 5,830,286</u>	<u>\$ 39,528,371</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

13. Risks and Uncertainties

The COVID-19 outbreak in the United States caused business disruption through mandated and voluntary closings. While the disruption impacted various aspects of Township operations, particularly those resulting from state-mandated temporary closures of the Boyce Mayview C&RC facility and the Township Library, the Township financial position at year-end 2020 was not materially affected. However, Township staff will continue to monitor operating results to mitigate any financial impacts that may arise.

14. Subsequent Event

In March 2021, the Township closed on a 20-year general obligation bond issue with a par amount of \$12,335,000 and premium of \$1,842,895. The bond proceeds are intended to finance all or a portion of the costs of various capital projects consisting of (i) the renovation and improvement of Township buildings and facilities, (ii) the renovation and improvement of park and recreation facilities within the Township, and (iii) various other capital and infrastructure improvements throughout the Township.

REQUIRED SUPPLEMENTARY INFORMATION

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE TOWNSHIPS'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

POLICE PENSION PLAN

YEARS ENDED DECEMBER 31
LAST TEN YEARS*

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:							
Service cost	\$ 313,764	\$ 338,691	\$ 270,566	\$ 298,860	\$ 225,889	\$ 229,488	\$ 207,137
Interest	1,581,224	1,533,647	1,463,535	1,500,060	1,422,377	1,350,359	1,321,807
Changes of benefit terms	-	-	-	138,046	-	131,540	-
Differences between expected and actual experience	-	(373,430)	-	(790,329)	-	(793,094)	-
Changes of assumptions	-	-	-	1,680,859	-	-	-
Benefit payments, including refunds of member contributions	(1,371,126)	(971,138)	(1,119,555)	(1,069,530)	(665,116)	(566,815)	(455,173)
Net Changes in Total Pension Liability	523,862	527,770	614,546	1,757,966	983,150	351,478	1,073,771
Total Pension Liability - Beginning	22,949,115	22,421,345	21,806,799	20,048,833	19,065,683	18,714,205	17,640,434
Total Pension Liability - Ending (a)	\$ 23,472,977	\$ 22,949,115	\$ 22,421,345	\$ 21,806,799	\$ 20,048,833	\$ 19,065,683	\$ 18,714,205
Plan Fiduciary Net Position:							
Contributions - employer	\$ 386,944	\$ 289,098	\$ 267,335	\$ 220,236	\$ 209,983	\$ 240,290	\$ 232,406
Contributions - member	136,375	125,764	127,020	120,908	118,029	116,999	126,505
Net investment income	3,585,902	4,316,226	(1,021,511)	3,046,993	972,627	61,762	1,105,772
Benefit payments, including refunds of member contributions	(1,371,126)	(971,138)	(1,119,555)	(1,069,530)	(665,116)	(566,815)	(455,173)
Administrative expense	(106,175)	(142,809)	(10,705)	(5,272)	(3,851)	(6,081)	(31,233)
Net Change in Plan Fiduciary Net Position	2,631,920	3,617,141	(1,757,416)	2,313,335	631,672	(153,845)	978,277
Plan Fiduciary Net Position - Beginning	24,537,468	20,920,327	22,677,743	20,364,408	19,732,736	19,886,581	18,908,304
Plan Fiduciary Net Position - Ending (b)	\$ 27,169,388	\$ 24,537,468	\$ 20,920,327	\$ 22,677,743	\$ 20,364,408	\$ 19,732,736	\$ 19,886,581
Net Pension Liability (Asset) - Ending (a-b)	\$ (3,696,411)	\$ (1,588,353)	\$ 1,501,018	\$ (870,944)	\$ (315,575)	\$ (667,053)	\$ (1,172,376)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	115.75%	106.92%	93.31%	103.99%	101.57%	103.50%	106.26%
Covered Payroll	\$ 2,723,881	\$ 2,490,661	\$ 2,499,109	\$ 2,259,802	\$ 2,198,331	\$ 2,188,396	\$ 2,251,012
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-135.70%	-63.77%	60.06%	-38.54%	-14.36%	-30.48%	-52.08%

* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to required supplementary schedules - pension trust funds.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE TOWNSHIPS'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

PUBLIC WORKS EMPLOYEES' PENSION PLAN

YEARS ENDED DECEMBER 31
LAST TEN YEARS*

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:							
Service cost	\$ 62,728	\$ 66,664	\$ 68,066	\$ 69,779	\$ 58,872	\$ 58,022	\$ 55,462
Interest	438,339	428,420	426,180	413,706	396,751	382,057	386,581
Changes of benefit terms	-	8,144	7,966	-	-	25,602	-
Differences between expected and actual experience	-	(122,218)	-	(94,262)	-	(301,989)	-
Changes of assumptions	-	-	-	522,150	-	-	-
Benefit payments, including refunds of member contributions	(361,135)	(343,380)	(328,211)	(292,871)	(255,118)	(233,436)	(224,651)
Net Changes in Total Pension Liability	139,932	37,630	174,001	618,502	200,505	(69,744)	217,392
Total Pension Liability - Beginning	6,387,532	6,349,902	6,175,901	5,557,399	5,356,894	5,426,638	5,209,246
Total Pension Liability - Ending (a)	\$ 6,527,464	\$ 6,387,532	\$ 6,349,902	\$ 6,175,901	\$ 5,557,399	\$ 5,356,894	\$ 5,426,638
Plan Fiduciary Net Position:							
Contributions - employer	\$ 189,463	\$ 156,164	\$ 245,558	\$ 192,108	\$ 254,211	\$ 362,005	\$ 357,195
Contributions - member	35,907	36,319	37,723	38,454	29,513	14,865	-
Net investment income	861,009	992,907	(348,521)	716,473	305,686	(153,644)	179,396
Benefit payments, including refunds of member contributions	(361,135)	(343,380)	(328,211)	(292,871)	(255,118)	(233,436)	(224,651)
Administrative expense	(20,365)	(44,277)	(39,009)	(16,568)	(3,075)	(11,695)	(8,095)
Net Change in Plan Fiduciary Net Position	704,879	797,733	(432,460)	637,596	331,217	(21,905)	303,845
Plan Fiduciary Net Position - Beginning	5,822,200	5,024,467	5,456,927	4,819,331	4,488,114	4,510,019	4,206,174
Plan Fiduciary Net Position - Ending (b)	\$ 6,527,079	\$ 5,822,200	\$ 5,024,467	\$ 5,456,927	\$ 4,819,331	\$ 4,488,114	\$ 4,510,019
Net Pension Liability (Asset) - Ending (a-b)	\$ 385	\$ 565,332	\$ 1,325,435	\$ 718,974	\$ 738,068	\$ 868,780	\$ 916,619
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.99%	91.15%	79.13%	88.36%	86.72%	83.78%	83.11%
Covered Payroll	\$ 1,558,969	\$ 1,656,855	\$ 1,733,728	\$ 1,508,261	\$ 1,531,677	\$ 1,657,089	\$ 1,615,471
Net Pension Liability (Asset) as a Percentage of Covered Payroll	0.02%	34.12%	76.45%	47.67%	48.19%	52.43%	56.74%

* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to required supplementary schedules - pension trust funds.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULES OF TOWNSHIP'S CONTRIBUTIONS AND INVESTMENT RETURNS

YEARS ENDED DECEMBER 31
LAST TEN YEARS*

	2020	2019	2018	2017	2016	2015	2014
POLICE PENSION PLAN:							
Schedule of Township's Contributions							
Actuarially determined contribution	\$ 386,944	\$ 289,098	\$ 267,335	\$ 179,713	\$ 186,830	\$ 240,290	\$ 232,406
Contributions in relation to the actuarially determined contribution	386,944	289,098	267,335	220,236	209,983	240,290	232,406
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40,523)</u>	<u>\$ (23,153)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 2,723,881</u>	<u>\$ 2,490,661</u>	<u>\$ 2,499,109</u>	<u>\$ 2,259,802</u>	<u>\$ 2,198,331</u>	<u>\$ 2,188,396</u>	<u>\$ 2,251,012</u>
Contributions as a percentage of covered payroll	14.21%	11.61%	10.70%	9.75%	9.55%	10.98%	10.32%
Investment Returns							
Annual money-weighted rate of return, net of investment expense	14.19%	19.87%	-4.51%	14.84%	4.93%	1.15%	6.26%
PUBLIC WORKS EMPLOYEES' PENSION PLAN:							
Schedule of Township's Contributions							
Actuarially determined contribution	\$ 189,463	\$ 155,819	\$ 245,558	\$ 192,108	\$ 254,211	\$ 362,005	\$ 357,195
Contributions in relation to the actuarially determined contribution	189,463	156,164	245,558	192,108	254,211	362,005	357,195
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (345)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 1,558,969</u>	<u>\$ 1,656,855</u>	<u>\$ 1,733,728</u>	<u>\$ 1,508,261</u>	<u>\$ 1,531,677</u>	<u>\$ 1,657,089</u>	<u>\$ 1,615,471</u>
Contributions as a percentage of covered payroll	12.15%	9.43%	14.16%	12.74%	16.60%	21.85%	22.11%
Investment Returns							
Annual money-weighted rate of return, net of investment expense	14.53%	18.87%	-6.75%	14.19%	6.71%	-3.00%	4.73%

* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to required supplementary schedules - pension trust funds.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2020

Actuarial Methods and Assumptions

The following actuarial methods and assumptions were used in the calculation of actuarially determined contributions reported in the supplementary schedules:

	Police	Public Works Employees'
Actuarial valuation date	1/1/2019	1/1/2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Open	Level Dollar Closed
Asset valuation method	4-Year Smoothing	4-Year Smoothing
Remaining amortization period	17 years (aggregate)	N/A
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	4.5%, including inflation	N/A
Inflation rate	2.75%	2.75%
Cost-of-living adjustments	CPI-W*	N/A
Mortality table	RP-2014 Mortality Table with rates set forward 5 years for disabled members	RP-2014 Mortality Table with 50% of the Blue Collar Adjustment

N/A - Not Applicable

* Effective each anniversary of retirement, a retiree will receive an increase in the monthly benefit equal to the percentage change in the CPI-W, but cannot exceed 20% of the total original benefit or 75% of the final monthly average salary used to calculate the original benefit.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2020

Benefit Changes

Police Pension Plan

There were no benefit changes effective for the January 1, 2013 actuarial valuation.

Effective January 1, 2015, a Deferred Retirement Option Plan (DROP) provision was added with eligibility of age 55 and 25 years of service, and a 30-month maximum DROP period. Assumed rates of retirement were adjusted as a result.

Effective January 1, 2017, the plan was amended to increase the service benefit by adding an additional \$100 for the completion of 27 years of service.

There were no benefit changes effective for the January 1, 2019 actuarial valuation.

Public Works Employees' Pension Plan

There were no benefit changes effective for the January 1, 2013 actuarial valuation.

Effective January 1, 2015, there was an increase in the benefit multiplier for 2015 and future years.

There were no benefit changes effective for the January 1, 2017 actuarial valuation.

Effective January 1, 2019, there was an increase in the benefit multiplier after January 1, 2018.

Changes in Actuarial Assumptions

Police Plan

Effective January 1, 2013, the investment rate of return was reduced from 8.0% to 7.5% and the salary scale was reduced from 5.5% to 4.5%, mortality assumption was updated, and assumed rates of retirement were introduced.

There were no changes in actuarial assumptions for the January 1, 2015 valuation.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2020

For the January 1, 2017 valuation, the investment rate of return was lowered from 7.5% to 7.0%, the inflation rate was lowered from 3.0% to 2.75%, and the mortality table was updated.

There were no changes in actuarial assumptions for the January 1, 2019 valuation.

Public Works Employees' Pension Plan

Effective January 1, 2013, the investment rate of return was reduced from 8.0% to 7.5% and mortality assumptions were updated.

There were no changes in actuarial assumptions for the January 1, 2015 valuation.

For the January 1, 2017 valuation, the investment rate of return was lowered from 7.5% to 7.0%, the inflation rate was lowered from 3.0% to 2.75%, and the mortality table was updated.

There were no changes in actuarial assumptions for the January 1, 2019 valuation.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF CHANGES IN THE TOWNSHIP'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years¹

	2020	2019	2018
Total OPEB Liability:			
Service cost	\$ 111,397	\$ 108,416	\$ 108,399
Interest	125,740	122,428	112,949
Differences between actual and expected experience	-	124,860	-
Changes of assumptions	-	45,100	-
Benefit payments	(153,890)	(113,005)	(119,044)
Net Changes in Total OPEB Liability	83,247	287,799	102,304
Total OPEB Liability - Beginning	3,366,139	3,078,340	2,976,036
Total OPEB Liability - Ending	\$ 3,449,386	\$ 3,366,139	\$ 3,078,340
Covered Payroll	\$ 7,842,142	\$ 7,800,935	\$ 7,590,560
Total OPEB Liability as a Percentage of Covered Payroll	43.99%	43.15%	40.55%

¹ The amounts presented for each fiscal year were determined as of the fiscal year-end date. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the Township is presenting information for those years only for which information is available.

See accompanying notes to required supplementary schedules - OPEB.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES OTHER POST-EMPLOYMENT BENEFITS

YEAR ENDED DECEMBER 31, 2020

The Township has no assets accumulated in a trust that meets the criteria as defined in paragraph 4 of GASB Statement No. 75 to pay related other post-employment benefits.

No changes to benefits were recognized for the January 1, 2017 actuarial valuation.

For the January 1, 2017 actuarial valuation, the interest rate assumption has been lowered from 4.5% to 3.75%. In addition, the trend rate assumptions have been updated for this valuation. Lastly, the mortality assumption was updated from the RP-2000 Combined Healthy Mortality Table with blue collar adjustment and rates projected to improve at 75% of scale AA to the RP-2014 mortality table with rates projected to improve based on the Long-Range Demographic Assumptions for the 2015 Social Security Administration's Trustee Report.

For the January 1, 2019 actuarial valuation, the medical trend was updated, and the police retirement rates were updated to include 30% at age 54.

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

General Fund is the operating fund of the Township. It accounts for all financial resources except those required to be in another fund.

Capital Projects Fund accounts for the costs of capital assets acquired for use in the Township for general government, public safety, public works, or parks and recreation purposes.

Regional Asset District Boyce Mayview Fund is used to account for monies allocated to the Township by the Allegheny County Regional Asset District. These funds are to be used for continual maintenance and expansion of facilities and services of the Boyce Mayview Park.

NON-MAJOR GOVERNMENTAL FUNDS

Non-major governmental funds did not meet the established criteria for major fund status. All non-major governmental funds have been presented; however, only certain funds have legally adopted budgets.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues derived from grants or other earmarked sources of revenue. They are required by statute, charter provision or local ordinance to finance particular functions or activities of government. The seven non-major Special Revenue Funds are:

State Liquid Fuels Fund is used to account for state liquid fuels tax monies rebated to the Township. This fund is required by state law.

Storm Sewer Improvement Fund is used to account for storm sewer improvement fees paid by developers and monies expended for storm water management projects. This fund is required by local ordinance.

Field Improvement Fund is used to account for funds donated by the Upper St. Clair Athletic Association for improvements to ball fields. This fund is required by local ordinance.

Library Endowment Fund is used to account for fund drive donations and capital expenditures. This fund is required by local ordinance.

Regional Asset District Library Fund is used to account for monies allocated to the Upper St. Clair Library by the Allegheny County Library Association, which is an organization that has received funding from the Allegheny County Regional Asset District. These funds are required to be spent for upgrading the existing capabilities of the Library and to create new and innovative ways of administering programs of the Library. This fund is required by local ordinance.

Municipal Authority of the Township of Upper St. Clair (MATUSC) Special Revenue Fund is used to account for revenues derived from investments made by MATUSC's governing board and general expenditures needed for its operation.

DEBT SERVICE FUNDS

Debt service funds are used to accumulate monies for payment of principal and interest on general obligation bonds and notes issued by the Township and Revenue bonds issued by the Municipal Authority of the Township of Upper St. Clair (MATUSC). There were no outstanding bonds issued by MATUSC as of December 31, 2020.

Debt Service Fund is used to channel funds from the General Fund, the Sanitary Sewer Fund, and the C&RC Fund to satisfy principal and interest requirements on general obligation bonds and notes issued by the Township. The debt service on these bonds and notes is derived from general operating revenues from the General Fund, the Sanitary Sewer Fund, and the C&RC Fund. Listed below are the long-term obligations of the Township that are serviced by the Debt Service Fund.

- General Obligation Notes of 2015 – Maturity Year: 2020
- General Obligation Bonds of 2016 – Maturity Year: 2041
- General Obligation Bonds of 2017, Series A – Maturity Year: 2033
- General Obligation Bonds of 2017, Series B – Maturity Year: 2036

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2020

	Special Revenue Funds								
	State Liquid Fuels Fund	Storm Sewer Improvement Fund	Field Improvement Fund	Library Endowment Fund	Regional Asset District Library Fund	MATUSC Special Revenue Fund	Total Special Revenue Funds	Debt Service Fund	Total Other Governmental Funds
Assets									
Cash and cash equivalents	\$ 36,095	\$ 1	\$ 403,870	\$ 74,222	\$ -	\$ 469,871	\$ 984,059	\$ -	\$ 984,059
Due from other funds	-	718,694	30,000	2,603	572	-	751,869	-	751,869
Other receivables	-	-	24,330	-	-	-	24,330	-	24,330
Total Assets	<u>\$ 36,095</u>	<u>\$ 718,695</u>	<u>\$ 458,200</u>	<u>\$ 76,825</u>	<u>\$ 572</u>	<u>\$ 469,871</u>	<u>\$ 1,760,258</u>	<u>\$ -</u>	<u>\$ 1,760,258</u>
Liabilities and Fund Balance									
Liabilities:									
Accounts payable	\$ -	\$ 7,553	\$ -	\$ -	\$ 572	\$ 8,400	\$ 16,525	\$ -	\$ 16,525
Total Liabilities	<u>-</u>	<u>7,553</u>	<u>-</u>	<u>-</u>	<u>572</u>	<u>8,400</u>	<u>16,525</u>	<u>-</u>	<u>16,525</u>
Fund Balance:									
Restricted:									
State Liquid Fuels expenses	36,095	-	-	-	-	-	36,095	-	36,095
Library expenses and services	-	-	-	76,825	-	-	76,825	-	76,825
Committed:									
Storm Sewer improvements	-	711,142	-	-	-	-	711,142	-	711,142
Field improvements	-	-	458,200	-	-	-	458,200	-	458,200
Infrastructure projects	-	-	-	-	-	461,471	461,471	-	461,471
Assigned:									
Boyce Mayview Park projects	-	-	-	-	-	-	-	-	-
Total Fund Balance	<u>36,095</u>	<u>711,142</u>	<u>458,200</u>	<u>76,825</u>	<u>-</u>	<u>461,471</u>	<u>1,743,733</u>	<u>-</u>	<u>1,743,733</u>
Total Liabilities and Fund Balance	<u>\$ 36,095</u>	<u>\$ 718,695</u>	<u>\$ 458,200</u>	<u>\$ 76,825</u>	<u>\$ 572</u>	<u>\$ 469,871</u>	<u>\$ 1,760,258</u>	<u>\$ -</u>	<u>\$ 1,760,258</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OTHER GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2020

	Special Revenue Funds								
	State Liquid Fuels Fund	Storm Sewer Improvement Fund	Field Improvement Fund	Library Endowment Fund	Regional Asset District Library Fund	MATUSC Special Revenue Fund	Total Special Revenue Funds	Debt Service Fund	Total Other Governmental Funds
Revenues:									
Interest	\$ 1,622	\$ 1,626	\$ 2,603	\$ 413	\$ -	\$ 11,891	\$ 18,155	\$ -	\$ 18,155
State grants	651,629	-	-	-	225,988	-	877,617	-	877,617
Other revenue	-	-	-	8,035	-	-	8,035	-	8,035
Recreation fees	-	-	24,331	-	-	-	24,331	-	24,331
Total revenues	653,251	1,626	26,934	8,448	225,988	11,891	928,138	-	928,138
Expenditures:									
Current:									
General government	-	-	-	-	-	1,250	1,250	-	1,250
Public works	650,000	188,732	-	-	-	-	838,732	-	838,732
Library services	-	-	-	2,264	225,988	-	228,252	-	228,252
Total current	650,000	188,732	-	2,264	225,988	1,250	1,068,234	-	1,068,234
Debt service:									
Principal retirement	-	-	-	-	-	-	-	896,899	896,899
Interest	-	-	-	-	-	-	-	463,788	463,788
Total debt service	-	-	-	-	-	-	-	1,360,687	1,360,687
Total expenditures	650,000	188,732	-	2,264	225,988	1,250	1,068,234	1,360,687	2,428,921
Excess (Deficiency) of Revenues Over Expenditures	3,251	(187,106)	26,934	6,184	-	10,641	(140,096)	(1,360,687)	(1,500,783)
Other Financing Sources (Uses):									
Interfund transfers in	-	500,000	30,000	-	-	-	530,000	1,360,687	1,890,687
Net Change in Fund Balance	3,251	312,894	56,934	6,184	-	10,641	389,904	-	389,904
Fund Balance:									
Beginning of year	32,844	398,248	401,266	70,641	-	450,830	1,353,829	-	1,353,829
End of year	\$ 36,095	\$ 711,142	\$ 458,200	\$ 76,825	\$ -	\$ 461,471	\$ 1,743,733	\$ -	\$ 1,743,733

**SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL**

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN IN FUND BALANCE - BUDGET AND ACTUAL CAPITAL PROJECTS FUND

YEAR ENDED DECEMBER 31, 2020

	Original and Final Budgeted Amounts	Actual	Variance
Revenues:			
Interest	\$ 55,000	\$ 40,651	\$ (14,349)
Other revenue and grants	229,900	384,913	155,013
Total revenues	284,900	425,564	140,664
Expenditures:			
Current:			
General government	416,000	186,245	229,755
Community development	15,000	5,850	9,150
Public safety	242,000	185,469	56,531
Public works	2,567,000	1,675,163	891,837
Recreation and leisure services	125,000	4,674	120,326
Library services	19,000	19,700	(700)
Total current	3,384,000	2,077,101	1,306,899
Capital outlay:			
General government	3,500,000	142,118	3,357,882
Community development	-	-	-
Public safety	71,000	60,231	10,769
Public works	740,000	-	740,000
Recreation and leisure services	-	9,390	(9,390)
Total capital outlay	4,311,000	211,739	4,099,261
Total expenditures	7,695,000	2,288,840	5,406,160
Excess (Deficiency) of Revenues over Expenditures	(7,410,100)	(1,863,276)	5,546,824
Other Financing Sources (Uses):			
Interfund transfers in	4,750,565	5,150,565	400,000
Interfund transfers out	(530,000)	(530,000)	-
Total other financing sources (uses)	4,220,565	4,620,565	400,000
Net Change in Fund Balance	\$ (3,189,535)	\$ 2,757,289	\$ 5,946,824

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE BUDGET AND ACTUAL - REGIONAL ASSET DISTRICT BOYCE MAYVIEW FUND

YEAR ENDED DECEMBER 31, 2020

	Original and Final Budgeted Amounts	Actual	Variance
Revenues:			
State grants	\$ 530,000	\$ 670,000	\$ 140,000
Total revenues	530,000	670,000	140,000
Expenditures:			
Current:			
Recreation and leisure services	2,202,901	2,298,375	(95,474)
Excess (Deficiency) of Revenues Over Expenditures	(1,672,901)	(1,628,375)	44,526
Other Financing Sources (Uses):			
Interfund transfers in	500,000	500,000	-
Net Change in Fund Balance	<u>\$ (1,172,901)</u>	<u>\$ (1,128,375)</u>	<u>\$ 44,526</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE BUDGET AND ACTUAL - STATE LIQUID FUELS FUND

YEAR ENDED DECEMBER 31, 2020

	Original and Final Budgeted Amounts	Actual	Variance
Revenues:			
Interest	\$ 6,000	\$ 1,622	\$ (4,378)
State grants	639,570	651,629	12,059
Total revenues	645,570	653,251	7,681
Expenditures:			
Current:			
Public works	650,000	650,000	-
Excess (Deficiency) of Revenues Over Expenditures	(4,430)	3,251	7,681
Net Change in Fund Balance	<u>\$ (4,430)</u>	<u>\$ 3,251</u>	<u>\$ 7,681</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE BUDGET AND ACTUAL - STORM SEWER IMPROVEMENT FUND

YEAR ENDED DECEMBER 31, 2020

	Original and Final Budgeted Amounts	Actual	Variance
Revenues:			
Interest	\$ -	\$ 1,626	\$ 1,626
Licenses and permits	-	-	-
Total revenues	-	1,626	1,626
Expenditures:			
Current:			
Public works	500,000	188,732	311,268
Excess (Deficiency) of Revenues Over Expenditures	(500,000)	(188,732)	311,268
Other Financing Sources (Uses):			
Interfund transfers in	500,000	500,000	-
Net Change in Fund Balance	\$ -	\$ 312,894	\$ 311,268

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE BUDGET AND ACTUAL - FIELD IMPROVEMENT FUND

YEAR ENDED DECEMBER 31, 2020

	Original and Final Budgeted Amounts	Actual	Variance
Revenues:			
Interest	\$ 1,200	\$ 2,603	\$ 1,403
Recreation fees	28,000	24,331	(3,669)
Total revenues	29,200	26,934	(2,266)
Expenditures:			
Current:			
Public works	30,000	-	30,000
Excess (Deficiency) of Revenues Over Expenditures	(800)	26,934	27,734
Other Financing Sources (Uses):			
Interfund transfers in	30,000	30,000	-
Net Change in Fund Balance	\$ 29,200	\$ 56,934	\$ 27,734

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE BUDGET AND ACTUAL - REGIONAL ASSET DISTRICT LIBRARY FUND

YEAR ENDED DECEMBER 31, 2020

	Original and Final Budgeted Amounts	Actual	Variance
Revenues:			
State grants	\$ 225,988	\$ 225,988	\$ -
Expenditures:			
Current:			
Library services	225,988	225,988	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-
Net Change in Fund Balance	\$ -	\$ -	\$ -

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

BUDGET AND ACTUAL - DEBT SERVICE FUND -

GENERAL OBLIGATION NOTE OF 2015

YEAR ENDED DECEMBER 31, 2020

	Original and Final Budgeted Amounts	Actual	Variance
Expenditures:			
Debt service:			
Principal retirement	\$ 473,000	\$ 498,000	\$ (25,000)
Interest	6,737	6,737	-
	<u>479,737</u>	<u>504,737</u>	<u>(25,000)</u>
Total debt service			
	<u>479,737</u>	<u>504,737</u>	<u>(25,000)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(479,737)</u>	<u>(504,737)</u>	<u>25,000</u>
Other Financing Sources (Uses):			
Interfund transfers in	<u>479,737</u>	<u>504,737</u>	<u>25,000</u>
Net Change in Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

BUDGET AND ACTUAL - DEBT SERVICE FUND -

GENERAL OBLIGATION BONDS OF 2016

YEAR ENDED DECEMBER 31, 2020

	Original and Final Budgeted Amounts	Actual	Variance
Expenditures:			
Debt service:			
Principal retirement	\$ 118,899	\$ 118,899	\$ -
Interest	138,825	138,825	-
Total debt service	257,724	257,724	-
Excess (Deficiency) of Revenues Over Expenditures	(257,724)	(257,724)	-
Other Financing Sources (Uses):			
Interfund transfers in	257,724	257,724	-
Net Change in Fund Balance	\$ -	\$ -	\$ -

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

BUDGET AND ACTUAL - DEBT SERVICE FUND - GENERAL OBLIGATION BONDS OF 2017, SERIES A

YEAR ENDED DECEMBER 31, 2020

	Original and Final Budgeted Amounts	Actual	Variance
Expenditures:			
Debt service:			
Principal retirement	\$ 85,000	\$ 85,000	\$ -
Interest	176,074	176,074	-
Total debt service	261,074	261,074	-
Excess (Deficiency) of Revenues Over Expenditures	(261,074)	(261,074)	-
Other Financing Sources (Uses):			
Interfund transfers in	261,074	261,074	-
Total other financing sources (uses)	261,074	261,074	-
Net Change in Fund Balance	\$ -	\$ -	\$ -

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

BUDGET AND ACTUAL - DEBT SERVICE FUND - GENERAL OBLIGATION BONDS OF 2017, SERIES B

YEAR ENDED DECEMBER 31, 2020

	Original and Final Budgeted Amounts	Actual	Variance
Expenditures:			
Debt service:			
Principal retirement	\$ 195,000	\$ 195,000	\$ -
Interest	142,189	142,152	37
Total debt service	337,189	337,152	37
Excess (Deficiency) of Revenues Over Expenditures	(337,189)	(337,152)	37
Other Financing Sources (Uses):			
Interfund transfers in	337,189	337,152	(37)
Total other financing sources (uses)	337,189	337,152	(37)
Net Change in Fund Balance	\$ -	\$ -	\$ -

**SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION – BUDGET AND ACTUAL**

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BUDGET AND ACTUAL - SANITARY SEWER FUND

YEAR ENDED DECEMBER 31, 2020

	Original and Final Budgeted Amounts	Actual	Variance
Operating Revenues:			
Charges for services	\$ 7,448,300	\$ 8,389,609	\$ 941,309
Operating Expenses:			
Sewage treatment charges	4,307,500	4,724,645	(417,145)
Personnel services	261,609	261,884	(275)
Contractual services	1,982,686	1,118,900	863,786
Materials and supplies	31,850	15,394	16,456
Depreciation and amortization	815,000	725,742	89,258
Total operating expenses	7,398,645	6,846,565	552,080
Operating Income (Loss)	49,655	1,543,044	1,493,389
Non-operating Revenues (Expenses):			
Interest income	75,000	57,713	(17,287)
Interest expense	(391,128)	(408,730)	(17,602)
Total non-operating revenues (expenses)	(316,128)	(351,017)	(34,889)
Change in Net Position	<u>\$ (266,473)</u>	<u>\$ 1,192,027</u>	<u>\$ 1,458,500</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BUDGET AND ACTUAL - BOYCE MAYVIEW COMMUNITY & RECREATION CENTER FUND

YEAR ENDED DECEMBER 31, 2020

	Original and Final Budgeted Amounts	Actual	Variance
Operating Revenues:			
Charges for services	\$ 3,561,300	\$ 1,840,307	\$ (1,720,993)
Operating Expenses:			
Personnel services	2,442,404	1,733,654	708,750
Contractual services	1,234,435	772,759	461,676
Materials and supplies	278,425	141,271	137,154
Depreciation and amortization	155,000	800,537	(645,537)
Total operating expenses	4,110,264	3,448,221	662,043
Operating Income (Loss)	(548,964)	(1,607,914)	(1,058,950)
Non-operating Revenues (Expenses):			
Interest income	95,000	86,791	(8,209)
Interest expense	(642,806)	(648,691)	(5,885)
Total non-operating revenues (expenses)	(547,806)	(561,900)	(14,094)
Transfers:			
Interfund transfers in	1,748,781	1,562,210	(186,571)
Change in Net Position	\$ 652,011	\$ (607,604)	\$ (1,259,615)

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BUDGET AND ACTUAL - TOWNSHIP/SCHOOL DISTRICT MAGAZINE FUND

YEAR ENDED DECEMBER 31, 2020

	Original and Final Budgeted Amounts	Actual	Variance
Operating Revenues:			
Charges for services	\$ 156,000	\$ 150,404	\$ (5,596)
Operating Expenses:			
Personnel services	54,000	50,190	3,810
Contractual services	114,150	103,752	10,398
Materials and supplies	4,050	599	3,451
Depreciation and amortization	950	-	950
Bad debt	1,000	-	1,000
Total operating expenses	174,150	154,541	19,609
Change in Net Position	<u>\$ (18,150)</u>	<u>\$ (4,137)</u>	<u>\$ 14,013</u>

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF CAPITAL ASSETS - BY SOURCE

DECEMBER 31, 2020

Governmental Funds Capital Assets:

Land	\$ 2,617,784
Infrastructure	37,435,877
Buildings	17,291,937
Improvements other than buildings	4,258,720
Equipment	12,365,683
Library assets	786,658

Total capital assets	<u>\$ 74,756,659</u>
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Investment in Capital Assets From:

Acquisitions prior to January 1, 1982 (1)	\$ 21,502,258
General Fund	4,886,527
Storm Sewer Fund	295,230
Field Improvement Fund	51,714
Regional Asset District Library Fund	52,738
Library Endowment Fund	512,357
Regional Asset District Boyce Mayview Fund	6,630,321
Capital Projects Funds	40,825,514

Total investment in capital assets	<u>\$ 74,756,659</u>
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(1) Detail of assets by source prior to January 1, 1982 is not available.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY SOURCE

DECEMBER 31, 2020

	Total	Land	Infrastructure	Buildings	Improvements Other than Buildings	Equipment	Library Assets
Capital Assets, January 1, 2020	\$ 72,405,591	\$ 2,608,394	\$ 35,920,227	\$ 17,261,080	\$ 4,196,268	\$ 11,652,664	\$ 766,958
Expenditures from:							
General Fund	3,578	-	-	-	-	3,578	-
RAD Boyce Mayview Fund	1,574,168	-	1,515,650	-	58,518	-	-
Capital Projects Fund	856,552	9,390	-	30,857	3,934	792,671	19,700
Capital assets disposals and transfers	(83,230)	-	-	-	-	(83,230)	-
Capital Assets, December 31, 2020	<u>\$ 74,756,659</u>	<u>\$ 2,617,784</u>	<u>\$ 37,435,877</u>	<u>\$ 17,291,937</u>	<u>\$ 4,258,720</u>	<u>\$ 12,365,683</u>	<u>\$ 786,658</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF CAPITAL ASSETS - BY FUNCTION AND ACTIVITY

DECEMBER 31, 2020

Function and Activity	Total	Land	Infrastructure	Buildings	Improvements Other than Buildings	Equipment	Library Assets
General Government:							
Administration	\$ 8,601,422	\$ 477,430	\$ -	\$ 7,536,880	\$ 34,715	\$ 552,397	\$ -
Information technology	1,220,456	-	-	-	-	1,220,456	-
Cable television	246,962	-	-	-	-	246,962	-
Total general government	10,068,840	477,430	-	7,536,880	34,715	2,019,815	-
Community Development	541,474	-	-	-	-	541,474	-
Public Safety:							
Police	2,021,820	-	-	118,925	-	1,902,895	-
VFD	5,361,236	579,106	-	4,005,294	-	776,836	-
Total public safety	7,383,056	579,106	-	4,124,219	-	2,679,731	-
Public Works:							
Office	1,076,263	-	-	551,086	219,262	305,915	-
Highway and streets	34,613,770	-	34,613,770	-	-	-	-
Garage	9,878,492	19,920	-	3,192,569	221,939	6,444,064	-
Total public works	45,568,525	19,920	34,613,770	3,743,655	441,201	6,749,979	-
Recreation and Leisure Services	10,287,198	1,541,328	2,822,107	1,868,766	3,782,804	272,193	-
Library	907,566	-	-	18,417	-	102,491	786,658
Total Capital Assets	\$ 74,756,659	\$ 2,617,784	\$ 37,435,877	\$ 17,291,937	\$ 4,258,720	\$ 12,365,683	\$ 786,658

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY FUNCTION AND ACTIVITY

DECEMBER 31, 2020

	Capital Assets January 1, 2020	Increases	Decreases	Capital Assets December 31, 2020
Function and Activity				
General Government:				
Administration	\$ 8,570,565	\$ 30,857	\$ -	\$ 8,601,422
Information technology	1,092,080	128,376	-	1,220,456
Cable television	240,339	6,623	-	246,962
Total general government	9,902,984	165,856	-	10,068,840
Community Development	541,474	-	-	541,474
Public Safety:				
Police	1,832,093	189,727	-	2,021,820
VFD	5,357,659	3,577	-	5,361,236
Total public safety	7,189,752	193,304	-	7,383,056
Public Works:				
Office	1,057,343	18,920	-	1,076,263
Highway and streets	34,613,770	-	-	34,613,770
Garage	9,506,112	452,960	(80,580)	9,878,492
Total public works	45,177,225	471,880	(80,580)	45,568,525
Recreation and Leisure Services	8,706,290	1,583,558	(2,650)	10,287,198
Library	887,866	19,700	-	907,566
Total Capital Assets	\$ 72,405,591	\$ 2,434,298	\$ (83,230)	\$ 74,756,659

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Township of Upper St. Clair's (Township) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Township's overall financial health.

FINANCIAL TRENDS **123**

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

REVENUE CAPACITY **129**

These schedules contain information to help the reader assess the factors affecting the Township's ability to generate its property and earned income taxes.

DEBT CAPACITY **135**

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

DEMOGRAPHIC AND ECONOMIC INFORMATION **138**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities take place and to help make comparisons over time and with other governments.

OPERATING INFORMATION **140**

These schedules contain information about the Township's operations and resources to help the reader understand how the Township's financial information relates to the services the Township provides and the activities it performs.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
NET POSITION BY COMPONENT
LAST TEN YEARS
ACCRUAL BASIS OF ACCOUNTING

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
Net investment in capital assets	\$ 19,096,961	\$ 17,636,918	\$ 16,568,870	\$ 15,481,351	\$ 13,309,613	\$ 10,553,342	\$ 8,011,677	\$ 8,034,786	\$ 8,411,732	\$ 9,191,787
Restricted	3,809,331	1,691,838	837,056	1,212,857	937,539	734,973	61,563	55,668	53,595	63,569
Unrestricted	<u>11,893,733</u>	<u>10,468,620</u>	<u>10,299,293</u>	<u>10,108,873</u>	<u>10,625,856</u>	<u>11,280,786</u>	<u>12,728,794</u>	<u>11,655,684</u>	<u>9,772,177</u>	<u>8,312,020</u>
<i>Total governmental activities net position</i>	<u><u>\$ 34,800,025</u></u>	<u><u>\$ 29,797,376</u></u>	<u><u>\$ 27,705,219</u></u>	<u><u>\$ 26,803,081</u></u>	<u><u>\$ 24,873,008</u></u>	<u><u>\$ 22,569,101</u></u>	<u><u>\$ 20,802,034</u></u>	<u><u>\$ 19,746,138</u></u>	<u><u>\$ 18,237,504</u></u>	<u><u>\$ 17,567,376</u></u>
Business-type activities:										
Net investment in capital assets	\$ 1,642,031	\$ 1,400,201	\$ 1,940,453	\$ 2,208,670	\$ 2,620,113	\$ 2,765,099	\$ 4,665,935	\$ 3,381,614	\$ 4,268,647	\$ 5,073,371
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>16,048,320</u>	<u>15,709,864</u>	<u>13,492,220</u>	<u>11,432,878</u>	<u>9,641,526</u>	<u>7,199,256</u>	<u>3,584,109</u>	<u>3,166,730</u>	<u>1,619,532</u>	<u>1,347,301</u>
<i>Total business-type activities net position</i>	<u><u>\$ 17,690,351</u></u>	<u><u>\$ 17,110,065</u></u>	<u><u>\$ 15,432,673</u></u>	<u><u>\$ 13,641,548</u></u>	<u><u>\$ 12,261,639</u></u>	<u><u>\$ 9,964,355</u></u>	<u><u>\$ 8,250,044</u></u>	<u><u>\$ 6,548,344</u></u>	<u><u>\$ 5,888,179</u></u>	<u><u>\$ 6,420,672</u></u>
Primary government:										
Net investment in capital assets	\$ 20,738,992	\$ 19,037,119	\$ 18,509,323	\$ 17,690,021	\$ 15,929,726	\$ 13,318,441	\$ 12,677,612	\$ 11,416,400	\$ 12,680,379	\$ 14,265,158
Restricted	3,809,331	1,691,838	837,056	1,212,857	937,539	734,973	61,563	55,668	53,595	63,569
Unrestricted	<u>27,942,053</u>	<u>26,178,484</u>	<u>23,791,513</u>	<u>21,541,751</u>	<u>20,267,382</u>	<u>18,480,042</u>	<u>16,312,903</u>	<u>14,822,414</u>	<u>11,391,709</u>	<u>9,659,321</u>
<i>Total primary government net position</i>	<u><u>\$ 52,490,376</u></u>	<u><u>\$ 46,907,441</u></u>	<u><u>\$ 43,137,892</u></u>	<u><u>\$ 40,444,629</u></u>	<u><u>\$ 37,134,647</u></u>	<u><u>\$ 32,533,456</u></u>	<u><u>\$ 29,052,078</u></u>	<u><u>\$ 26,294,482</u></u>	<u><u>\$ 24,125,683</u></u>	<u><u>\$ 23,988,048</u></u>

Note: The 12/31/2014 governmental activities unrestricted net position was restated in 2015 to reflect an increase of \$255,757 from implementing GASB Statement No. 68. Years prior to 2014 were not restated for this purpose.

Note: The 12/31/2017 governmental activities unrestricted net position was restated in 2018 to reflect a decrease of \$769,623 from implementing GASB Statement No. 75. Years prior to 2017 were not restated for this purpose.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
CHANGES IN NET POSITION
LAST TEN YEARS
ACCRUAL BASIS OF ACCOUNTING

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Program Revenues:										
Governmental Activities:										
Charges for services:										
General government	\$ 185,394	\$ 241,717	\$ 292,306	\$ 362,090	\$ 275,040	\$ 320,275	\$ 215,840	\$ 171,596	\$ 245,033	\$ 203,960
Public safety	263,813	120,479	93,673	70,388	72,768	55,795	89,092	56,695	79,483	79,831
Public works	272,714	256,857	292,721	247,179	216,768	244,567	258,638	213,629	192,795	212,738
Recreation and leisure services	214,914	395,098	395,642	408,032	406,946	397,507	397,398	397,596	380,192	360,514
Library services	17,340	40,635	45,309	36,345	40,266	39,928	40,501	48,022	39,757	40,552
Operating grants and contributions	2,757,679	2,738,996	2,595,593	2,646,047	2,752,579	2,850,551	1,716,362	1,513,922	1,694,562	2,066,302
Capital grants and contributions	820,413	1,273,156	505,067	1,012,654	439,142	787,878	-	-	-	-
Total governmental activities program revenues	4,532,267	5,066,938	4,220,311	4,782,735	4,203,509	4,696,501	2,717,831	2,401,460	2,631,822	2,963,897
Business-Type Activities:										
Charges for services:										
Sanitary sewer	8,389,609	7,528,108	7,229,804	6,926,885	6,475,486	5,758,183	5,694,915	4,704,317	4,444,772	4,557,526
Community & Recreation Center	1,840,307	3,599,932	3,677,049	3,922,165	4,180,268	4,108,877	3,895,680	3,618,973	3,407,437	2,939,551
Magazine	150,404	154,537	157,676	162,131	163,566	168,807	178,140	169,618	194,956	196,990
Capital grants and contributions	-	-	-	-	173,300	-	-	-	-	-
Total business-type activities program revenues	10,380,320	11,282,577	11,064,529	11,011,181	10,992,620	10,035,867	9,768,735	8,492,908	8,047,165	7,694,067
<i>Total primary government program revenues</i>	<u>\$ 14,912,587</u>	<u>\$ 16,349,515</u>	<u>\$ 15,284,840</u>	<u>\$ 15,793,916</u>	<u>\$ 15,196,129</u>	<u>\$ 14,732,368</u>	<u>\$ 12,486,566</u>	<u>\$ 10,894,368</u>	<u>\$ 10,678,987</u>	<u>\$ 10,657,964</u>
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
Governmental Activities:										
General government	\$ 2,553,266	\$ 2,334,355	\$ 2,302,573	\$ 2,217,582	\$ 2,033,202	\$ 2,065,730	\$ 2,208,573	\$ 1,881,228	\$ 1,969,696	\$ 1,710,210
Public safety	5,499,264	6,216,747	6,381,490	5,927,084	5,611,527	5,496,330	5,224,826	5,306,190	5,295,002	5,512,388
Public works	8,382,733	9,979,288	9,936,232	8,210,920	9,114,710	8,825,279	7,522,628	7,437,013	6,933,331	7,031,591
Community development	677,869	678,103	674,091	650,305	432,808	600,344	662,534	647,435	595,879	621,524
Recreation and leisure services	1,277,889	1,577,398	1,485,724	1,564,093	676,689	1,282,956	1,956,555	1,357,804	1,424,070	1,163,232
Library services	869,713	1,213,053	1,181,284	1,109,795	1,105,351	1,084,582	1,028,723	1,029,614	990,268	970,768
Interest on long-term debt	463,788	480,341	492,888	865,582	675,113	610,013	599,991	619,556	1,307,383	1,157,682
Total governmental activities expenses	19,724,522	22,479,285	22,454,282	20,545,361	19,649,400	19,965,234	19,203,830	18,278,840	18,515,629	18,167,395
Business-Type Activities:										
Sanitary sewer	7,255,295	6,473,558	6,042,224	6,121,986	5,247,286	5,181,155	4,965,703	4,863,183	5,593,228	5,938,028
Community & Recreation Center	4,096,912	5,006,232	4,948,872	4,728,637	4,820,135	4,597,784	4,527,770	4,402,999	4,411,897	4,232,528
Magazine	154,541	161,466	162,272	162,809	168,355	162,668	171,276	168,464	182,235	171,573
Total business-type activities expenses	11,506,748	11,641,256	11,153,368	11,013,432	10,235,776	9,941,607	9,664,749	9,434,646	10,187,360	10,342,129
Total primary government expenses	<u>\$ 31,231,270</u>	<u>\$ 34,120,541</u>	<u>\$ 33,607,650</u>	<u>\$ 31,558,793</u>	<u>\$ 29,885,176</u>	<u>\$ 29,906,841</u>	<u>\$ 28,868,579</u>	<u>\$ 27,713,486</u>	<u>\$ 28,702,989</u>	<u>\$ 28,509,524</u>
Net (Expense)/Revenue:										
Governmental Activities	\$ (15,192,255)	\$ (17,412,347)	\$ (18,233,971)	\$ (15,762,626)	\$ (15,445,891)	\$ (15,268,733)	\$ (16,485,999)	\$ (15,877,380)	\$ (15,883,807)	\$ (15,203,498)
Business-Type Activities	(1,126,428)	(358,679)	(88,839)	(2,251)	756,844	94,260	103,986	(941,738)	(2,140,195)	(2,648,062)
<i>Total primary government net (expense) revenue</i>	<u>\$ (16,318,683)</u>	<u>\$ (17,771,026)</u>	<u>\$ (18,322,810)</u>	<u>\$ (15,764,877)</u>	<u>\$ (14,689,047)</u>	<u>\$ (15,174,473)</u>	<u>\$ (16,382,013)</u>	<u>\$ (16,819,118)</u>	<u>\$ (18,024,002)</u>	<u>\$ (17,851,560)</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
CHANGES IN NET POSITION
LAST TEN YEARS
ACCRUAL BASIS OF ACCOUNTING

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 8,836,608	\$ 8,622,795	\$ 8,525,686	\$ 8,269,372	\$ 8,285,971	\$ 7,960,376	\$ 7,921,103	\$ 7,869,860	\$ 7,678,794	\$ 7,581,309
Earned income taxes, levied for general purposes	9,584,624	9,590,707	8,977,463	8,867,789	8,529,885	8,210,827	8,286,351	8,213,525	7,891,581	7,767,269
Local services tax	292,994	297,279	314,436	293,106	280,677	267,060	274,454	274,724	253,863	246,702
Other taxes	1,965,764	1,397,605	1,933,891	1,324,561	1,195,566	1,322,037	1,580,875	1,620,549	1,589,649	1,131,251
Franchise fees	446,544	459,794	460,671	480,793	497,472	465,655	442,645	431,849	405,416	383,056
Unrestricted investment earnings	98,508	295,706	200,787	56,004	18,087	13,476	13,013	13,543	11,942	12,860
Miscellaneous income	532,072	497,840	420,259	495,982	477,126	414,905	371,156	562,450	328,688	303,136
Transfers	(1,562,210)	(1,692,345)	(1,697,084)	(1,325,285)	(1,534,986)	(1,618,536)	(1,603,459)	(1,600,486)	(1,605,998)	(1,483,816)
Total governmental activities general revenues	20,194,904	19,469,381	19,136,109	18,462,322	17,749,798	17,035,800	17,286,138	17,386,014	16,553,935	15,941,767
Business-Type activities:										
Unrestricted investment earnings	144,504	343,726	182,880	56,875	5,454	1,515	2,730	1,417	1,704	2,178
Transfers	1,562,210	1,692,345	1,697,084	1,325,285	1,534,986	1,618,536	1,594,978	1,600,486	1,605,998	1,483,816
Total business-type activities general revenues	1,706,714	2,036,071	1,879,964	1,382,160	1,540,440	1,620,051	1,597,708	1,601,903	1,607,702	1,485,994
<i>Total primary government general revenues</i>	<u>\$ 21,901,618</u>	<u>\$ 21,505,452</u>	<u>\$ 21,016,073</u>	<u>\$ 19,844,482</u>	<u>\$ 19,290,238</u>	<u>\$ 18,655,851</u>	<u>\$ 18,883,846</u>	<u>\$ 18,987,917</u>	<u>\$ 18,161,637</u>	<u>\$ 17,427,761</u>
Change in Net Position:										
Governmental Activities	\$ 5,002,649	\$ 2,057,034	\$ 902,138	\$ 2,699,696	\$ 2,303,907	\$ 1,767,067	\$ 800,139	\$ 1,508,634	\$ 670,128	\$ 738,269
Business-Type Activities	580,286	1,677,392	1,791,125	1,379,909	2,297,284	1,714,311	1,701,694	660,165	(532,493)	(1,162,068)
<i>Total primary government change in net position</i>	<u>\$ 5,582,935</u>	<u>\$ 3,734,426</u>	<u>\$ 2,693,263</u>	<u>\$ 4,079,605</u>	<u>\$ 4,601,191</u>	<u>\$ 3,481,378</u>	<u>\$ 2,501,833</u>	<u>\$ 2,168,799</u>	<u>\$ 137,635</u>	<u>\$ (423,799)</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>General Fund:</u>										
Nonspendable	\$ 262,177	\$ 287,792	\$ 171,616	\$ 259,748	\$ 256,463	\$ 227,513	\$ 222,152	\$ 224,084	\$ 219,282	\$ 221,447
Unassigned	<u>4,706,728</u>	<u>4,270,130</u>	<u>3,937,184</u>	<u>3,440,485</u>	<u>3,283,902</u>	<u>3,131,837</u>	<u>3,123,147</u>	<u>3,116,240</u>	<u>3,094,204</u>	<u>3,086,678</u>
<i>Total General Fund</i>	<u>4,968,905</u>	<u>4,557,922</u>	<u>4,108,800</u>	<u>3,700,233</u>	<u>3,540,365</u>	<u>3,359,350</u>	<u>3,345,299</u>	<u>3,340,324</u>	<u>3,313,486</u>	<u>3,308,125</u>
<u>All Other Governmental Funds:</u>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	112,920	103,485	837,056	341,913	621,964	67,920	61,563	55,668	53,595	63,569
Committed	1,630,813	1,250,344	1,068,479	903,130	744,723	624,690	917,874	836,526	811,891	790,018
Assigned	<u>10,831,558</u>	<u>9,202,644</u>	<u>7,690,882</u>	<u>8,451,939</u>	<u>7,546,173</u>	<u>8,284,816</u>	<u>7,343,619</u>	<u>6,606,542</u>	<u>5,176,357</u>	<u>3,446,084</u>
<i>Total all other governmental funds</i>	<u>12,575,291</u>	<u>10,556,473</u>	<u>9,596,417</u>	<u>9,696,982</u>	<u>8,912,860</u>	<u>8,977,426</u>	<u>8,323,056</u>	<u>7,498,736</u>	<u>6,041,843</u>	<u>4,299,671</u>
<i>Total governmental funds</i>	<u>\$ 17,544,196</u>	<u>\$ 15,114,395</u>	<u>\$ 13,705,217</u>	<u>\$ 13,397,215</u>	<u>\$ 12,453,225</u>	<u>\$ 12,336,776</u>	<u>\$ 11,668,355</u>	<u>\$ 10,839,060</u>	<u>\$ 9,355,329</u>	<u>\$ 7,607,796</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN YEARS
 MODIFIED ACCRUAL BASIS OF ACCOUNTING

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Real estate taxes	\$ 8,853,274	\$ 8,650,007	\$ 8,490,013	\$ 8,263,249	\$ 8,287,441	\$ 7,993,594	\$ 7,924,247	\$ 7,933,009	\$ 7,594,848	\$ 7,562,427
Earned income taxes	9,498,413	9,608,726	8,934,154	8,869,902	8,844,793	8,382,576	8,285,627	8,116,839	7,994,030	7,673,079
Other taxes	2,258,758	1,694,884	2,248,327	1,617,667	1,476,243	2,115,962	1,855,329	1,895,274	1,843,512	1,377,954
Licenses and permits	156,928	133,069	182,398	261,063	180,235	239,881	237,113	142,928	229,485	190,735
Fees and fines	507,274	566,179	550,407	570,142	565,383	536,177	533,771	519,321	497,917	479,640
Rents	5,648	88,419	86,371	90,167	84,282	63,024	85,816	77,808	78,081	79,135
Interest	98,508	295,706	200,787	56,004	18,087	13,476	13,015	13,544	11,942	12,860
Service agreements	288,735	270,364	307,340	249,909	228,969	256,624	240,384	229,332	209,039	218,928
Other revenue and grants	4,348,348	4,587,023	3,587,633	4,190,172	3,722,142	3,567,708	2,037,152	2,028,775	1,969,924	2,321,137
Recreation fees	203,950	379,548	387,092	398,057	397,096	386,782	397,398	397,596	380,193	360,514
<i>Total revenues</i>	<u>26,219,836</u>	<u>26,273,925</u>	<u>24,974,522</u>	<u>24,566,332</u>	<u>23,804,671</u>	<u>23,555,804</u>	<u>21,609,852</u>	<u>21,354,426</u>	<u>20,808,971</u>	<u>20,276,409</u>
Expenditures:										
Current:										
General government	2,028,028	2,161,788	2,184,079	2,229,884	2,572,484	1,964,321	2,009,963	1,688,199	1,779,587	1,460,414
Community development	673,229	673,463	673,318	650,305	665,185	595,612	652,398	633,636	581,379	606,157
Public safety	6,139,395	5,785,209	5,697,473	5,289,506	5,282,773	4,916,972	4,876,933	4,924,588	4,907,575	5,184,892
Public works	7,311,841	8,951,549	8,402,361	7,732,502	8,113,419	8,071,391	6,260,401	6,398,842	6,031,128	6,156,570
Recreation and leisure services	2,382,397	1,600,707	1,286,432	2,530,431	1,615,926	2,381,799	1,876,316	1,209,286	1,243,426	1,092,286
Library services	867,346	1,191,237	1,161,795	1,210,266	1,127,011	1,076,164	1,021,138	1,026,043	981,289	958,240
Debt service:										
Principal retirement	896,899	863,206	855,991	11,697,637	4,707,569	578,790	575,097	562,882	649,189	966,974
Bond issuance costs	-	-	-	278,012	47,026	-	-	-	29,688	25,023
Interest	463,788	480,341	492,888	487,805	513,692	505,488	566,998	587,775	607,762	758,152
Capital outlay	1,464,902	1,464,902	2,215,099	1,345,709	1,659,260	1,178,310	1,337,830	1,238,957	735,603	799,253
<i>Total Expenditures</i>	<u>22,227,825</u>	<u>23,172,402</u>	<u>22,969,436</u>	<u>33,452,057</u>	<u>26,304,345</u>	<u>21,268,847</u>	<u>19,177,074</u>	<u>18,270,208</u>	<u>17,546,626</u>	<u>18,007,961</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>3,992,011</u>	<u>3,101,523</u>	<u>2,005,086</u>	<u>(8,885,725)</u>	<u>(2,499,674)</u>	<u>2,286,957</u>	<u>2,432,778</u>	<u>3,084,218</u>	<u>3,262,345</u>	<u>2,268,448</u>
Other Financing Sources (Uses):										
Transfers in	7,541,252	6,424,484	6,149,048	6,859,746	6,741,295	5,597,354	5,262,122	5,007,569	10,831,256	9,519,937
Transfers out	(9,103,462)	(8,116,829)	(7,846,132)	(8,185,031)	(8,276,281)	(7,215,890)	(6,865,580)	(6,608,054)	(12,437,254)	(11,003,753)
Debt proceeds	-	-	-	11,155,000	4,151,109	2,390,000	-	-	5,910,000	5,435,000
Bond issuance discount	-	-	-	-	-	-	-	-	-	-
Gain (loss) on refunding of bonds	-	-	-	-	-	-	-	-	76,186	(127,764)
Payment to refunded bond escrow agent	-	-	-	-	-	(2,390,000)	-	-	(5,895,000)	(5,275,000)
<i>Total other financing sources (uses)</i>	<u>(1,562,210)</u>	<u>(1,692,345)</u>	<u>(1,697,084)</u>	<u>9,829,715</u>	<u>2,616,123</u>	<u>(1,618,536)</u>	<u>(1,603,458)</u>	<u>(1,600,485)</u>	<u>(1,514,812)</u>	<u>(1,451,580)</u>
Net Change in Fund Balance	<u>\$ 2,429,801</u>	<u>\$ 1,409,178</u>	<u>\$ 308,002</u>	<u>\$ 943,990</u>	<u>\$ 116,449</u>	<u>\$ 668,421</u>	<u>\$ 829,320</u>	<u>\$ 1,483,733</u>	<u>\$ 1,747,533</u>	<u>\$ 816,868</u>
Debt service as a percentage of non-capital expenditures	6.87%	6.33%	6.44%	40.69%	23.13%	5.40%	6.40%	6.76%	7.48%	10.02%
Debt service as a percentage of total expenditures	6.12%	5.80%	5.87%	36.43%	19.85%	5.10%	5.96%	6.30%	7.16%	9.58%

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN YEARS
ACCRUAL BASIS OF ACCOUNTING

Function/Program:	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
General government	\$ 1,559,919	\$ 1,533,375	\$ 1,377,867	\$ 1,576,922	\$ 1,331,779	\$ 1,305,052	\$ 537,850	\$ 392,179	\$ 455,296	\$ 414,260
Public safety	652,316	562,717	460,219	436,560	443,701	451,951	292,969	269,288	288,219	458,667
Public works	1,112,895	1,877,024	1,186,211	1,394,686	1,448,357	1,459,674	861,629	787,666	872,303	1,057,360
Recreation and leisure services	884,914	745,098	856,142	1,039,032	642,946	1,150,507	693,398	619,215	703,584	726,745
Library services	322,223	348,724	339,872	335,535	336,726	329,317	331,985	333,112	312,420	306,865
Total governmental activities	4,532,267	5,066,938	4,220,311	4,782,735	4,203,509	4,696,501	2,717,831	2,401,460	2,631,822	2,963,897
Business-Type Activities:										
Sanitary sewer	8,389,609	7,528,108	7,229,804	6,926,885	6,648,786	5,758,183	5,694,915	4,704,317	4,444,772	4,557,526
Community & Recreation Center	1,840,307	3,599,932	3,677,049	3,922,165	4,180,268	4,108,877	3,895,680	3,618,973	3,407,437	2,939,551
Magazine	150,404	154,537	157,676	162,131	163,566	168,807	178,140	169,618	194,956	196,990
Total business-type activities	10,380,320	11,282,577	11,064,529	11,011,181	10,992,620	10,035,867	9,768,735	8,492,908	8,047,165	7,694,067
<i>Total primary government</i>	<u>\$ 14,912,587</u>	<u>\$ 16,349,515</u>	<u>\$ 15,284,840</u>	<u>\$ 15,793,916</u>	<u>\$ 15,196,129</u>	<u>\$ 14,732,368</u>	<u>\$ 12,486,566</u>	<u>\$ 10,894,368</u>	<u>\$ 10,678,987</u>	<u>\$ 10,657,964</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS

Tax Year	Direct Tax Rate			Overlapping Tax Rate*	Direct & Overlapping Rate Total
	Upper St. Clair Township	Upper St. Clair School District	Total Direct Tax Rate	Allegheny County	
2020	3.8300	26.8972	30.7272	4.7300	35.4572
2019	3.8300	26.3775	30.2075	4.7300	34.9375
2018	3.8300	25.8603	29.6903	4.7300	34.4203
2017	3.8300	25.1560	28.9860	4.7300	33.7160
2016	3.8300	24.3388	28.1688	4.7300	32.8988
2015	3.8300	23.0355	26.8655	4.7300	31.5955
2014	3.8300	22.1957	26.0257	4.7300	30.7557
2013	3.8300	21.4130	25.2430	4.7300	29.9730
2012	4.6000	25.7180	30.3180	5.6900	36.0080
2011	4.6000	24.1000	28.7000	4.6900	33.3900

* The overlapping tax rate is that of county government that apply to property owners within Upper St. Clair Township.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
 ASSESSED VALUATION AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY
 LAST TEN YEARS

Year	Assessed Property Values (1)			Ratio of Total Assessed to Estimated Actual Value (2)	Township Municipal Millage Rate
	Taxable Residential Assessed Property Values	Taxable Commercial Assessed Property Values	Total Taxable Assessed Property Values		
2020	\$2,003,574,398	\$313,395,043	\$2,316,969,441	100%	3.83
2019	1,972,476,398	297,811,943	2,270,288,341	100%	3.83
2018	1,935,658,498	299,855,343	2,235,513,841	100%	3.83
2017	1,900,170,198	288,177,122	2,188,347,320	100%	3.83
2016	1,865,053,725	277,900,782	2,142,954,507	100%	3.83
2015	1,837,866,159	256,965,782	2,094,831,941	100%	3.83
2014	1,814,416,259	258,064,782	2,072,481,041	100%	3.83
2013	1,817,314,850	212,734,932	2,030,049,782	100%	3.83
2012	1,450,090,524	236,649,646	1,686,740,170	100%	4.60
2011	1,449,211,137	236,506,133	1,685,717,270	100%	4.60

Source: Allegheny County Office of Property Assessments

- (1) Assessed property values are determined by the Allegheny County Office of Property Assessments. Figures shown represent the County's certified values as of January of each year.
- (2) The ratio shown here is the Pre-Determined Ratio established by the Allegheny County Office of Property Assessments. The Pennsylvania State Tax Equalization Board (STEB) separately calculates its own market values of property across the state. For 2019 (which is the most recent data available at the time of this report), the STEB's market value for Upper St. Clair Township was \$2,133,011,581, and the corresponding percent of assessed value to STEB market value was 106.73%.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

PRINCIPAL REAL ESTATE TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	December 31, 2020			December 31, 2011		
	Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation	Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation
South Hills Village Associates	\$ 89,910,200	1	3.88%	\$ 81,597,200	1	4.84%
Friendship Village of South Hills	53,283,500	2	2.30%	29,705,500	2	1.76%
Torrente Apartments	24,275,000	3	1.05%	-	-	0.00%
W F Preston, LLC	18,357,300	4	0.79%	-	-	0.00%
1800 Washington Road Assoc (Lucca Ln)	13,159,800	5	0.57%	13,700,000	3	0.81%
Target	11,462,200	6	0.49%	-	-	0.00%
Upper St. Clair Senior Living	8,391,200	7	0.36%	6,000,000	6	0.36%
Forty-Two Company LLC	8,200,000	8	0.35%	-	-	0.00%
St. Clair Country Club	6,867,300	9	0.30%	5,422,000	7	0.32%
McMurray Road Family Limited PTR	6,500,000	10	0.28%	6,065,900	5	0.36%
Summerfield Commons Associates	-	-	-	6,886,700	4	0.41%
Southwood Psychiatric Hospital	-	-	-	2,900,000	8	0.17%
Painters Plaza Associates	-	-	-	2,841,000	9	0.17%
Peter C. Rossin	-	-	-	2,600,000	10	0.15%
	\$ 240,406,500		10.37%	\$ 157,718,300		9.35%
Total Taxable Assessed Valuation	\$ 2,316,969,441			\$ 1,685,717,270		

Source: Allegheny County Department of Real Estate

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

		Collected within Fiscal Year of Levy				Collections to Date	
	Adjusted Total Tax				Collections in Subsequent		
Year	Levy		Amount	Percent of Levy	Years	Amount	Percent of Levy
2020	\$	8,905,721	\$ 8,839,409	99.26%	\$ -	\$ 8,839,409	99.26%
2019		8,704,496	8,601,210	98.81%	92,642	8,693,852	99.88%
2018		8,573,451	8,464,745	98.73%	62,735	8,527,480	99.46%
2017		8,432,579	8,306,347	98.50%	74,249	8,380,596	99.38%
2016		8,264,875	8,008,623	96.90%	147,934	8,156,557	98.69%
2015		8,074,337	7,942,520	98.37%	65,382	8,007,902	99.18%
2014		7,964,027	7,840,190	98.45%	52,271	7,892,461	99.10%
2013		7,902,624	7,752,196	98.10%	35,024	7,787,220	98.54%
2012		7,744,682	7,592,022	98.03%	138,632	7,730,654	99.82%
2011		7,605,691	7,406,208	97.38%	122,301	7,528,509	98.99%

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
MUNICIPAL EARNED INCOME TAX COLLECTION STATISTICS
LAST TEN YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

Fiscal Year	Tax Rate	Total Earned Income Tax Collected	Refunds	Net Earned Income Tax Collected
2020	0.80%	\$ 9,729,879	\$ (231,466)	\$ 9,498,413
2019	0.80%	9,833,895	(225,169)	9,608,726
2018	0.80%	9,180,959	(246,805)	8,934,154
2017	0.80%	9,058,107	(188,204)	8,869,903
2016	0.80%	9,015,647	(170,855)	8,844,792
2015	0.80%	8,613,182	(230,606)	8,382,576
2014	0.80%	8,458,337	(171,986)	8,286,351
2013	0.80%	8,327,496	(212,513)	8,114,983
2012	0.80%	8,311,311	(462,964)	7,848,347
2011	0.80%	7,898,936	(194,616)	7,704,320

Note: Earned income tax rate and collections amounts represent only municipal share.
Upper St. Clair School District levies an earned income tax at a rate of 0.50%.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
MUNICIPAL EARNED INCOME TAX REVENUE BASE STATISTICS
LAST EIGHT AVAILABLE YEARS

Number of Filers								
	2019	2018	2017	2016	2015	2014	2013	2012
Taxable Wage Range								
\$1,000,001+	66	54	50	56	53	61	55	59
\$600,001 - 1,000,000	126	118	110	99	102	90	82	94
\$300,001 - 600,000	501	457	447	412	398	370	350	340
\$100,001 - 300,000	2,798	2,616	2,495	2,427	2,349	2,267	2,213	2,021
\$70,001 - 100,000	1,396	1,396	1,366	1,333	1,329	1,325	1,312	1,307
\$50,001 - 70,000	1,197	1,197	1,170	1,137	1,135	1,147	1,128	1,129
\$30,001 - 50,000	1,452	1,492	1,434	1,441	1,445	1,455	1,426	1,377
\$12,000 - 30,000	1,660	1,742	1,732	1,736	1,743	1,763	1,785	1,705
\$11,999 and lower	3,064	3,203	3,369	3,378	3,473	3,626	3,900	3,563
Total	12,260	12,275	12,173	12,019	12,027	12,104	12,251	11,595

Taxable Base								
	2019	2018	2017	2016	2015	2014	2013	2012
Taxable Wage Range								
\$1,000,001+	\$ 137,645,638	\$ 117,098,142	\$ 116,806,008	\$ 107,756,237	\$ 102,963,086	\$ 119,874,491	\$ 116,420,443	\$ 132,448,065
\$600,001 - 1,000,000	96,505,932	92,057,663	82,640,402	75,560,209	79,307,026	71,408,096	64,261,965	74,145,621
\$300,001 - 600,000	203,888,595	189,084,267	185,911,405	167,811,100	164,579,684	150,443,355	145,016,802	138,800,025
\$100,001 - 300,000	445,971,664	428,663,187	409,302,189	399,510,438	391,106,034	372,143,966	362,389,511	328,051,426
\$70,001 - 100,000	118,055,838	120,052,826	117,206,594	114,690,300	114,938,264	114,182,918	113,538,951	112,484,343
\$50,001 - 70,000	71,140,260	72,765,784	70,902,368	69,374,236	69,014,257	69,392,566	68,037,424	68,382,001
\$30,001 - 50,000	57,597,660	60,550,025	57,996,054	58,230,270	58,450,866	59,052,189	57,642,948	56,102,342
\$12,000 - 30,000	33,623,558	35,923,625	36,017,821	35,934,445	36,287,933	36,497,327	36,869,526	35,299,389
\$11,999 and lower	12,878,063	13,511,329	14,118,763	13,694,246	14,117,108	14,408,732	15,134,165	13,976,451
Total	\$ 1,177,307,208	\$ 1,129,706,848	\$ 1,090,901,604	\$ 1,042,561,481	\$ 1,030,764,258	\$ 1,007,403,640	\$ 979,311,735	\$ 959,689,663

Source: Jordan Tax Service, Inc.

Note: The Township's earned income tax collection rate for all years shown is 0.80%. The Upper St. Clair School District levies an additional 0.50%.

The Tax Collector completes the processing of each tax year the following October. Therefore, the most recent data available for the 2020 report is from tax year 2019.

Complete data is only available beginning in 2012.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN YEARS

Year	General Obligation Bonds		General Obligation Notes		Total Primary Government	% of Taxable Assessed Valuation	% of Earned Income (1)	Debt per Capita (1)
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities				
2020	\$ 13,964,376	\$ 32,324,972	\$ -	\$ -	46,289,348	2.00%	3.90%	\$ 2,345
2019	14,363,275	33,261,541	498,000	210,000	48,332,816	2.13%	4.11%	2,449
2018	14,753,481	34,167,803	971,000	449,000	50,341,284	2.25%	4.46%	2,569
2017	15,161,472	35,033,280	1,419,000	711,000	52,324,752	2.39%	4.80%	2,680
2016	15,044,754	35,760,064	1,917,000	923,000	53,644,818	2.50%	5.15%	2,748
2015	15,012,865	32,636,339	2,390,000	1,160,000	51,199,204	2.44%	4.97%	2,641
2014	17,888,625	34,233,587	-	-	52,122,212	2.51%	5.17%	2,700
2013	18,430,663	34,952,793	-	-	53,383,456	2.63%	5.45%	2,770
2012	18,960,486	35,649,215	240,560	-	54,850,261	3.25%	5.72%	2,852
2011	19,492,640	36,420,820	265,326	-	56,178,786	3.33%	5.83%	2,924

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

(1) See the Schedule of Demographic and Economic Statistics on page138 for earned income and population data

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

LEGAL DEBT MARGIN INFORMATION

LAST TEN YEARS

Year	Three-Year Average Revenue (borrowing base) (1)	Legal Debt Limit (2)	Debt Applicable to Limit	Legal Debt Margin	Legal Debt Margin %
2020	36,731,903	91,829,758	31,693,610	60,136,148	65.49%
2019	36,391,022	90,977,555	32,683,700	58,293,855	64.07%
2018	35,471,285	88,678,213	34,317,348	54,360,865	61.30%
2017	34,655,492	86,638,730	36,053,148	50,585,582	58.39%
2016	33,255,850	83,139,625	37,310,000	45,829,625	55.12%
2015	31,605,864	79,014,660	36,709,363	42,305,297	53.54%
2014	30,027,352	75,068,380	37,629,399	37,438,981	49.87%
2013	28,891,315	72,228,288	38,588,616	33,639,672	46.57%
2012	28,013,224	70,033,060	39,765,919	30,267,141	43.22%
2011	26,104,933	65,262,333	40,712,662	24,549,671	37.62%

(1) The Local Governmental Unit Debt Act (Act 52 of 1978), reenacted and amending Act 185 of 1972 prescribes debt limits, net revenues and the calculation of the borrowing base for all local units in Pennsylvania. The "Debt Act" is administered by the Pennsylvania Department of Community & Economic Development.

(2) 250% of borrowing base

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2020

	<u>Gross Outstanding</u>
Direct Debt (Governmental Funds Portion)	
General Obligation Bonds, Series A of 2017	\$ 5,010,000
General Obligation Bonds, Series B of 2017	5,270,000
General Obligation Bonds, Series A of 2016	3,684,377
Total Direct Debt (Governmental Funds Portion)	<u><u>\$ 13,964,377</u></u>
Overlapping Debt	
Allegheny County (1) (2)	\$ 29,897,467
Upper St. Clair School District (1)	131,440,000
Total Overlapping Debt	<u><u>\$ 161,337,467</u></u>
Total Direct and Overlapping Debt	<u><u>\$ 175,301,844</u></u>

(1) Overlapping debt information is derived from information reported or otherwise available to the Pennsylvania Department of Community and Economic Development, and may not be complete.

(2) Represents the Township's share (2.89%) of \$1,034,514,412 of outstanding non-electoral debt of Allegheny County as of April 1, 2021. The proportional share is based upon the ratio of Upper St. Clair Township's taxable assessed valuation to Allegheny County's taxable assessed valuation for 2019.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Total Earned Income (2)</u>	<u>Per Capita Earned Income (3)</u>	<u>Unemployment Rate (4)</u>
2020	19,737 (a)	\$ 1,187,301,625	\$ 60,156	6.9%
2019	19,737 (a)	1,177,307,208	59,650	4.0%
2018	19,592 (a)	1,129,706,848	57,662	3.7%
2017	19,524 (a)	1,090,901,604	55,875	4.2%
2016	19,521 (a)	1,042,561,481	53,407	4.6%
2015	19,385 (a)	1,030,764,258	53,173	4.5%
2014	19,303 (a)	1,007,403,640	52,189	4.7%
2013	19,272 (a)	979,311,735	50,815	5.4%
2012	19,233 (a)	959,689,663	49,898	6.5%
2011	19,210 (a)	963,040,000	50,132	6.4%

(1) Source: U. S. Census Bureau

(a) U.S. Census Bureau, American Community Survey 5-Year Estimates, 2011-2019

(2) Source: Upper St. Clair Township Tax Office

(3) Computation of total earned income divided by population

(4) Source: U.S. Bureau of Labor Statistics for Allegheny County (data is subject to revision)

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer:	2020			2011		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
Upper St. Clair School District	534	1	9.67 %	612	1	13.36 %
Oasis AHR (Friendship Village)	266	2	4.82	191	3	4.17
Target Corporation	235	3	4.26	-	-	-
Whole Foods Market Group	196	4	3.55	-	-	-
St. Clair Country Club	155	5	2.81	87	10	1.90
Upper St. Clair Township	149	6	2.70	161	4	3.52
Southwood Psychiatric Hospital	137	7	2.48	135	6	2.95
Port Authority of Allegheny County	120	8	2.17	122	7	2.66
MDRPT Enterprises (Chik-Fil-A)	111	9	2.01	-	-	-
Dicks Sporting Goods	105	10	1.90	-	-	-
Home Loan Services, Inc.	-	-	-	232	2	5.07
Sears Roebuck & Co.	-	-	-	146	5	3.19
OS Resturant Services	-	-	-	85	9	1.86
I Mortgage Services	-	-	-	99	8	2.16
Total	<u>2,008</u>		<u>36.37 %</u>	<u>1,870</u>		<u>40.84 %</u>
Total Full-Time Employees	<u>5,520</u>			<u>4,580</u>		

Source: Upper St. Clair Local Services Tax records

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
FULL-TIME EQUIVALENT MUNICIPAL EMPLOYEES
LAST TEN YEARS

Function/Program:	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government:										
Administration	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00
Finance	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.00	3.00
Information Technology	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00
Community Development:										
Administration	4.00	4.00	4.00	4.00	3.50	3.50	3.50	3.00	4.00	3.00
Inspection	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Public Safety:										
Uniformed Police Officers	28.00	28.00	28.00	28.00	28.00	27.00	27.00	28.00	28.00	28.00
Other Department Personnel	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Public Works:										
Administration	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Inspection	5.50	5.50	4.50	4.50	5.00	5.00	5.00	5.00	5.00	5.00
Laborers	25.00	25.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Recreation and Leisure Services:										
Administration	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.00	3.00
Recreation Center Personnel	15.50	14.50	14.50	14.50	15.00	14.00	13.00	13.00	13.00	13.00
Library:										
Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Librarians	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Total	121.50	120.50	118.50	118.50	119.00	116.00	115.00	115.50	114.50	113.50

Source: Township payroll and personnel records

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN YEARS

Function/Program:	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>Community Development:</u>										
Building Permits Issued - All	279	224	267	265	276	301	288	278	261	260
Building Permits Issued - New Construction	31	23	42	52	34	51	33	23	26	10
Building Permits - New Construction Value	18,083,602	8,772,390	17,393,845	46,514,196	16,360,283	30,598,832	15,872,036	10,799,900	12,114,321	4,718,500
Occupancy Permits Issued	32	59	39	44	72	71	51	28	22	34
Electrical Permits Issued	230	248	281	303	171	277	232	214	206	205
Sewer Permits Issued	44	8	81	47	26	16	44	19	25	6
<u>Public Works:</u>										
Roads Resurfaced (linear miles)	4.92	4.71	5.64	5.64	4.59	5.72	3.61	3.70	3.27	3.39
Sanitary Sewers Rehabilitated (linear miles)	1.06	0.28	0.28	0.53	0.94	0.80	0.16	0.31	0.39	2.16
Snow Storm / De-Icing Efforts	39	20	37	26	39	43	41	41	36	31
Storm Sewer Inlets and Manholes Rebuilt	97	84	84	77	65	117	85	73	87	64
Miles of Roadway Swept	3,147	3,480	2,491	2,994	2,108	3,289	1,502	1,486	1,337	1,800
Sidewalks Built (square feet)	0	1,490	0	0	0	0	3,800	0	7,240	7,500
Requests for Service	3,427	3,980	4,708	4,383	3,862	4,609	4,649	5,514	3,033	5,070
<u>Recreation:</u>										
Total Programs Offered	177	303	212	241	255	195	167	168	175	172
Total Program Attendees	1,211	4,228	3,463	3,175	3,339	3,482	3,252	3,167	3,335	3,193
C&RC Memberships at December 31	2,386	3,225	3,038	3,112	3,292	3,278	3,300	3,267	3,108	2,908
C&RC Individual Members at December 31	6,398	8,849	8,579	8,973	9,788	10,272	10,975	10,810	10,306	9,624
<u>Police:</u>										
Calls for Service	6,979	9,274	9,875	9,930	10,579	10,143	10,666	10,342	11,162	10,868
Total Arrests	93	90	202	211	230	149	159	189	102	78
Part I Offenses Reported (major offenses)	107	138	110	111	135	96	122	109	102	137
Part I Offenses Cleared Percentage	59%	75%	44%	43%	57%	36%	38%	36%	41%	24%
Part II Offenses Reported (other crimes)	104	120	124	137	140	138	156	249	179	172
Part II Offenses Cleared Percentage	61%	63%	68%	72%	65%	64%	67%	85%	54%	56%
DUI Arrests	14	25	18	18	19	14	16	15	22	14
Average Response Time (minutes)	5.5	5.0	3.7	3.9	3.5	3.8	2.6	1.9	2.8	2.9
<u>Fire:</u>										
Total Number of Emergency Calls	250	298	348	283	267	266	292	235	250	238
Structural Incidents	32	30	18	11	16	12	9	22	24	22
Average Response Time (minutes)	7:00	6:50	5:40	6:48	6:44	6:26	5:45	6:16	5:59	5:39
<u>Library:</u>										
Circulation	250,077	329,948	324,668	336,992	355,780	375,615	375,233	372,868	387,204	394,641
Circulation Per Capita	13.01	17.16	16.88	17.53	18.50	19.53	19.51	19.39	20.14	20.52
Visits	69,520	149,682	149,575	152,263	161,286	153,593	162,853	154,144	155,808	171,752
Visits Per Capita	3.62	7.78	7.78	7.92	8.39	7.99	8.47	8.02	8.10	8.93

Source: Upper St. Clair Township

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/program:	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>General Government:</u>										
Square footage occupied (1)	12,150	12,150	12,150	12,150	12,150	12,150	12,150	12,150	12,150	12,150
Staff vehicles	3	3	3	3	3	3	3	3	3	3
<u>Community Development:</u>										
Square footage occupied (1)	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950
Inspection vehicles	2	2	2	2	2	2	2	2	2	2
<u>Public Works:</u>										
Municipal street (street miles)	84	84	84	84	84	84	84	84	84	84
Number of traffic lighted intersections	12	12	11	11	11	11	11	11	11	11
Sanitary sewers (miles)	157	157	157	157	157	157	157	157	157	157
Storm sewers (miles)	50	50	50	50	50	50	50	50	50	50
Staff vehicles	4	4	4	4	4	4	4	4	4	3
Inspection vehicles	3	3	3	3	3	3	3	3	3	3
Utility trucks	14	14	14	14	16	17	18	18	18	18
Dump trucks	12	12	12	12	9	9	8	8	8	9
Public works building square footage	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500
<u>Recreation:</u>										
Staff vehicles	1	1	1	1	1	1	1	1	1	1
Number of parks	15	15	15	15	15	15	15	15	15	15
Acreage of park land and open space	747	747	747	747	747	747	747	747	747	747
Recreation centers	2	2	2	2	2	2	2	2	2	2
Recreation center square footage	96,500	96,500	96,500	96,500	96,500	96,500	96,500	96,500	96,500	96,500
Basketball courts	12	12	12	12	12	12	12	12	12	12
Tennis courts	10	10	10	10	10	10	10	10	10	10
Ball fields	12	12	12	12	12	12	12	12	12	12
<u>Public Safety:</u>										
Square footage occupied (1)	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230	8,230
Police vehicles	16	16	17	17	17	17	17	17	17	17
<u>Library:</u>										
Square footage occupied (1)	18,475	18,475	18,475	18,475	18,475	18,475	18,475	18,475	18,475	18,475

(1) Square footage occupied within the Township Municipal Building.

Sources: Upper St. Clair Township