

Township of Upper St. Clair, Pennsylvania

Annual Comprehensive Financial Report

Year Ended December 31, 2022



TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2022

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PREPARED BY THE FINANCE DEPARTMENT

Mark P. Romito, Director

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2022

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	6-9
Certificate of Achievement	10
Organizational Chart	11

FINANCIAL SECTION

Independent Auditors' Report	13-15
Management's Discussion and Analysis (Required Supplementary Information)	16-27
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	28
Statement of Activities	29
Fund Financial Statements:	
Balance Sheet – Governmental Funds	30
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	31
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Funds to the Statement of Activities	33
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	34
Statement of Net Position – Proprietary Funds	35
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	36
Statement of Cash Flows – Proprietary Funds	37
Combined Statement of Fiduciary Net Position – Pension Trust Funds	38
Combined Statement of Changes in Fiduciary Net Position – Pension Trust Funds	39
Notes to Financial Statements	40-85

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2022

TABLE OF CONTENTS

(Continued)

FINANCIAL SECTION (Continued)

Required Supplementary Information:

Schedule of Changes in the Township's Net Pension Liability (Asset) and Related Ratios – Police Pension Plan	87
Schedule of Changes in the Township's Net Pension Liability (Asset) and Related Ratios – Public Works Employees' Pension Plan	88
Schedules of Township's Contributions and Investment Returns	89
Notes to Required Supplementary Schedules – Pension Trust Funds	90-92
Schedule of Changes in the Township's Total OPEB Liability and Related Ratios	93
Notes to Required Supplementary Schedules – OPEB	94

Supplementary Information:

Combining and Individual Fund Financial Statements and Schedules:

Governmental Funds:

Description of Governmental Fund Types	97-98
Combining Balance Sheet – Other Governmental Funds	99
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Other Governmental Funds	100

Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:

Governmental Funds:

Capital Projects Fund	102
State Liquid Fuels Fund	103
Storm Sewer Improvement Fund	104
Field Improvement Fund	105
Regional Asset District Library Fund	106
Regional Asset District Boyce Mayview Fund	107
Debt Service Fund – General Obligation Bonds of 2016	108
Debt Service Fund – General Obligation Bonds of 2017, Series A	109
Debt Service Fund – General Obligation Bonds of 2017, Series B	110
Debt Service Fund – General Obligation Bonds of 2021	111
Debt Service Fund – General Obligation Bonds of 2022	112

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2022

TABLE OF CONTENTS

(Continued)

FINANCIAL SECTION (Continued)

Schedules of Revenues, Expenses and Changes in Net Position – Budget and Actual:	
Proprietary Funds:	
Sanitary Sewer Fund	114
Boyce Mayview Community & Recreation Center Fund	115
Township/School District Magazine Fund	116
Capital Assets Used in the Operation of Governmental Funds:	
Schedule of Capital Assets – By Source	118
Schedule of Changes in Capital Assets – By Source	119
Schedule of Capital Assets – By Function and Activity	120
Schedule of Changes in Capital Assets – By Function and Activity	121

STATISTICAL SECTION

Net Position by Component – Last Ten Years	124
Changes in Net Position – Last Ten Years	125-126
Fund Balances, Governmental Funds – Last Ten Years	127
Changes in Fund Balances, Governmental Funds – Last Ten Years	128
Program Revenues by Function/Program – Last Ten Years	129
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years	130
Assessed Valuation and Estimated Actual Values of Taxable Property – Last Ten Years	131
Principal Real Estate Taxpayers – Current Year and Nine Years Ago	132
Property Tax Levies and Collections – Last Ten Years	133
Municipal Earned Income Tax Collection Statistics – Last Ten Years	134
Municipal Earned Income Tax Revenue Base Statistics – Last Seven Years	135
Ratios of Outstanding Debt by Type – Last Ten Years	136
Legal Debt Margin Information – Last Ten Years	137
Computation of Direct and Overlapping Debt	138
Demographic and Economic Statistics – Last Ten Years	139
Principal Employers – Current Year and Nine Years Ago	140
Full-time Equivalent Municipal Employees by Function/Program	141
Operating Indicators by Function/Program	142
Capital Asset Statistics by Function/Program	143

June 20, 2023

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, 2022, 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, 2022 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, 2022 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of 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 20,794 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 under the supervision of the Township's Department of Fire Protection 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 medical 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 also does not include the Upper St. Clair School District, which is an independent organization.

The Township's annual budget serves as a foundation for carrying out its goals through financial planning and control. The Township Manager is required to present a proposed budget to the Board of Commissioners and 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 is 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 for proprietary funds with appropriated annual budgets, budget-to-actual comparisons can be found on pages 102-116.

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 (2013-2022), the year-end unemployment rate of Allegheny County has fluctuated with a low of 3.6% in 2021 and a high of 7.9% in 2020. At the end of 2022, the County's unemployment rate remained at a stable 3.7% indicating sustained recovery from the high rate experienced in 2020 resulting from the external responses to the spread of COVID-19 during that year.

Despite the higher unemployment rate in 2020, the Township's earned income tax base stayed nearly even with 2019. By the end of 2021, the earned income base had double-digit percentage growth over both 2020 and 2019 and continued that growth through 2022. That sustained strength has helped the Township's economic outlook to remain positive moving into 2023.

LONG-TERM FINANCIAL PLANNING

Unassigned fund balance in the General Fund (23.5 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 nearly \$17.3 million at the end of 2022, 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. Two state-mandated temporary closures of recreation facilities during 2021 challenged the C&RC's financial performance and introduced short- and long-term uncertainty for the C&RC Fund. Those closures resulted in a significant decrease in the membership base of over 30 percent. But recovery of the membership base throughout the next two years resulted in the monthly operating revenue exceeding the pre-2020 highs by the end of 2022, reaffirming the C&RC's importance to the community.

Another major area of long-term focus for the Township continues to be the costs associated with sanitary sewer regulatory compliance. The Township and many other municipalities in the region entered into a Phase II Consent Order and Agreement (COA) in 2022 with the Allegheny County Health Department related to stormwater inflow in municipal sanitary sewer systems. The agreement establishes responsibilities and target dates through 2026. The Township is also evaluating proposals for future sanitary sewer regionalization initiatives including the potential of transferring some assets. Although there remains uncertainty with respect to future requirements, the potential costs related to the COA and regionalization efforts are expected to be significant. As such, the Township will likely need to adjust the sewer rates in a future year as the timing and scope of construction deem necessary.

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 continues to study, engineer, and construct solutions to the issue, but the full cost burden remains unknown. It is possible that new funding mechanisms may have to be considered in the future to cover the continued costs of compliance with the unfunded federal mandate.

Finally, working through economic uncertainty has become necessary in recent years. This environment has not been isolated to Upper St. Clair, but that reality does not minimize the pressure faced by Staff to continue delivering high-quality services while adhering to tight budgetary controls. Whether the pressure has come from the employment market or the commodities market, Staff has navigated the challenges successfully, always being mindful of the goal to ensure long-term, sustainable service delivery and operations.

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 2022. The Township believes its internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

In early 2022, the Township took advantage of market rates to issue a 2022 General Obligation Bond series for the purpose of refunding an outstanding series of bonds from 2017. The bond refunding resulted in a savings of over \$300,000, which is being applied to future debt service payments. In conjunction with the bond refunding, S&P Global Ratings once again assigned the Township a long-term rating of AA+, the second-highest rating available. S&P's report says that the Township's high rating in part "reflects prudent management practices that maintain tight budgetary controls, coupled with economic growth that has supported its stable and predictable revenue profile."

After breaking ground in late-2021, construction continued through 2022 on the NextGen Municipal Building renovation project. Despite contractor challenges which delayed the project's original schedule, progress was made during the year included moving the Department of Planning & Community Development to its new location on the main floor of the building and opening the new children's library area on the building's second floor. Anticipated project completion in 2023 will result in moving the Police Department into a mix of newly renovated and newly constructed space and completing the Library upgrades.

Also in 2022, the Township approved a master plan for the Morton Fields Complex. The master plan was developed through a comprehensive study that gathered user input through a survey and numerous public meetings. Engineering commenced after the plan's April adoption resulting in multiple design options that would accomplish the goals of the master plan. It is anticipated that the final design will be placed out for bid in 2023.

The Township and USC Volunteer Fire Department completed a strategic planning study that kicked off in late-2020 designed to ensure the highest quality of fire service delivery be provided to Township residents. The study was performed by an external consultant who conducted interviews with VFD officers and members, Township-appointed and elected officials, and other stakeholders in the community. The report, which was formally adopted by the Board of Commissioners in October 2022, includes 11 recommendations to provide a stronger, more resilient model for volunteer fire service delivery for the Township.

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, 2022. It was the thirty-fourth (34th) consecutive year that the Township received this prestigious award. 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 also 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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Township of Upper St. Clair
Pennsylvania**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

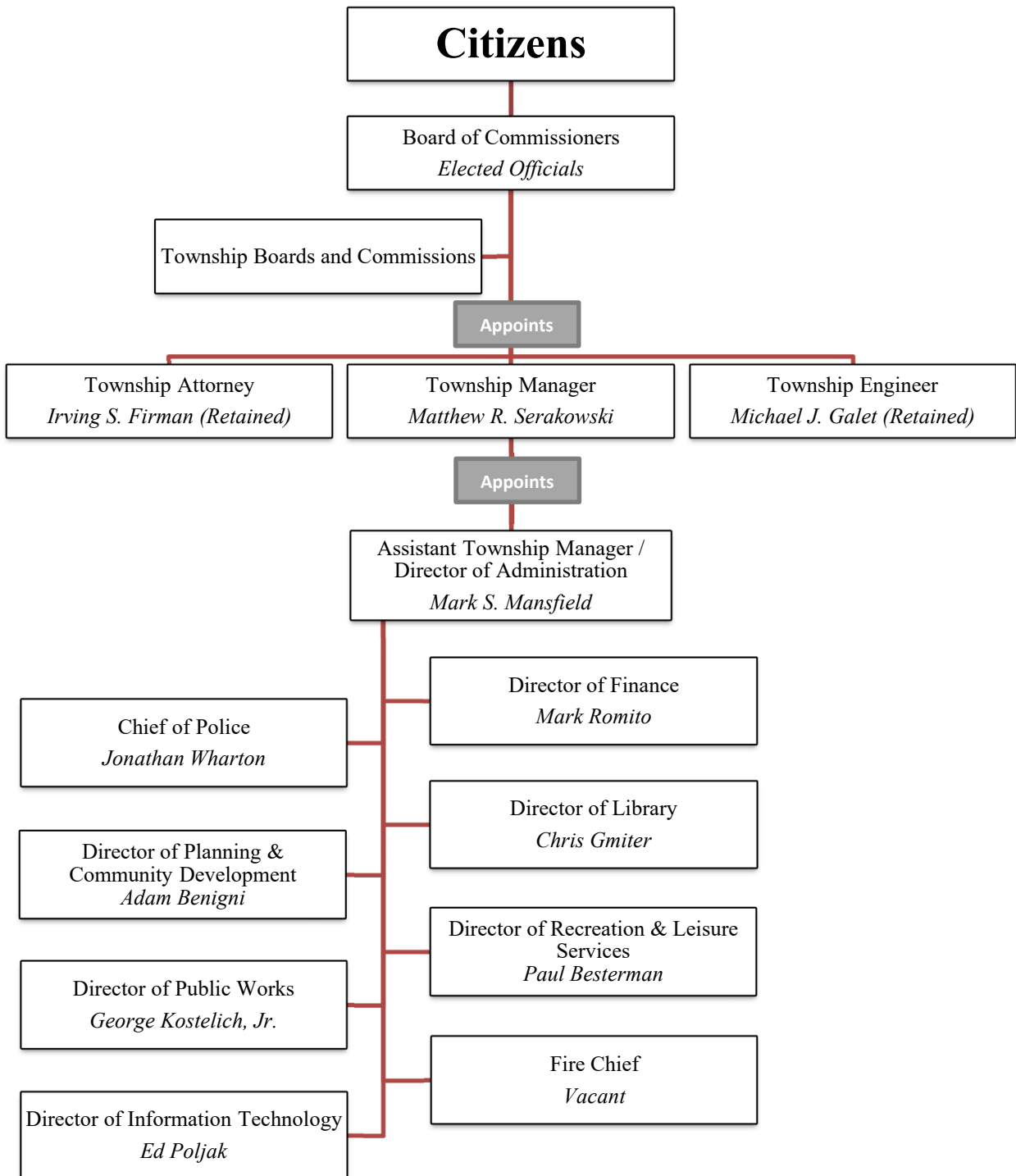
Christopher P. Morill

Executive Director/CEO

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

ORGANIZATIONAL CHART

YEAR ENDED DECEMBER 31, 2022



FINANCIAL SECTION

Independent Auditor's Report

**Board of Commissioners
Township of Upper St. Clair, Pennsylvania**

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required

supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information listed in the table of contents. The other information listed in the table of contents does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Maher Duessel

Pittsburgh, Pennsylvania
June 20, 2023

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2022

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, 2022. 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, 2022, the Township’s net position was \$64,305,505, an increase of \$6,685,830 or 11.6% from 2021. This reflects continued strong budgetary performance and revenue growth in the General Fund, Sanitary Sewer Fund, and the Community & Recreation Center (C&RC) Fund.
- The unrestricted net position was \$46,320,036 at December 31, 2022, an increase of \$14,458,416 or 45.4% from the prior year. This was driven mostly by the governmental activities portion which increased by \$12,709,782, reflecting strong Governmental Funds revenue performance, minimal expenditure growth, and a reduction in the pension-related deferred inflows. Business-type activities increased by \$1,748,634, which is in line with the average change over the prior five years. This reflects a surplus in the Sanitary Sewer Fund and a return to positive performance in the Boyce Mayview Community & Recreation Center (C&RC) Fund after two negative years, demonstrating its post-COVID era recovery.
- At December 31, 2022, the Township had \$53,475,000 of general obligation debt outstanding. This reduction of \$2,340,000 reflects scheduled debt service payments during the year as well as a current refunding of the 2017-A series of bonds. The outstanding debt amount equates to a per capita debt amount of \$2,696, a 2.1% reduction from 2021.
- 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 2022, the 13th straight year without an increase.
- The total fund balance of the Township’s General Fund at December 31, 2022 was \$7,092,199, an increase of \$451,688, or 6.8% from the prior year. The unassigned fund balance in the General Fund at December 31, 2022 was \$6,805,183, which represents 40.6% of the General Fund’s current expenditures for fiscal year 2022, and 23.5% of the General Fund’s revenues.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

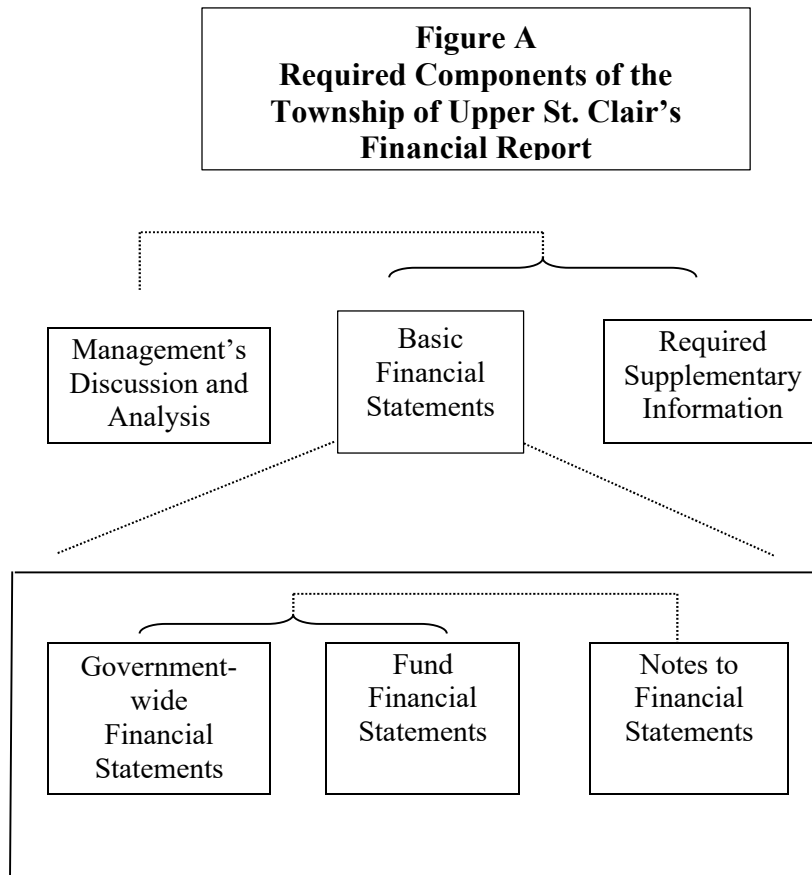
MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2022

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, 2022

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 2022?" 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 provide a detailed short-term view of the Township's operations and the services it provides.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2022

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 95 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 116.

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 \$64,305,505 and \$57,619,675 at December 31, 2022 and 2021, respectively. The largest portion of the Township's net position (72.0%) is the *unrestricted* net position. The Township may use these unrestricted funds to meet its debt requirements related to capital assets or other ongoing obligations to citizens and creditors.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2022

Table 1
December 31
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
ASSETS						
Current and other assets	\$ 37,648,079	\$ 42,706,715	\$ 20,505,909	\$ 18,749,498	\$ 58,153,988	\$ 61,456,213
Capital assets	37,090,370	33,186,040	29,867,913	31,323,970	66,958,283	64,510,010
TOTAL ASSETS	74,738,449	75,892,755	50,373,822	50,073,468	125,112,271	125,966,223
DEFERRED OUTFLOWS OF RESOURCES	5,016,223	1,362,317	889,964	1,094,859	5,906,187	2,457,176
LIABILITIES						
Current and other liabilities	2,124,788	2,828,984	1,340,801	1,333,024	3,465,589	4,162,008
Long-term liabilities:						
Due within one year	967,760	949,068	1,257,240	1,240,932	2,225,000	2,190,000
Due in more than one year	32,040,772	30,323,421	28,596,303	29,842,424	60,637,075	60,165,845
TOTAL LIABILITIES	35,133,320	34,101,473	31,194,344	32,416,380	66,327,664	66,517,853
DEFERRED INFLOWS OF RESOURCES	385,289	4,285,871	-	-	385,289	4,285,871
NET POSITION						
Net investment in capital assets	16,896,831	18,685,195	904,334	1,335,473	17,801,165	20,020,668
Restricted	184,304	5,737,387	-	-	184,304	5,737,387
Unrestricted	27,154,928	14,445,146	19,165,108	17,416,474	46,320,036	31,861,620
TOTAL NET POSITION	\$44,236,063	\$38,867,728	\$20,069,442	\$18,751,947	\$64,305,505	\$57,619,675

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 (\$46,320,036) 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 \$1,702,321 and \$1,617,535 for 2022 and 2021, respectively, governmental revenues for 2022 totaled \$32,352,683 compared to \$26,812,911 in 2021, an increase of \$5,539,772, or 20.7%. This was driven by growth in tax collection and other revenue including recognition of roughly \$2 million in State and Local Fiscal Recovery Funds received through the American Rescue Plan Act. Total governmental expenditures for 2022 were \$25,282,027 compared to \$21,127,673 in 2021, an increase of \$4,154,354, or 19.7%. Grant expenditures contributed to this increase, most notably the Municipal Building renovation project. Governmental revenues exceeded governmental expenses by \$5,368,335, a result that is similar to last year's \$5,685,238. The business-type funds reported a reduction in net position before transfers with expenses exceeding revenues by \$384,826 for 2022. However, that result is an improvement over the prior two years and reflects the continued recovery of the C&RC Fund's membership base during the year. The results of this year's

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2022

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, 2022

	2022	2021
Earned income taxes, levied for general purposes	\$ 11,215,311	\$ 10,312,728
Property taxes, levied for general purposes	9,194,453	8,897,845
Real estate transfer tax	1,834,524	2,239,713
Local services taxes	344,809	310,930

Earned income tax revenue continued its growth in 2022, increasing \$902,583 or 8.8% over 2021 due to wage growth. Real estate transfer tax experienced a decline of \$405,189 or 18.1%, but that is more a result of seeing record performance in 2021; the performance in 2022 was still the fourth highest in over a decade. The 10.9% increase in local services tax revenue directly correlates to growth in employment numbers within the Township during the year.

The 2022 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 on the following page summarizes total revenues for the current year, with comparative data from 2021.

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TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2022

Table 3
Years Ended December 31
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 1,387,344	\$ 1,139,953	\$ 12,317,198	\$ 11,182,125	\$ 13,704,542	\$ 12,322,078
Operating grants and contributions	4,872,488	2,576,179	-	-	4,872,488	2,576,179
Capital grants and contributions	1,887,917	294,984	-	-	1,887,917	294,984
General revenues:						
Property taxes	9,194,453	8,897,845	-	-	9,194,453	8,897,845
Earned income taxes	11,215,311	10,312,728	-	-	11,215,311	10,312,728
Local services taxes	344,809	310,930	-	-	344,809	310,930
Real estate transfer tax	1,834,524	2,239,713	-	-	1,834,524	2,239,713
Franchise fees	424,454	431,600	-	-	424,454	431,600
Unrestricted investment earnings	407,202	76,826	237,073	53,524	644,275	130,350
Miscellaneous	784,181	532,153	-	-	784,181	532,153
Total revenues	32,352,683	26,812,911	12,554,271	11,235,649	44,906,954	38,048,560
Expenses:						
General government	3,779,981	2,861,014	-	-	3,779,981	2,861,014
Public safety	7,171,705	5,179,344	-	-	7,171,705	5,179,344
Public works	9,488,342	8,999,437	-	-	9,488,342	8,999,437
Community Development	733,919	682,704	-	-	733,919	682,704
Recreation and leisure services	2,221,956	1,597,214	-	-	2,221,956	1,597,214
Library services	977,876	965,601	-	-	977,876	965,601
Interest on long-term debt	908,248	842,359	-	-	908,248	842,359
Sanitary sewer	-	-	7,609,840	7,194,988	7,609,840	7,194,988
Community and recreation center	-	-	5,175,135	4,451,750	5,175,135	4,451,750
Magazine	-	-	154,122	144,850	154,122	144,850
Total expenses	25,282,027	21,127,673	12,939,097	11,791,588	38,221,124	32,919,261
Change in Net Position Before Transfers	7,070,656	5,685,238	(384,826)	(555,939)	6,685,830	5,129,299
Transfers	(1,702,321)	(1,617,535)	1,702,321	1,617,535	-	-
Change in Net Position	5,368,335	4,067,703	1,317,495	1,061,596	6,685,830	5,129,299
Net position - beginning	38,867,728	34,800,025	18,751,947	17,690,351	57,619,675	52,490,376
Net position - ending	\$ 44,236,063	\$ 38,867,728	\$ 20,069,442	\$ 18,751,947	\$ 64,305,505	\$ 57,619,675

Program revenues within governmental activities increased by \$4,136,633 in 2022. This is a result of one-time grants having been received in 2022 for various capital projects that were not received in 2021. Business-type activities saw total program revenues increase by \$1,135,073 in 2022. That change primarily reflects the recovery of C&RC revenues, which grew by \$932,418, or 33.9%. Sanitary sewer revenues increased by \$208,973, or 2.5%. Magazine revenues dropped by \$6,318, or 4.1%.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2022

Within general revenues, the most notable changes from the prior year were an increase in earned income tax revenue (\$902,583, or 8.8%) and a decrease in real estate transfer tax revenue (\$405,189, or 18.1%). The former is a result of wage growth, while the latter is due to the record performance in 2021. Despite the comparison to 2021, the performance of real estate transfer tax in 2022 was still strong, finishing as the fourth highest in over a decade.

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	\$ 3,779,981	\$ 760,552
Public safety	7,171,705	4,441,599
Public works	9,488,342	8,409,124
Community development	733,919	733,919
Recreation and leisure services	2,221,956	1,214,628
Library services	977,876	666,208
Interest on long-term debt	908,248	908,248
Total expenses	<u>\$ 25,282,027</u>	<u>\$ 17,134,278</u>
Total required from local taxes and other insurance		<u>\$ 17,134,278</u>

Table 4 illustrates the dependence upon local tax revenues for governmental activities. In 2022, the Township had expenses for governmental activities of \$25.3 million, of which \$8.1 million was supported by program-specific charges, grants, and contributions. As a result, an additional \$17.1 million of support was covered by local taxes and miscellaneous revenues. In other words, approximately 68% of all government activities were supported through taxes and miscellaneous revenues in 2022. This is a decrease from the 81% amount last year, due largely to the receipt of grant revenue in 2022, which means this percentage will likely increase again next year. The community as a whole remains the primary support for the Township's services.

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 \$8.49 million and expenses of \$7.61 million. Sanitary Sewer user fees are collected monthly, providing the revenues

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2022

needed to cover expenses. Net position in this fund increased \$1,006,050 in 2022. The Township/School District Magazine operations had program revenues nearly equal to its expenses. Print advertisements provide the majority of the revenue needed to cover this operation's expense. Net position in this fund decreased by \$5,366 in 2022. The C&RC had program revenues of \$3.69 million and expenses of \$5.18 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 increased \$316,811 in 2022, the first increase since 2019.

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 Balances-Governmental Funds on page 32 is summarized in Table 5.

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

	<u>General Fund</u>	<u>Capital Projects Fund Regular</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Beginning Fund Balance	\$ 6,640,511	\$ 24,373,461	\$ 2,271,374	\$ 33,285,346
Net Change in Fund Balance	<u>451,688</u>	<u>(1,076,206)</u>	<u>1,661,980</u>	<u>1,037,462</u>
Ending Fund Balance	<u>\$ 7,092,199</u>	<u>\$ 23,297,255</u>	<u>\$ 3,933,354</u>	<u>\$ 34,322,808</u>

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 2022 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.

For the General Fund, revenues were above budget expectations by \$5,095,510. This positive result reflects continued growth of Earned Income Tax, which exceeded expectations by \$1,014,248. All other taxes combined to finish \$790,212 above the budgeted amount. Grants and other revenue contributed to the remaining \$3,291,050 variance, which included recognition of roughly \$2 million in State and Local Fiscal Recovery Funds received through the American Rescue Plan Act. Expenditures were kept \$816,171 under

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2022

budget with nearly all program areas completing the year under budget due to controlled spending. These factors allowed for a fund balance increase of \$451,688.

The change in fund balance for the Capital Projects Fund was due to the planned use of 2021 bond proceeds that were restricted for the NextGen renovation project which will continue through 2023. Of the \$23,297,255 fund balance in the Capital Projects Fund, \$6,022,025 are 2021 bond proceeds restricted for specific projects with the remaining \$17,275,230 available for other uses.

The most notable fund balance changes within the Other Governmental Funds were in the Storm Sewer Improvement Fund and the Boyce Mayview RAD Fund, both of which were due to transfer from other Township funds (\$750,000 and \$1,900,000, respectively) which exceeded each fund's expenditures for the year. The fund balance will be spent for fund-specific projects in future years.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets (See Note 5)

At December 31, 2022, the Township's Governmental Activities had \$37,090,370 invested in a broad range of capital assets including land, infrastructure, buildings, site improvements, and equipment. This represents a net increase (including additions, deletions and depreciation) of \$3,904,330 or 11.8% from last year. Growth in the Buildings (\$4,443,924) was the main factor, resulting from the NextGen renovation project.

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

	Governmental Activities		Business-Type Activities	
	2022	2021	2022	2021
Land	\$ 2,617,784	\$ 2,617,784	\$ -	\$ -
Infrastructure	14,175,248	14,738,909	17,177,767	17,825,985
Buildings	13,748,250	9,304,326	10,442,753	11,059,734
Improvements other than buildings	3,247,817	2,938,332	-	-
Equipment	3,282,571	3,558,308	2,247,393	2,438,251
Library assets	18,700	28,381	-	-
	<u>\$ 37,090,370</u>	<u>\$ 33,186,040</u>	<u>\$ 29,867,913</u>	<u>\$ 31,323,970</u>

The Township's Business-type Activities had \$29,867,913 in capital assets as of December 31, 2022, covering infrastructure, buildings, and equipment. This is primarily due to growth in depreciation totaling \$31,582,960, of which \$20,440,295 is sanitary sewer infrastructure. Detail of capital asset activity for 2022

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2022

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 117 through 121.

Debt Administration

The Township had total outstanding bond principal of \$53.48 million and \$55.82 million as of December 31, 2022 and 2021, respectively. The principal payments made on outstanding bonds in 2022 totaled \$984,068 for governmental activity debt and \$1,355,932 for business-type activity debt. The Township completed a current refunding of the 2017 Series A bonds by issuing a \$7,620,000 general obligation bond issue in 2022. 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	
	2022	2021	2022	2021
Series of 2016 - Bonds	\$ 3,438,456	\$ 3,562,524	\$ 21,881,544	\$ 22,672,476
Series A of 2017 - Bonds	-	4,425,000	-	4,240,000
Series B of 2017 - Bonds	4,825,000	5,045,000	3,410,000	3,535,000
Series of 2021 - Bonds	12,330,000	12,335,000	-	-
Series of 2022 - Bonds	3,790,000	-	3,800,000	-
	<u>\$ 24,383,456</u>	<u>\$ 25,367,524</u>	<u>\$ 29,091,544</u>	<u>\$ 30,447,476</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The revenue budget for 2023 is \$2,754,996, or 5.5% higher than the final 2022 budget. Local revenues are expected to increase 5.1% from 2022, a change that is driven primarily by continued growth in earned income tax along with higher interest earnings and strong recreation revenue. State revenues are expected to be 7.5% higher than the 2022 budget due mostly to an increase in the unit value used for calculating pension state aid. The fund reserve supporting the 2023 budget is largely the planned use of remaining bond proceeds for the NextGen renovation project which began in 2021 and is to be completed in 2023. The overall change in budgeted expenses is 5.5%. The largest program area changes are primarily due to capital project costs including adding \$800,000 for a new fire truck (Public Safety), adding \$2,000,000 to begin work on a major park renovation project (Recreation), and reflecting a \$3,000,000 decrease from 2022 for the final portions of the NextGen renovation project (General Government). 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, 2022

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

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

	2023	2022
Revenues:		
Local	\$ 38,490,826	\$ 36,611,362
State	1,526,664	1,419,842
Fund reserve	12,567,989	11,799,279
Total	<u>\$ 52,585,479</u>	<u>\$ 49,830,483</u>
Expenses:		
General government	\$ 7,236,796	\$ 9,911,393
Public safety	7,924,581	6,646,933
Community development	933,060	841,359
Public works	21,003,471	19,379,008
Recreation and leisure services	11,160,439	8,641,138
Library services	1,122,365	1,068,394
Debt service/fund transfers/reserve	3,204,767	3,342,258
Total	<u>\$ 52,585,479</u>	<u>\$ 49,830,483</u>

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, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 25,245,731	\$ 17,535,806	\$ 42,781,537
Investments	7,998,818	1,999,281	9,998,099
Tax receivables	3,335,828	-	3,335,828
Other receivables	703,395	1,048,113	1,751,508
Internal balances	77,291	(77,291)	-
Prepaid assets	287,016	-	287,016
Capital assets, not being depreciated	2,617,784	-	2,617,784
Capital assets, net of accumulated depreciation	20,297,338	19,425,160	39,722,498
Infrastructure assets, net of accumulated depreciation	14,175,248	10,442,753	24,618,001
Total Assets	74,738,449	50,373,822	125,112,271
Deferred Outflows of Resources			
Deferred charges on bond refundings	-	889,964	889,964
Pension related	4,448,599	-	4,448,599
Other postemployment benefits related	567,624	-	567,624
Total Deferred Outflows of Resources	5,016,223	889,964	5,906,187
Liabilities			
Accounts payable	1,044,763	1,315,098	2,359,861
Accrued wages payable	514,651	-	514,651
Unearned revenue	-	25,703	25,703
Refundable deposits	565,374	-	565,374
Noncurrent liabilities:			
Bonds payable, due within one year	967,760	1,257,240	2,225,000
Other postemployment benefits liability	4,194,423	-	4,194,423
Net pension liability	2,598,545	-	2,598,545
Bonds payable, due beyond one year, net	25,247,804	28,596,303	53,844,107
Total noncurrent liabilities	33,008,532	29,853,543	62,862,075
Total Liabilities	35,133,320	31,194,344	66,327,664
Deferred Inflows of Resources			
Pension related	385,289	-	385,289
Net Position			
Net investment in capital assets	16,896,831	904,334	17,801,165
Restricted for:			
State Liquid Fuels expenses	79,593	-	79,593
Library expenses and service	104,711	-	104,711
Unrestricted	27,154,928	19,165,108	46,320,036
Total Net Position	\$ 44,236,063	\$ 20,069,442	\$ 64,305,505

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, 2022

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	\$ 3,779,981	\$ 240,855	\$ 1,015,657	\$ 1,762,917	\$ (760,552)	\$ -	\$ (760,552)
Public safety	7,171,705	199,666	2,530,440	-	(4,441,599)	-	(4,441,599)
Public works	9,488,342	286,676	792,542	-	(8,409,124)	-	(8,409,124)
Community development	733,919	-	-	-	(733,919)	-	(733,919)
Recreation and leisure services	2,221,956	642,328	240,000	125,000	(1,214,628)	-	(1,214,628)
Library services	977,876	17,819	293,849	-	(666,208)	-	(666,208)
Interest on long-term debt	908,248	-	-	-	(908,248)	-	(908,248)
Total governmental activities	25,282,027	1,387,344	4,872,488	1,887,917	(17,134,278)	-	(17,134,278)
Business-type activities:							
Sanitary sewer	7,609,840	8,521,564	-	(36,447)	-	875,277	875,277
Community & recreation center	5,175,135	3,683,325	-	-	-	(1,491,810)	(1,491,810)
Magazine	154,122	148,756	-	-	-	(5,366)	(5,366)
Total business-type activities	12,939,097	12,353,645	-	(36,447)	-	(621,899)	(621,899)
Total primary government	\$ 38,221,124	\$ 13,740,989	\$ 4,872,488	\$ 1,851,470	(17,134,278)	(621,899)	(17,756,177)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					9,194,453	-	9,194,453
Earned income taxes, levied for general purposes					11,215,311	-	11,215,311
Local services tax					344,809	-	344,809
Real estate transfer taxes					1,834,524	-	1,834,524
Franchise fees (5% of gross cable receipts)					424,454	-	424,454
Unrestricted investment earnings					407,202	237,073	644,275
Miscellaneous					784,181	-	784,181
Transfers					(1,702,321)	1,702,321	-
Total general revenues and transfers					22,502,613	1,939,394	24,442,007
Change in Net Position					5,368,335	1,317,495	6,685,830
Net position - beginning					38,867,728	18,751,947	57,619,675
Net position - ending					<u>\$ 44,236,063</u>	<u>\$ 20,069,442</u>	<u>\$ 64,305,505</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, 2022

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 12,547,171	\$ 12,146,051	\$ 552,509	\$ 25,245,731
Investments	4,999,707	2,999,111	-	7,998,818
Real estate taxes receivable	448,089	-	-	448,089
Earned income taxes receivable	2,887,739	-	-	2,887,739
Due from other funds	177,438	8,451,184	3,649,110	12,277,732
Other receivables	672,330	-	31,065	703,395
Prepaid assets	287,016	-	-	287,016
Total Assets	\$ 22,019,490	\$ 23,596,346	\$ 4,232,684	\$ 49,848,520
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts payable	\$ 452,342	\$ 293,091	\$ 299,330	\$ 1,044,763
Due to other funds	12,200,441	-	-	12,200,441
Accrued wages payable	514,651	-	-	514,651
Refundable deposits	559,374	6,000	-	565,374
Total Liabilities	13,726,808	299,091	299,330	14,325,229
Deferred Inflows of Resources:				
Unavailable revenue - taxes	1,200,483	-	-	1,200,483
Fund Balance:				
Nonspendable	287,016	-	-	287,016
Restricted:				
Capital projects	-	6,022,025	-	6,022,025
State Liquid Fuels	-	-	79,593	79,593
Library services	-	-	104,711	104,711
Committed:				
Storm Sewer improvements	-	-	1,291,373	1,291,373
Field improvements	-	-	578,649	578,649
Infrastructure projects	-	-	462,016	462,016
Assigned:				
Capital projects	-	17,275,230	-	17,275,230
Boyce Mayview Park projects	-	-	1,417,012	1,417,012
Unassigned	6,805,183	-	-	6,805,183
Total Fund Balance	7,092,199	23,297,255	3,933,354	34,322,808
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 22,019,490	\$ 23,596,346	\$ 4,232,684	\$ 49,848,520

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, 2022

Total Fund Balance - Governmental Funds		\$	34,322,808
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.			37,090,370
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.			1,200,483
Deferred outflows/inflows of resources for pension and other postemployment benefits are recorded and amortized in the statement of net position. Additionally, deferred outflows/inflows of resources for pension and other postemployment benefits are not recorded on the fund financial statements.			4,630,934
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 payable, net of premiums	\$	(26,215,564)
	Other postemployment benefits liability		(4,194,423)
	Net pension liability		(2,598,545)
			<u>(33,008,532)</u>
Total Net Position - Governmental Activities		\$	<u><u>44,236,063</u></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, 2022

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Real estate taxes	\$ 9,200,879	\$ -	\$ -	\$ 9,200,879
Earned income taxes	10,994,248	-	-	10,994,248
Other taxes	2,179,333	-	-	2,179,333
Licenses and permits	205,513	-	-	205,513
Fees and fines	499,239	-	-	499,239
Rents	2,952	-	-	2,952
Interest	204,065	197,966	5,171	407,202
Service agreements	298,593	-	-	298,593
Other revenue and grants	4,743,788	1,767,417	1,222,719	7,733,924
Recreation fees	585,098	-	31,065	616,163
Total revenues	28,913,708	1,965,383	1,258,955	32,138,046
Expenditures:				
Current:				
General government	2,377,294	49,895	1,250	2,428,439
Community development	729,279	-	-	729,279
Public safety	6,098,772	44,699	-	6,143,471
Public works	6,204,186	45,843	899,489	7,149,518
Recreation and leisure services	603,738	38,674	1,169,466	1,811,878
Library services	750,682	-	206,770	957,452
Total current	16,763,951	179,111	2,276,975	19,220,037
Capital outlay:				
General government	-	5,943,725	-	5,943,725
Public safety	-	178,712	-	178,712
Public works	-	2,021,014	-	2,021,014
Recreation and leisure services	-	200,781	-	200,781
Total capital outlay	-	8,344,232	-	8,344,232
Debt service:				
Principal retirement	-	-	904,695	904,695
Interest	-	-	929,298	929,298
Bond issuance costs	-	-	96,173	96,173
Total debt service	-	-	1,930,166	1,930,166
Total expenditures	16,763,951	8,523,343	4,207,141	29,494,435
Excess (Deficiency) of Revenues over Expenditures	12,149,757	(6,557,960)	(2,948,186)	2,643,611
Other Financing Sources (Uses):				
Interfund transfers in	-	6,261,754	4,513,994	10,775,748
Interfund transfers out	(11,698,069)	(780,000)	-	(12,478,069)
Issuance of bonds	-	-	3,810,000	3,810,000
Premium on bonds issued	-	-	175,545	175,545
Payment to refunded bond escrow agent	-	-	(3,889,373)	(3,889,373)
Total other financing sources (uses)	(11,698,069)	5,481,754	4,610,166	(1,606,149)
Net Change in Fund Balance	451,688	(1,076,206)	1,661,980	1,037,462
Fund balance - beginning	6,640,511	24,373,461	2,271,374	33,285,346
Fund balance - ending	<u>\$ 7,092,199</u>	<u>\$ 23,297,255</u>	<u>\$ 3,933,354</u>	<u>\$ 34,322,808</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, 2022

Net Change in Fund Balance - Governmental Funds \$ 1,037,462

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	\$	5,762,009	
Less: depreciation expense		<u>(1,857,679)</u>	3,904,330

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 increased by this amount during the year.

214,637

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

(158,638)

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

(555,202)

Debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net position.

(3,810,000)

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. Also, governmental funds report the effect of premiums when debt is first issued, whereas this amount is deferred and amortized in the statement of activities.

4,735,746

Change in Net Position - Governmental Activities

\$ 5,368,335

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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
Revenues:				
Real estate taxes	\$ 8,772,500	\$ 8,772,500	\$ 9,200,879	\$ 428,379
Earned income taxes	9,980,000	9,980,000	10,994,248	1,014,248
Other taxes	1,817,500	1,817,500	2,179,333	361,833
Licenses and permits	147,450	147,450	205,513	58,063
Fees and fines	462,500	462,500	499,239	36,739
Rents	2,950	2,950	2,952	2
Interest	12,000	12,000	204,065	192,065
Service agreements	287,280	287,280	298,593	11,313
Other revenue and grants	1,965,418	1,965,418	4,743,788	2,778,370
Recreation fees	370,600	370,600	585,098	214,498
Total revenues	23,818,198	23,818,198	28,913,708	5,095,510
Expenditures:				
General government	2,359,493	2,359,493	2,377,294	(17,801)
Community development	826,359	826,359	729,279	97,080
Public safety	6,268,933	6,268,933	6,098,772	170,161
Public works	6,637,711	6,637,711	6,204,186	433,525
Recreation and leisure services	622,482	622,482	603,738	18,744
Library services	865,144	865,144	750,682	114,462
Total expenditures	17,580,122	17,580,122	16,763,951	816,171
Excess (Deficiency) of Revenues over Expenditures	6,238,076	6,238,076	12,149,757	5,911,681
Other Financing Sources (Uses):				
Interfund transfers out	(6,238,076)	(6,238,076)	(11,698,069)	(5,459,993)
Net Change in Fund Balance	\$ -	\$ -	\$ 451,688	\$ 451,688

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, 2022

	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	\$ 11,717,363	\$ 5,818,443	\$ -	\$ 17,535,806
Investments	-	1,999,281		1,999,281
Accounts receivable	955,183	87,475	5,455	1,048,113
Due from other funds	14,035	-	161,641	175,676
Total current assets	12,686,581	7,905,199	167,096	20,758,876
Capital assets:				
Sewer lines, net of accumulated depreciation	10,442,753	-	-	10,442,753
Buildings and improvements, net of accumulated depreciation	-	17,177,767	-	17,177,767
Machinery and equipment, net of accumulated depreciation	1,400,186	847,207	-	2,247,393
Total capital assets	11,842,939	18,024,974	-	29,867,913
Total Assets	24,529,520	25,930,173	167,096	50,626,789
Deferred Outflows of Resources				
Deferred charge on bond refundings	344,724	545,240	-	889,964
Liabilities				
Current liabilities:				
Accounts payable	1,214,477	96,195	4,426	1,315,098
Unearned revenues	-	25,093	610	25,703
Due to other funds	-	252,967	-	252,967
Current portion - bonds payable	665,666	591,574	-	1,257,240
Total current liabilities	1,880,143	965,829	5,036	2,851,008
Noncurrent liabilities:				
Bonds payable	12,827,382	15,768,921	-	28,596,303
Total Liabilities	14,707,525	16,734,750	5,036	31,447,311
Net Position				
Net investment in capital assets	(1,305,385)	2,209,719	-	904,334
Unrestricted	11,472,104	7,530,944	162,060	19,165,108
Total Net Position	\$ 10,166,719	\$ 9,740,663	\$ 162,060	\$ 20,069,442

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, 2022

	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	\$ 8,521,564	\$ 3,683,325	\$ 148,756	\$ 12,353,645
Operating Expenses:				
Sewage treatment charges	4,945,969	-	-	4,945,969
Personnel services	283,495	2,271,221	50,186	2,604,902
Contractual services	1,110,355	1,164,902	102,421	2,377,678
Materials and supplies	12,654	276,464	1,515	290,633
Depreciation	720,026	841,897	-	1,561,923
Total operating expenses	7,072,499	4,554,484	154,122	11,781,105
Operating Income (Loss)	1,449,065	(871,159)	(5,366)	572,540
Nonoperating Revenues (Expenses):				
Interest income	130,773	106,300	-	237,073
Interest expense	(537,341)	(620,651)	-	(1,157,992)
Bond issuance costs	(36,447)	-	-	(36,447)
Total nonoperating revenues (expenses)	(443,015)	(514,351)	-	(957,366)
Change in Net Position Before Interfund Transfers	1,006,050	(1,385,510)	(5,366)	(384,826)
Transfers:				
Interfund transfers in	-	1,702,321	-	1,702,321
Change in Net Position	1,006,050	316,811	(5,366)	1,317,495
Net position - beginning	9,160,669	9,423,852	167,426	18,751,947
Net position - ending	<u>\$ 10,166,719</u>	<u>\$ 9,740,663</u>	<u>\$ 162,060</u>	<u>\$ 20,069,442</u>

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, 2022

	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	\$ 8,415,569	\$ 3,649,293	\$ 146,591	\$ 12,211,453
Payment for treatment charges	(4,962,564)	-	-	(4,962,564)
Payments to employees	(283,495)	(2,271,221)	(50,186)	(2,604,902)
Payments for services	(1,110,355)	(1,124,050)	(97,995)	(2,332,400)
Payments to suppliers	(12,654)	(276,464)	(1,515)	(290,633)
Net cash provided by (used in) operating activities	<u>2,046,501</u>	<u>(22,442)</u>	<u>(3,105)</u>	<u>2,020,954</u>
Cash Flows From Noncapital Financing Activities:				
Interfund receipts (payments)	(17,194)	1,787,744	3,105	1,773,655
Cash Flows From Capital and Related Financing Activities:				
Purchases of capital assets	(49,260)	(56,606)	-	(105,866)
Payment made for bond issuance costs	(36,447)	-	-	(36,447)
Principal paid on capital debt	(4,591,456)	(574,476)	-	(5,165,932)
Proceeds from issuance of debt	3,985,546	-	-	3,985,546
Interest paid on capital debt	(387,758)	(614,766)	-	(1,002,524)
Net cash provided by (used in) capital and related financing activities	<u>(1,079,375)</u>	<u>(1,245,848)</u>	<u>-</u>	<u>(2,325,223)</u>
Cash Flows From Investing Activities:				
Purchase of investment securities	-	(1,999,281)	-	(1,999,281)
Interest income	130,773	106,300	-	237,073
Net cash provided by (used in) investing activities	<u>130,773</u>	<u>(1,892,981)</u>	<u>-</u>	<u>(1,762,208)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,080,705	(1,373,527)	-	(292,822)
Cash and Cash Equivalents:				
Beginning of year	10,636,658	7,191,970	-	17,828,628
End of year	<u>\$ 11,717,363</u>	<u>\$ 5,818,443</u>	<u>\$ -</u>	<u>\$ 17,535,806</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 1,449,065	\$ (871,159)	\$ (5,366)	\$ 572,540
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	720,026	841,897	-	1,561,923
Changes in assets and liabilities				
Accounts receivable	(105,995)	(16,516)	1,225	(121,286)
Accounts payable	(16,595)	40,852	4,426	28,683
Unearned revenues	-	(17,516)	(3,390)	(20,906)
Total adjustments	<u>597,436</u>	<u>848,717</u>	<u>2,261</u>	<u>1,448,414</u>
Net cash provided by (used in) operating activities	<u>\$ 2,046,501</u>	<u>\$ (22,442)</u>	<u>\$ (3,105)</u>	<u>\$ 2,020,954</u>

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, 2022

Assets	
Cash and cash equivalents	\$ 2,255,922
Investments (at fair value):	
Exchange traded funds	9,438,173
Mutual funds	7,877,554
Investment trusts	4,773,635
Stocks	10,023,345
Accrued income receivable	26,230
Total Assets	34,394,859
Net Position	
Net position restricted for pension benefits	<u><u>\$ 34,394,859</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, 2022

Additions:

Contributions:	
Member contributions/rollovers	\$ 186,260
Township contributions	-
State aid	703,122
Total contributions	889,382
Investment income (loss):	
Net appreciation (depreciation) in fair value of investments	(7,135,468)
Less: investment expenses	(117,978)
Net investment income (loss)	(7,253,446)
Total additions	(6,364,064)

Deductions:

Benefits	1,929,693
Withdrawal credits	529,885
Administrative expenses	7,227
Total deductions	2,466,805

Increase (Decrease) in Plan Net Position	(8,830,869)
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Net Position:

Beginning of year	43,225,728
End of year	\$ 34,394,859

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, 2022

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, 2022, 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, 2022

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, 2022. 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*.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

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 is 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, 2022

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 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 two defined benefit plans and one defined contribution plan.

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.

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,

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

Debt Service Funds for the General Obligation Bonds of 2016, 2017-A, 2017-B, 2021, and 2022, 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 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

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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, 2022 are summarized below:

Fund	Due From	Due To	Transfers In	Transfers Out
Major Funds:				
General Fund	\$ 177,438	\$ 12,200,441	\$ -	\$ 11,698,069
Capital Projects Fund	8,451,184	-	6,261,754	780,000
Sanitary Sewer Fund	14,035	-	-	-
Boyce Mayview C&RC Fund	-	252,967	1,702,321	-
Other Enterprise Funds	161,641	-	-	-
Other Governmental Funds	3,649,110	-	4,513,994	-
Total	<u>\$ 12,453,408</u>	<u>\$ 12,453,408</u>	<u>\$ 12,478,069</u>	<u>\$ 12,478,069</u>

Outstanding interfund balances at year-end include a \$8,451,184 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 Boyce Mayview C&RC Fund for debt service as well as common area operations, and 3) to the Other Governmental Funds for maintenance and operating expenses associated with Boyce Mayview Park, storm sewer and field improvement projects, and current principal and interest payments

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.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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, pooled for investment purposes in the Pennsylvania Local Government Investment Trust (PLGIT) or the Pennsylvania School District Liquid Asset Fund (PSDLAF), or invested in U.S. Treasury Notes. 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.

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, 2022, \$18,278,691 of the Township's bank balance of \$18,528,691 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 \$18,490,939 as of December 31, 2022.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

Investments

As of December 31, 2022, the Township's investments consisted of the following:

	<u>Bank Balance</u>	<u>Book Balance</u>
External investment pools:		
PLGIT	\$ 24,106,327	\$ 24,106,327
PSDLAF	<u>184,271</u>	<u>184,271</u>
Total external investment pools	<u>\$ 24,290,598</u>	<u>\$ 24,290,598</u>
U.S. Treasury Notes	<u>\$ 9,998,099</u>	<u>9,998,099</u>

At December 31, 2022, external investment pools 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 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, with the exception of PLGIT/TERM accounts which have a premature withdrawal penalty. In addition, there are certain limitations placed on the following withdrawals: for PLGIT-Class accounts, there is a one-day holding period, PLGIT/TERM accounts have a minimum investment period of sixty days, and withdrawals are limited to twice per calendar month for PLGIT/PRIME accounts.

U.S. Treasury Notes are valued using quoted market prices (Level 1 inputs).

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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. The Township's investments in U.S. Treasury Notes have maturities of one to five years.

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, 2022, the Township's investments in PLGIT, PSDLAF, and U.S. Treasury Notes 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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

As of December 31, 2022, 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	\$ 4,585,872	\$ 4,585,872	\$ -	\$ -
Equities	4,852,301	4,852,301	-	-
Total exchange-traded funds	9,438,173	9,438,173	-	-
Mutual funds:				
Fixed income	4,937,885	4,937,885	-	-
Equities:				
Large value	1,013,810	1,013,810	-	-
Small blend	49,176	49,176	-	-
Large growth	1,585,518	1,585,518	-	-
Foreign small/mid growth	291,165	291,165	-	-
Total mutual funds	7,877,554	7,877,554	-	-
Stocks:				
Industrials	1,358,499	1,358,499	-	-
Consumer discretionary	1,283,816	1,283,816	-	-
Consumer staples	647,632	647,632	-	-
Energy	331,282	331,282	-	-
Financial	1,267,778	1,267,778	-	-
Materials	501,501	501,501	-	-
Information technology	2,111,515	2,111,515	-	-
Real estate	191,505	191,505	-	-
Utilities	270,975	270,975	-	-
Health care	1,619,348	1,619,348	-	-
Telecommunication services	419,323	419,323	-	-
Unclassified	20,171	20,171	-	-
Total stocks	10,023,345	10,023,345	-	-
Total investments by fair value level	27,339,072	\$ 27,339,072	\$ -	\$ -
Investments measured at NAV:				
Investment trusts:				
Bond	514,812			
Balanced/asset allocation	1,913,624			
Guaranteed lifetime income	473,872			
U.S. Stock	1,391,929			
International/global equity	424,608			
Specialty	54,790			
Total investments measured at NAV	4,773,635			
Total investments measured at fair value	\$ 32,112,707			

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

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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 \$2,255,922 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, 2022, 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, 2022, the Pension Trust Funds did not have any investments that represented 5% or more of total investments

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

(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 \$5,000 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.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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.

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

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 assets 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:

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

Certain amounts determined in connection with pension and other postemployment benefits 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 and Note 9 presents additional information about the other postemployment benefit plan.

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 assets 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. Note 3 presents additional information about 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.

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.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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.

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

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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:

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, 2022.

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, 2022 are described in the governmental funds balance sheet.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

Committed – consists of amounts that can only be used pursuant to specific purposes pursuant to constraints imposed by an ordinance enacted by the Township’s governing Board. The Township’s committed fund balances as of December 31, 2022 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, 2022 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. 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.”

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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, 2022: Statement Nos. 87 (Leases), 91 (Conduit Debt Obligations), 92 (Omnibus 2020), 97 (Deferred Compensation Plans), and 99 (Omnibus 2022 – paragraphs 26 through 32). These statements had no significant impact on the Township's financial statements for the year ended December 31, 2022.

T. Pending Pronouncements

GASB has issued statements that will become effective in future years, including Statement Nos. 94 (Public-Private and Public-Public Partnerships), 96 (Information Technology Arrangements), 99 (Omnibus 2022), 100 (Accounting Changes and Error Corrections), and 101 (Compensated Absences). Management has not yet determined the impact of these statements on the financial statements.

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 2022 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, 2023	Lien date

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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 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, 2022. 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 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.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

At January 1, 2021, 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	22	24
Inactive plan members entitled to but not yet receiving benefits	5	1
Active plan members	<u>23</u>	<u>23</u>
	<u>50</u>	<u>48</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 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

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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, 2022, there were three employees participating in the DROP and the balance in the drop account was \$254,182.

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.

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. Effective January 1, 2022, the Public Works Employees' Pension Plan was amended to include the following pension multiplier for all

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

years of service commencing on or after January 1, 2022 - \$76.00; and January 1, 2023 and thereafter - \$76.50. 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.

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, 2022, 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 \$145,712 and \$31,646, respectively.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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, 2022, the State Pension Aid contributed to the Police Plan totaled \$292,168 and the State Pension Aid contributed to the Public Works Plan totaled \$123,466. 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. No additional contributions were required to be made to the Police Plan or the Public Works Plan for the year ended December 31, 2022.

F. Net Pension Liability (Asset)

The components of the net pension liability (asset) of the Plans at December 31, 2022 were as follows:

	Police Pension Plan	Public Works Employees' Pension Plan
Total pension liability	\$ 24,658,368	\$ 6,748,976
Plan fiduciary net position	(23,190,963)	(5,617,836)
Net pension liability (asset)	<u>\$ 1,467,405</u>	<u>\$ 1,131,140</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>94.05%</u>	<u>83.24%</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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, 2022 were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2021	\$ 24,140,760	\$ 29,292,533	\$ (5,151,773)
Changes for the year:			
Service cost	425,750	-	425,750
Interest	1,607,908	-	1,607,908
Contributions - employer	-	292,168	(292,168)
Contributions - employee	-	145,712	(145,712)
Net investment income (loss)	-	(4,932,243)	4,932,243
Benefit payments, including refunds	(1,516,050)	(1,516,050)	-
Administrative expense	-	(91,157)	91,157
Net changes	517,608	(6,101,570)	6,619,178
Balances at December 31, 2022	<u>\$ 24,658,368</u>	<u>\$ 23,190,963</u>	<u>\$ 1,467,405</u>
Plan fiduciary net position as a percentage of the total pension liability			<u>94.05%</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

The changes in the net pension liability (asset) of the Township for the Public Works Employees' Pension Plan for the year ended December 31, 2022 were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2021	\$ 6,659,890	\$ 7,114,656	\$ (454,766)
Changes for the year:			
Service cost	57,514	-	57,514
Interest	440,042	-	440,042
Change of benefit terms	5,173	-	5,173
Contributions - employer	-	123,466	(123,466)
Contributions - employee	-	31,646	(31,646)
Net investment income (loss)	-	(1,210,887)	1,210,887
Benefit payments, including refunds	(413,643)	(413,643)	-
Administrative expense	-	(27,402)	27,402
Net changes	89,086	(1,496,820)	1,585,906
Balances at December 31, 2022	<u>\$ 6,748,976</u>	<u>\$ 5,617,836</u>	<u>\$ 1,131,140</u>
Plan fiduciary net position as a percentage of the total pension liability			<u>83.24%</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

Actuarial Assumptions – The total pension liability (asset) was determined by an actuarial valuation performed on January 1, 2021 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	6.75%	6.75%
Projected salary increases	4.5%, including inflation	n/a
Underlying inflation rate	2.50%	2.50%
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.

2010 Public Retirement Plan - Public Safety mortality tables (Police Pension Plan) or General Employees mortality tables (Public Works Employees' Pension Plan)

Changes in Actuarial Assumptions – For both the Police and Public Works Employees' Pension Plans, the investment rate of return was lowered from 7.00% to 6.75% and the underlying inflation rate was lowered from 2.75% to 2.50%. The mortality assumption was updated from the RP-2014 Mortality Table to the 2010 Public Retirement Plans – Public Safety employees mortality tables for the Police Pension Plan and from the RP-2014 Mortality Table with 50% Blue-Collar adjustment to the 2010 Public Retirement Plans – general employees mortality table for the Public Works Employees' Pension Plan.

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

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

future real rates of return by the target asset allocation percentage and by adding expected inflation.

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, 2022:

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, 2022, the annual money-weighted rate of return on the Police Plan and Public Works Employees' Plan investments, net of investment expense, was (17.21%) and (17.44%) respectively.

Discount Rate – The discount rate used to measure the total pension liability (asset) for both the Police Plan and Public Works Plan was 6.75%. 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).

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Police	\$ 4,260,410	\$ 1,467,405	\$ (867,901)
Public Works Employees'	\$ 1,784,954	\$ 1,131,140	\$ 577,429

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

For the year ended December 31, 2022, the Township recognized pension expense of approximately \$971,000. At December 31, 2022, 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	\$ 267,112	\$ 127,577	\$ 394,689
Net difference between projected and actual earnings on pension plan investments	3,249,741	804,169	4,053,910
Total deferred outflows of resources	\$ 3,516,853	\$ 931,746	\$ 4,448,599
	Police	Public Works Employees'	Total
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ 242,910	\$ 142,379	\$ 385,289

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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>
2023	\$ 97,855	\$ 23,036	\$ 120,891
2024	674,025	159,779	833,804
2025	1,055,574	267,361	1,322,935
2026	1,400,561	339,191	1,739,752
2027	35,330	-	35,330
Thereafter	10,598	-	10,598
	<u>\$ 3,273,943</u>	<u>\$ 789,367</u>	<u>\$ 4,063,310</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 Mission Square Retirement for management and investment of plan assets. At December 31, 2022, the Township has \$5,586,060 accumulated in a trust for purposes of providing pensions through this plan.

The amount contributed by the Township to the plan for the year ended December 31, 2022 was \$287,488 or 7.5% of the approximately \$3.7 million in wages paid to participants. The Township had no liability outstanding at December 31, 2022. The

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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, 2022

5. Capital Assets

A summary of changes in capital assets during 2022 is as follows:

	January 1, 2022	Increases	Decreases	December 31, 2022
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 2,617,784	\$ -	\$ -	\$ 2,617,784
Capital assets being depreciated:				
Infrastructure	37,496,917	-	-	37,496,917
Buildings	18,323,744	4,763,271	-	23,087,015
Improvements	4,812,094	438,272	-	5,250,366
Equipment	12,703,673	560,466	(56,093)	13,208,046
Library assets	786,658	-	-	786,658
	<u>76,740,870</u>	<u>5,762,009</u>	<u>(56,093)</u>	<u>82,446,786</u>
Less: accumulated depreciation for:				
Infrastructure	(22,758,008)	(563,661)	-	(23,321,669)
Buildings	(9,019,418)	(319,347)	-	(9,338,765)
Improvements	(1,873,762)	(128,787)	-	(2,002,549)
Equipment	(9,145,365)	(836,203)	56,093	(9,925,475)
Library assets	(758,277)	(9,681)	-	(767,958)
	<u>(43,554,830)</u>	<u>(1,857,679)</u>	<u>56,093</u>	<u>(45,356,416)</u>
Governmental activities capital assets, net	<u>\$ 33,186,040</u>	<u>\$ 3,904,330</u>	<u>\$ -</u>	<u>\$ 37,090,370</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	49,260	-	30,883,048
Equipment	4,623,615	56,606	(41,100)	4,639,121
	<u>61,386,107</u>	<u>105,866</u>	<u>(41,100)</u>	<u>61,450,873</u>
Less: accumulated depreciation for:				
C&RC building	(8,102,719)	(648,218)	-	(8,750,937)
Sewer lines and improvements	(19,774,054)	(666,241)	-	(20,440,295)
Equipment	(2,185,364)	(247,464)	41,100	(2,391,728)
	<u>(30,062,137)</u>	<u>(1,561,923)</u>	<u>41,100</u>	<u>(31,582,960)</u>
Business-type activities capital assets, net	<u>\$ 31,323,970</u>	<u>\$ (1,456,057)</u>	<u>\$ -</u>	<u>\$ 29,867,913</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

Governmental activities:

General government	\$ 240,920
Public safety	319,839
Public works	1,062,559
Community development	4,640
Recreation and leisure	209,297
Library	<u>20,424</u>

Total depreciation expense - governmental activities	<u>\$ 1,857,679</u>
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Business-type activities:

Sanitary Sewer	\$ 720,026
Community & Recreation Center	<u>841,897</u>

Total depreciation expense - business-type activities	<u>\$ 1,561,923</u>
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TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

6. Changes in Long-Term Liabilities

	Amounts Payable as of January 1, 2022	Additions	Reductions	Amounts Payable as of December 31, 2022	Due Within One Year
Governmental Activities:					
Bonds payable	\$ 25,367,524	\$ 3,810,000	\$ (4,794,068)	\$ 24,383,456	\$ 967,760
Plus deferred amounts:					
Bond premium	1,773,786	175,545	(117,223)	1,832,108	-
Net pension liability	-	8,798,076	(6,199,531)	2,598,545	-
OPEB Liability	4,131,179	231,049	(167,805)	4,194,423	-
Governmental activities long-term liabilities	<u>\$ 31,272,489</u>	<u>\$ 13,014,670</u>	<u>\$ (11,278,627)</u>	<u>\$ 33,008,532</u>	<u>\$ 967,760</u>
Business-type Activities:					
Bonds payable	\$ 30,447,476	\$ 3,810,000	\$ (5,165,932)	\$ 29,091,544	\$ 1,257,240
Plus deferred amounts:					
Bond premium	635,880	175,546	(49,427)	761,999	-
Business-type activities long-term liabilities	<u>\$ 31,083,356</u>	<u>\$ 3,985,546</u>	<u>\$ (5,215,359)</u>	<u>\$ 29,853,543</u>	<u>\$ 1,257,240</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

7. Description of Long-Term Debt

Issue: General Obligation Bonds of 2016

Date: November 18, 2016

Original Proceeds: \$30,560,000

Principal Amount at December 31, 2022: \$25,320,000

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
2023	\$ 127,760	\$ 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	139,577	113,602	890,424	723,323
2027	144,746	108,613	920,254	691,562
2028-2032	918,694	454,485	5,791,306	2,893,953
2033-2037	1,531,649	205,421	9,423,351	1,357,279
2038-2041	307,954	6,159	2,337,044	81,741
Total	<u>\$ 3,438,456</u>	<u>\$ 1,259,470</u>	<u>\$ 21,881,544</u>	<u>\$ 8,111,293</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

Issue: General Obligation Bonds of 2017, Series A

Date: May 5, 2017

Original Proceeds: \$9,905,000

Principal Amount at December 31, 2022: \$0

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 General Obligation Bonds of 2017, Series A were refunded during the year ended December 31, 2022 with the issuance of the General Obligation Bonds of 2022.

Issue: General Obligation Bonds of 2017, Series B

Date: August 29, 2017

Original Proceeds: \$9,910,000

Principal Amount at December 31, 2022: \$8,235,000

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
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	240,000	114,950	145,000	67,470
2027	250,000	110,877	140,000	63,695
2028-2032	3,610,000	449,578	740,000	134,775
2033-2036	-	-	2,000,000	143,100
Total	<u>\$ 4,825,000</u>	<u>\$ 1,063,826</u>	<u>\$ 3,410,000</u>	<u>\$ 612,929</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

Issue: General Obligation Bonds of 2021

Date: February 24, 2021

Original Proceeds: \$12,335,000

Principal Amount at December 31, 2022: \$12,330,000

Interest Rate: 2.00% – 4.00%

Debt Service Source: General Fund transfers to Debt Service Fund.

Purpose: The proceeds were used 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 recreational facilities within the Township, and (iii) various other capital and infrastructure improvements throughout the Township. The General Obligation Bonds of 2021 were issued at a premium of \$1,842,895.

The annual debt service requirements to maturity for the General Obligation Bonds of 2021 are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 5,000	\$ 492,750	\$ -	\$ -
2024	5,000	492,650	-	-
2025	5,000	492,550	-	-
2026	5,000	492,450	-	-
2027	5,000	492,300	-	-
2028-2032	25,000	2,458,500	-	-
2033-2037	1,690,000	2,387,600	-	-
2038-2041	10,590,000	997,200	-	-
Total	<u>\$ 12,330,000</u>	<u>\$ 8,306,000</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

Issue: General Obligation Bonds of 2022

Date: January 20, 2022

Original Proceeds: \$7,620,000

Principal Amount at December 31, 2022: \$7,590,000

Interest Rate: 2.00% – 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 2017, Series A and to pay the related issuance costs. As a result, the liability for the General Obligation Bonds of 2017, Series A has been removed from the statement of net position. The refunding resulted in an economic gain of \$308,904 and cash flow savings of \$329,580. The General Obligation Bonds of 2022 were issued at a premium of \$351,091.

The annual debt service requirements to maturity for the General Obligation Bonds of 2022 are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 595,000	\$ 118,130	\$ 320,000	\$ 64,070
2024	610,000	102,255	335,000	56,620
2025	620,000	82,945	350,000	47,205
2026	640,000	63,833	365,000	36,692
2027	655,000	44,252	380,000	25,673
2028-2032	670,000	27,631	1,705,000	96,919
2033	-	-	345,000	3,450
Total	<u>\$ 3,790,000</u>	<u>\$ 439,046</u>	<u>\$ 3,800,000</u>	<u>\$ 330,629</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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, 2022. Vacation days may be carried forward only upon approval of the Township Manager. At December 31, 2022, 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, 2021, 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	20	27
Active plan members	<u>28</u>	<u>85</u>
	<u>48</u>	<u>112</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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 2022, the Township incurred \$166,300 for post-employment health benefits (not including \$26,700 in contributions to VEBA accounts) and \$1,505 for post-

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

employment life insurance benefits. No amounts were required to be reimbursed by retirees receiving benefits. At December 31, 2022, the total of the VEBA account balances was \$1,175,634.

C. Changes in the Total OPEB Liability

The changes in the OPEB liability of the Township for the year ended December 31, 2022 were as follows:

	<u>OPEB Liability</u>
Balances at December 31, 2021	\$ 4,131,179
Changes for the year:	
Service cost	128,915
Interest	102,134
Benefit payments	<u>(167,805)</u>
Net changes	<u>63,244</u>
Balances at December 31, 2022	<u>\$ 4,194,423</u>

D. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation performed as of January 1, 2021, and rolled forward to December 31, 2022 using the following actuarial assumptions, applied to all periods in the measurement:

- Actuarial cost method: Entry Age Normal
- Mortality: 2010 Public Retirement Plan – Public Safety mortality tables (PubS-2020) for Police and 2010 Public Retirement Plan – General Employees mortality tables (PubG-2010) for non-uniformed.
- Mortality improvement: Rates derived from the Long-Range Demographic Assumptions for the 2020 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.
- DROP Participation (Police only): 75% of eligible participants are assumed to participate, with 100% remaining in the DROP for 2 years.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

- Participant Percentage: Police – 90% of future retirees for health insurance. Police and Non-Uniformed – 100% of future retirees for life insurance.
- Discount rate – 2.50%, 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 – 2.50%
- Annual Trend Rates for OPEB Costs (Medical):
 - 2021 – 4.50%
 - 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 PPO</u>
<u>Coverage</u>	<u>1250 (Retiree)</u>
Single	\$ 7,660.68
Parent/Child(ren)	18,416.76
Husband/Wife	20,638.32
Family	23,718.36

E. Changes in Actuarial Assumptions

For the January 1, 2021 actuarial valuation, the discount rate was lowered from 3.75% to 2.50%, inflation was lowered from 2.75% to 2.50%, the mortality and mortality improvement assumptions were updated, and the trend assumption for medical and prescription drug coverage was updated to reflect the actual change for 2021 (4.50%).

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

<u>1% Decrease</u> <u>(1.50%)</u>	<u>Current Discount</u> <u>Rate (2.50%)</u>	<u>1% Increase</u> <u>(3.50%)</u>
<u>\$ 4,817,042</u>	<u>\$ 4,194,423</u>	<u>\$ 3,691,177</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:

<u>1% Decrease</u>	<u>Current Trend</u> <u>Rate</u>	<u>1% Increase</u>
<u>\$ 3,803,525</u>	<u>\$ 4,194,423</u>	<u>\$ 4,694,048</u>

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

For the year ended December 31, 2022, the Township recognized OPEB expense of approximately \$326,000. At December 31, 2022, the Township reported deferred outflows of resources related to OPEBs from the following sources:

<u>Deferred Outflow of Resources:</u>	
Differences between expected and actual experience	\$ 117,842
Changes in assumption	<u>449,782</u>
Total deferred outflows of resources	<u>\$ 567,624</u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

Amounts reported as deferred outflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<u>Year ending December 31,</u>	
2023	\$ 95,394
2024	95,394
2025	95,394
2026	95,394
2027	87,694
Thereafter	<u>98,354</u>
Total	<u>\$ 567,624</u>

10. Commitments and Contingencies

The Township and many other municipalities in the region entered into a Phase II Consent Order and Agreement (COA) in 2021 with the Allegheny County Health Department related to stormwater inflow in municipal sanitary sewer systems. The agreement establishes responsibilities and target dates through 2026. The Township is also evaluating proposals for future sanitary sewer regionalization initiatives including the potential of transferring some assets to the Allegheny County Sanitary Authority (ALCOSAN). The potential costs related to the COA and regionalization efforts are unknown at this point. But it remains likely that the Township and municipalities throughout the region will have to undertake major sanitary sewer construction in the coming years.

Additionally, 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 Pennsylvania Department of Environmental Protection (PADEP) and the Environmental Protection Agency (EPA). Although the Township's Capital Improvements Program estimates \$3.25 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.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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, 2022

Pension Trust Fund Financial Information as of December 31, 2022

Plan Net Position

	Police	Public Works Employees'	Administrative & Management	Total
Assets				
Cash and cash equivalents	\$ 1,122,263	\$ 321,234	\$ 812,425	\$ 2,255,922
Investments (at fair value):				
Exchange traded funds	7,644,080	1,794,093	-	9,438,173
Mutual funds	6,299,318	1,578,236	-	7,877,554
Investment trusts	-	-	4,773,635	4,773,635
Stocks	8,104,279	1,919,066	-	10,023,345
Accrued income receivable	21,023	5,207	-	26,230
Total Assets	23,190,963	5,617,836	5,586,060	34,394,859
Net Position Restricted for Pensions	\$ 23,190,963	\$ 5,617,836	\$ 5,586,060	\$ 34,394,859

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

Changes in Plan Net Position

	Police	Public Works Employees'	Administrative & Management	Total
Additions:				
Contributions:				
Member contributions/rollovers	\$ 145,712	\$ 31,646	\$ 8,902	\$ 186,260
Township contributions	-	-	-	-
State aid	292,168	123,466	287,488	703,122
Total contributions	437,880	155,112	296,390	889,382
Investment income (loss):				
Net appreciation (depreciation) in fair value of investments	(4,932,243)	(1,210,887)	(992,338)	(7,135,468)
Less investment expense	(91,157)	(26,821)	-	(117,978)
Net investment income (loss)	(5,023,400)	(1,237,708)	(992,338)	(7,253,446)
Total additions	(4,585,520)	(1,082,596)	(695,948)	(6,364,064)
Deductions:				
Benefits	1,516,050	413,643	-	1,929,693
Withdrawal credits	-	-	529,885	529,885
Administrative expenses	-	581	6,646	7,227
Total deductions	1,516,050	414,224	536,531	2,466,805
Increase (Decrease) in Plan Net Position	(6,101,570)	(1,496,820)	(1,232,479)	(8,830,869)
Net Position:				
Beginning of year	29,292,533	7,114,656	6,818,539	43,225,728
End of year	<u>\$ 23,190,963</u>	<u>\$ 5,617,836</u>	<u>\$ 5,586,060</u>	<u>\$ 34,394,859</u>

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*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:									
Service cost	\$ 425,750	\$ 407,416	\$ 313,764	\$ 338,691	\$ 270,566	\$ 298,860	\$ 225,889	\$ 229,488	\$ 207,137
Interest	1,607,908	1,577,060	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	-	(110,000)	-	(373,430)	-	(790,329)	-	(793,094)	-
Changes of assumptions	-	367,908	-	-	-	1,680,859	-	-	-
Benefit payments, including refunds of member contributions	(1,516,050)	(1,574,601)	(1,371,126)	(971,138)	(1,119,555)	(1,069,530)	(665,116)	(566,815)	(455,173)
Net Changes in Total Pension Liability	517,608	667,783	523,862	527,770	614,546	1,757,966	983,150	351,478	1,073,771
Total Pension Liability - Beginning	24,140,760	23,472,977	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)	\$ 24,658,368	\$ 24,140,760	\$ 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	\$ 292,168	\$ 393,439	\$ 386,944	\$ 289,098	\$ 267,335	\$ 220,236	\$ 209,983	\$ 240,290	\$ 232,406
Contributions - member	145,712	140,233	136,375	125,764	127,020	120,908	118,029	116,999	126,505
Net investment income (loss)	(4,932,243)	3,277,391	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	(1,516,050)	(1,574,601)	(1,371,126)	(971,138)	(1,119,555)	(1,069,530)	(665,116)	(566,815)	(455,173)
Administrative expense	(91,157)	(113,317)	(106,175)	(142,809)	(10,705)	(5,272)	(3,851)	(6,081)	(31,233)
Net Change in Plan Fiduciary Net Position	(6,101,570)	2,123,145	2,631,920	3,617,141	(1,757,416)	2,313,335	631,672	(153,845)	978,277
Plan Fiduciary Net Position - Beginning	29,292,533	27,169,388	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)	\$ 23,190,963	\$ 29,292,533	\$ 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)	\$ 1,467,405	\$ (5,151,773)	\$ (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	94.05%	121.34%	115.75%	106.92%	93.31%	103.99%	101.57%	103.50%	106.26%
Covered Payroll	\$ 2,905,877	\$ 2,782,711	\$ 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	50.50%	-185.14%	-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*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:									
Service cost	\$ 57,514	\$ 57,225	\$ 62,728	\$ 66,664	\$ 68,066	\$ 69,779	\$ 58,872	\$ 58,022	\$ 55,462
Interest	440,042	433,773	439,957	428,420	426,180	413,706	396,751	382,057	386,581
Changes of benefit terms	5,173	-	-	8,144	7,966	-	-	25,602	-
Differences between expected and actual experience	-	(164,779)	-	(122,218)	-	(94,262)	-	(301,989)	-
Changes of assumptions	-	198,453	-	-	-	522,150	-	-	-
Benefit payments, including refunds of member contributions	(413,643)	(393,864)	(361,135)	(343,380)	(328,211)	(292,871)	(255,118)	(233,436)	(224,651)
Net Changes in Total Pension Liability	89,086	130,808	141,550	37,630	174,001	618,502	200,505	(69,744)	217,392
Total Pension Liability - Beginning	6,659,890	6,529,082	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)	\$ 6,748,976	\$ 6,659,890	\$ 6,529,082	\$ 6,387,532	\$ 6,349,902	\$ 6,175,901	\$ 5,557,399	\$ 5,356,894	\$ 5,426,638
Plan Fiduciary Net Position:									
Contributions - employer	\$ 123,466	\$ 178,045	\$ 189,463	\$ 156,164	\$ 245,558	\$ 192,108	\$ 254,211	\$ 362,005	\$ 357,195
Contributions - member	31,646	31,941	35,907	36,319	37,723	38,454	29,513	14,865	-
Net investment income (loss)	(1,210,887)	801,711	862,627	992,907	(348,521)	716,473	305,686	(153,644)	179,396
Benefit payments, including refunds of member contributions	(413,643)	(393,864)	(361,135)	(343,380)	(328,211)	(292,871)	(255,118)	(233,436)	(224,651)
Administrative expense	(27,402)	(31,874)	(20,365)	(44,277)	(39,009)	(16,568)	(3,075)	(11,695)	(8,095)
Net Change in Plan Fiduciary Net Position	(1,496,820)	585,959	706,497	797,733	(432,460)	637,596	331,217	(21,905)	303,845
Plan Fiduciary Net Position - Beginning	7,114,656	6,528,697	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)	\$ 5,617,836	\$ 7,114,656	\$ 6,528,697	\$ 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)	\$ 1,131,140	\$ (454,766)	\$ 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	83.24%	106.83%	99.99%	91.15%	79.13%	88.36%	86.72%	83.78%	83.11%
Covered Payroll	\$ 1,364,012	\$ 1,418,468	\$ 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	82.93%	-32.06%	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*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
POLICE PENSION PLAN:									
Schedule of Township's Contributions									
Actuarially determined contribution	\$ 292,168	\$ 393,439	\$ 386,944	\$ 289,098	\$ 267,335	\$ 179,713	\$ 186,830	\$ 240,290	\$ 232,406
Contributions in relation to the actuarially determined contribution	292,168	393,439	386,944	289,098	267,335	220,236	209,983	240,290	232,406
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (40,523)	\$ (23,153)	\$ -	\$ -
Covered payroll	\$ 2,905,877	\$ 2,782,711	\$ 2,723,881	\$ 2,490,661	\$ 2,499,109	\$ 2,259,802	\$ 2,198,331	\$ 2,188,396	\$ 2,251,012
Contributions as a percentage of covered payroll	10.05%	14.14%	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	-17.21%	11.64%	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	\$ 123,466	\$ 178,045	\$ 189,463	\$ 155,819	\$ 245,558	\$ 192,108	\$ 254,211	\$ 362,005	\$ 357,195
Contributions in relation to the actuarially determined contribution	123,466	178,045	189,463	156,164	245,558	192,108	254,211	362,005	357,195
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (345)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,364,012	\$ 1,418,468	\$ 1,558,969	\$ 1,656,855	\$ 1,733,728	\$ 1,508,261	\$ 1,531,677	\$ 1,657,089	\$ 1,615,471
Contributions as a percentage of covered payroll	9.05%	12.55%	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	-17.44%	11.79%	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, 2022

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	1/1/2021	1/1/2021
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	6.75%	6.75%
Projected salary increases	4.5%, including inflation	N/A
Inflation rate	2.50%	2.50%
Cost-of-living adjustments	CPI-W*	N/A
Mortality table	2010 Public Retirement Plan - Public Safety	2010 Public Retirement Plan - General Employees

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 or January 1, 2021 actuarial valuations.

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.

There were no benefit changes for the January 1, 2021 actuarial valuation.

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.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2022

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.

For the January 1, 2021 valuation, the investment rate of return was lowered from 7.0% to 6.75%, the inflation rate was lowered from 2.75% to 2.50%, and the mortality table was updated.

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.

For the January 1, 2021 valuation, the investment rate of return was lowered from 7.0% to 6.75%, the inflation rate was lowered from 2.75% to 2.50%, and the mortality table was updated.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

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

Last 10 Fiscal Years¹

	2022	2021	2020	2019	2018
Total OPEB Liability:					
Service cost	\$ 128,915	\$ 125,771	\$ 111,397	\$ 108,416	\$ 108,399
Interest	102,134	101,360	125,740	122,428	112,949
Differences between actual and expected experience	-	67,176	-	124,860	-
Changes of assumptions	-	560,756	-	45,100	-
Benefit payments	(167,805)	(173,270)	(153,890)	(113,005)	(119,044)
Net Changes in Total OPEB Liability	63,244	681,793	83,247	287,799	102,304
Total OPEB Liability - Beginning	4,131,179	3,449,386	3,366,139	3,078,340	2,976,036
Total OPEB Liability - Ending	<u>\$ 4,194,423</u>	<u>\$ 4,131,179</u>	<u>\$ 3,449,386</u>	<u>\$ 3,366,139</u>	<u>\$ 3,078,340</u>
Covered-Employee Payroll	<u>\$ 8,259,744</u>	<u>\$ 7,991,110</u>	<u>\$ 7,842,142</u>	<u>\$ 7,800,935</u>	<u>\$ 7,590,560</u>
Total OPEB Liability as a Percentage of Covered-Employee Payroll	50.78%	51.70%	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, 2022

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, January 1, 2019, or January 1, 2021 actuarial valuations.

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.

For the January 1, 2021 actuarial valuation, the discount rate was lowered from 3.75% to 2.50%, inflation was lowered from 2.75% to 2.50%, the mortality assumption was updated from the RP-2012 mortality table with rates projected to improve based on the Long-Range Demographic Assumptions for the 2015 Social Security Administration's Trustee Report to the 2021 Public Retirement Plan – Public Safety and General Employee mortality tables for police and non-uniform employees, respectively, with rates projected to improve based on the Long-Range Demographic Assumptions for the 2020 Social Security Administration's Trustee Report, and the trend assumption for medical and prescription drug coverage was updated to reflect the actual change for 2021 (4.50%).

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.

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.

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.

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, 2022.

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 Bonds of 2016 – Maturity Year: 2041
- General Obligation Bonds of 2017, Series A – Refunded during 2022
- General Obligation Bonds of 2017, Series B – Maturity Year: 2036
- General Obligation Bonds of 2021 – Maturity Year: 2041
- General Obligation Bonds of 2022 – Maturity Year: 2033

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2022

	Special Revenue Funds							Debt Service Fund	Total Other Governmental Funds
	State Liquid Fuels Fund	Storm Sewer Improvement Fund	Field Improvement Fund	Library Endowment Fund	Regional Asset District Library Fund	Regional Asset District Boyce/Mayview Fund	MATUSC Special Revenue Fund		
Assets									
Cash and cash equivalents	\$ 79,593	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 472,916	\$ -	\$ 552,509
Due from other funds	-	1,466,997	547,584	101,759	5,843	1,526,927	-	-	3,649,110
Other receivables	-	-	31,065	-	-	-	-	-	31,065
Total Assets	\$ 79,593	\$ 1,466,997	\$ 578,649	\$ 101,759	\$ 5,843	\$ 1,526,927	\$ 472,916	\$ -	\$ 4,232,684
Liabilities and Fund Balance									
Liabilities:									
Accounts payable	\$ -	\$ 175,624	\$ -	\$ 670	\$ 2,221	\$ 109,915	\$ 10,900	\$ -	\$ 299,330
Total Liabilities	-	175,624	-	670	2,221	109,915	10,900	-	299,330
Fund Balance:									
Restricted:									
State Liquid Fuels expenses	79,593	-	-	-	-	-	-	-	79,593
Library expenses and services	-	-	-	101,089	3,622	-	-	-	104,711
Committed:									
Storm Sewer improvements	-	1,291,373	-	-	-	-	-	-	1,291,373
Field improvements	-	-	578,649	-	-	-	-	-	578,649
Infrastructure projects	-	-	-	-	-	-	462,016	-	462,016
Assigned:									
Boyce Mayview Park projects	-	-	-	-	-	1,417,012	-	-	1,417,012
Total Fund Balance	79,593	1,291,373	578,649	101,089	3,622	1,417,012	462,016	-	3,933,354
Total Liabilities and Fund Balance	\$ 79,593	\$ 1,466,997	\$ 578,649	\$ 101,759	\$ 5,843	\$ 1,526,927	\$ 472,916	\$ -	\$ 4,232,684

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2022

	Special Revenue Funds									
	State Liquid Fuels Fund	Storm Sewer Improvement Fund	Field Improvement Fund	Library Endowment Fund	Regional Asset District Library Fund	Regional Asset District Boyce/Mayview Fund	MATUSC Special Revenue Fund	Total Special Revenue Funds	Debt Service Fund	Total Other Governmental Funds
Revenues:										
Interest	\$ 2,507	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,664	\$ 5,171	\$ -	\$ 5,171
State grants	634,889	-	-	-	209,199	365,000	-	1,209,088	-	1,209,088
Other revenue	-	-	-	13,631	-	-	-	13,631	-	13,631
Recreation fees	-	-	31,065	-	-	-	-	31,065	-	31,065
Total revenues	637,396	-	31,065	13,631	209,199	365,000	2,664	1,258,955	-	1,258,955
Expenditures:										
Current:										
General government	-	-	-	-	-	-	1,250	1,250	-	1,250
Public works	600,000	299,489	-	-	-	-	-	899,489	-	899,489
Recreation and leisure services	-	-	-	-	-	1,169,466	-	1,169,466	-	1,169,466
Library services	-	-	-	1,193	205,577	-	-	206,770	-	206,770
Total current	600,000	299,489	-	1,193	205,577	1,169,466	1,250	2,276,975	-	2,276,975
Debt service:										
Principal retirement	-	-	-	-	-	-	-	-	904,695	904,695
Interest	-	-	-	-	-	-	-	-	929,298	929,298
Bond issuance costs	-	-	-	-	-	-	-	-	96,173	96,173
Total debt service	-	-	-	-	-	-	-	-	1,930,166	1,930,166
Total expenditures	600,000	299,489	-	1,193	205,577	1,169,466	1,250	2,276,975	1,930,166	4,207,141
Excess (Deficiency) of Revenues Over Expenditures	37,396	(299,489)	31,065	12,438	3,622	(804,466)	1,414	(1,018,020)	(1,930,166)	(2,948,186)
Other Financing Sources (Uses):										
Interfund transfers in	-	750,000	30,000	-	-	1,900,000	-	2,680,000	1,833,994	4,513,994
Issuance of bonds	-	-	-	-	-	-	-	-	3,810,000	3,810,000
Premium on bonds issued	-	-	-	-	-	-	-	-	175,545	175,545
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(3,889,373)	(3,889,373)
Total financing sources (uses)	-	750,000	30,000	-	-	1,900,000	-	2,680,000	1,930,166	4,610,166
Net Change in Fund Balance	37,396	450,511	61,065	12,438	3,622	1,095,534	1,414	1,661,980	-	1,661,980
Fund Balance:										
Beginning of year	42,197	840,862	517,584	88,651	-	321,478	460,602	2,271,374	-	2,271,374
End of year	\$ 79,593	\$ 1,291,373	\$ 578,649	\$ 101,089	\$ 3,622	\$ 1,417,012	\$ 462,016	\$ 3,933,354	\$ -	\$ 3,933,354

**SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – 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, 2022

	Original and Final Budgeted Amounts	Actual	Variance
Revenues:			
Interest	\$ 36,500	\$ 197,966	\$ 161,466
Other revenue and grants	1,054,500	1,767,417	712,917
Total revenues	1,091,000	1,965,383	874,383
Expenditures:			
Current:			
General government	150,000	49,895	100,105
Community development	15,000	-	15,000
Public safety	45,000	44,699	301
Public works	262,000	45,843	216,157
Recreation and leisure services	1,000,000	38,674	961,326
Total current	1,472,000	179,111	1,292,889
Capital outlay:			
General government	7,252,500	5,943,725	1,308,775
Public safety	333,000	178,712	154,288
Public works	2,787,300	2,021,014	766,286
Recreation and leisure services	254,000	200,781	53,219
Total capital outlay	10,626,800	8,344,232	2,282,568
Debt service:			
Bond issuance costs	-	-	-
Total expenditures	12,098,800	8,523,343	3,575,457
Excess (Deficiency) of Revenues over Expenditures	(11,007,800)	(6,557,960)	4,449,840
Other Financing Sources (Uses):			
Interfund transfers in	761,754	6,261,754	5,500,000
Interfund transfers out	(780,000)	(780,000)	-
Total other financing sources (uses)	(18,246)	5,481,754	5,500,000
Net Change in Fund Balance	\$ (11,026,046)	\$ (1,076,206)	\$ 9,949,840

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, 2022

	Original and Final Budgeted Amounts	Actual	Variance
Revenues:			
Interest	\$ 50	\$ 2,507	\$ 2,457
State grants	597,156	634,889	37,733
 Total revenues	 597,206	 637,396	 40,190
Expenditures:			
Current:			
Public works	600,000	600,000	-
 Excess (Deficiency) of Revenues Over Expenditures	 (2,794)	 37,396	 40,190
 Net Change in Fund Balance	 \$ (2,794)	 \$ 37,396	 \$ 40,190

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, 2022

	Original and Final Budgeted Amounts	Actual	Variance
Revenues:			
Interest	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
 Total revenues	 -	 -	 -
Expenditures:			
Current:			
Public works	750,000	299,489	450,511
 Excess (Deficiency) of Revenues Over Expenditures	 (750,000)	 (299,489)	 450,511
Other Financing Sources (Uses):			
Interfund transfers in	750,000	750,000	-
 Net Change in Fund Balance	 \$ -	 \$ 450,511	 \$ 450,511

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, 2022

	Original and Final Budgeted Amounts	Actual	Variance
Revenues:			
Interest	\$ -	\$ -	\$ -
Recreation fees	24,000	31,065	7,065
Total revenues	24,000	31,065	7,065
Expenditures:			
Current:			
Public works	30,000	-	30,000
Excess (Deficiency) of Revenues Over Expenditures	(6,000)	31,065	37,065
Other Financing Sources (Uses):			
Interfund transfers in	30,000	30,000	-
Net Change in Fund Balance	<u>\$ 24,000</u>	<u>\$ 61,065</u>	<u>\$ 37,065</u>

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, 2022

	Original and Final Budgeted Amounts	Actual	Variance
Revenues:			
State grants	\$ 203,250	\$ 209,199	\$ 5,949
Expenditures:			
Current:			
Library services	203,250	205,577	(2,327)
Excess (Deficiency) of Revenues Over Expenditures	-	3,622	3,622
Net Change in Fund Balance	\$ -	\$ 3,622	\$ 3,622

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, 2022

	Original and Final Budgeted Amounts	Actual	Variance
Revenues:			
State grants	\$ 790,000	\$ 365,000	\$ (425,000)
Total revenues	790,000	365,000	(425,000)
Expenditures:			
Current:			
Recreation and leisure services	2,424,403	1,169,466	1,254,937
Excess (Deficiency) of Revenues Over Expenditures	(1,634,403)	(804,466)	829,937
Other Financing Sources (Uses):			
Interfund transfers in	1,900,000	1,900,000	-
Net Change in Fund Balance	<u>\$ 265,597</u>	<u>\$ 1,095,534</u>	<u>\$ 829,937</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, 2022

	Original and Final Budgeted Amounts	Actual	Variance
Expenditures:			
Debt service:			
Principal retirement	\$ 124,068	\$ 124,068	\$ -
Interest	132,769	132,769	-
Total debt service	256,837	256,837	-
Excess (Deficiency) of Revenues Over Expenditures	(256,837)	(256,837)	-
Other Financing Sources (Uses):			
Interfund transfers in	256,837	256,837	-
Total other financing sources (uses)	256,837	256,837	-
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, 2022

	Original and Final Budgeted Amounts	Actual	Variance
Expenditures:			
Debt service:			
Principal retirement	\$ 600,000	\$ 535,627	\$ 64,373
Interest	136,621	72,806	63,815
	<u>736,621</u>	<u>608,433</u>	<u>128,188</u>
Total debt service			
	<u>736,621</u>	<u>608,433</u>	<u>128,188</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(736,621)</u>	<u>(608,433)</u>	<u>128,188</u>
Other Financing Sources (Uses):			
Interfund transfers in	736,621	608,433	(128,188)
	<u>736,621</u>	<u>608,433</u>	<u>(128,188)</u>
Total other financing sources (uses)			
	<u>736,621</u>	<u>608,433</u>	<u>(128,188)</u>
Net Change in Fund Balance	<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 2017, SERIES B

YEAR ENDED DECEMBER 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance
Expenditures:			
Debt service:			
Principal retirement	\$ 220,000	\$ 220,000	\$ -
Interest	141,804	141,804	-
	<u>361,804</u>	<u>361,804</u>	<u>-</u>
Total debt service			
	<u>361,804</u>	<u>361,804</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(361,804)</u>	<u>(361,804)</u>	<u>-</u>
Other Financing Sources (Uses):			
Interfund transfers in	361,804	361,804	-
	<u>361,804</u>	<u>361,804</u>	<u>-</u>
Total other financing sources (uses)			
	<u>361,804</u>	<u>361,804</u>	<u>-</u>
Net Change in Fund Balance	<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 2021

YEAR ENDED DECEMBER 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance
Expenditures:			
Debt service:			
Principal retirement	\$ 5,000	\$ 5,000	\$ -
Interest	492,850	492,850	-
	<u>497,850</u>	<u>497,850</u>	<u>-</u>
Total debt service	497,850	497,850	-
	<u>497,850</u>	<u>497,850</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(497,850)</u>	<u>(497,850)</u>	<u>-</u>
Other Financing Sources (Uses):			
Interfund transfers in	497,850	497,850	-
	<u>497,850</u>	<u>497,850</u>	<u>-</u>
Total other financing sources (uses)	497,850	497,850	-
	<u>497,850</u>	<u>497,850</u>	<u>-</u>
Net Change in Fund Balance	<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 2022

YEAR ENDED DECEMBER 31, 2022

	Original and Final Budgeted Amounts	Actual	Variance
Expenditures:			
Debt service:			
Principal retirement	\$ -	\$ 20,000	\$ (20,000)
Interest	-	89,069	(89,069)
Bond issuance costs	-	96,173	(96,173)
Total debt service	-	205,242	(205,242)
Excess (Deficiency) of Revenues Over Expenditures	-	(205,242)	(205,242)
Other Financing Sources (Uses):			
Interfund transfers in	-	109,070	109,070
Issuance of bonds	-	3,810,000	3,810,000
Premium on bonds issued	-	175,545	175,545
Payment to refunded bond escrow agent	-	(3,889,373)	(3,889,373)
Total other financing sources (uses)	-	205,242	205,242
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, 2022

	Original and Final Budgeted Amounts	Actual	Variance
Operating Revenues:			
Charges for services	\$ 8,148,000	\$ 8,521,564	\$ 373,564
Operating Expenses:			
Sewage treatment charges	5,410,500	4,945,969	464,531
Personnel services	268,937	283,495	(14,558)
Contractual services	1,810,710	1,110,355	700,355
Materials and supplies	31,850	12,654	19,196
Depreciation and amortization	790,000	720,026	69,974
Total operating expenses	8,311,997	7,072,499	1,239,498
Operating Income (Loss)	(163,997)	1,449,065	1,613,062
Non-operating Revenues (Expenses):			
Interest income	18,000	130,773	112,773
Interest expense	(374,042)	(537,341)	(163,299)
Bond issuance costs	-	(36,447)	(36,447)
Total non-operating revenues (expenses)	(356,042)	(443,015)	(86,973)
Change in Net Position	<u>\$ (520,039)</u>	<u>\$ 1,006,050</u>	<u>\$ 1,526,089</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, 2022

	Original and Final Budgeted Amounts	Actual	Variance
Operating Revenues:			
Charges for services	\$ 3,024,500	\$ 3,683,325	\$ 658,825
Operating Expenses:			
Personnel services	2,368,488	2,271,221	97,267
Contractual services	1,155,215	1,164,902	(9,687)
Materials and supplies	263,500	276,464	(12,964)
Depreciation and amortization	155,000	841,897	(686,897)
Bad debt	5,000	-	5,000
Total operating expenses	3,947,203	4,554,484	(607,281)
Operating Income (Loss)	(922,703)	(871,159)	51,544
Non-operating Revenues (Expenses):			
Interest income	20,000	106,300	86,300
Interest expense	(614,766)	(620,651)	(5,885)
Total non-operating revenues (expenses)	(594,766)	(514,351)	80,415
Transfers:			
Interfund transfers in	1,723,210	1,702,321	(20,889)
Change in Net Position	\$ 205,741	\$ 316,811	\$ 111,070

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, 2022

	Original and Final Budgeted Amounts	Actual	Variance
<u>Operating Revenues:</u>			
Charges for services	\$ 142,050	\$ 148,756	\$ 6,706
<u>Operating Expenses:</u>			
Personnel services	50,600	50,186	414
Contractual services	97,950	102,421	(4,471)
Materials and supplies	850	1,515	(665)
Total operating expenses	149,400	154,122	(4,722)
Change in Net Position	\$ (7,350)	\$ (5,366)	\$ 1,984

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

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF CAPITAL ASSETS - BY SOURCE

DECEMBER 31, 2022

Governmental Funds Capital Assets:

Land	\$	2,617,784
Infrastructure		37,496,917
Buildings		23,087,015
Improvements other than buildings		5,250,366
Equipment		13,208,046
Library assets		<u>786,658</u>
Total capital assets	\$	<u><u>82,446,786</u></u>

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		<u>48,515,641</u>
Total investment in capital assets	\$	<u><u>82,446,786</u></u>

(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, 2022

	Total	Land	Infrastructure	Buildings	Improvements Other than Buildings	Equipment	Library Assets
Capital Assets, January 1, 2022	<u>\$ 76,740,870</u>	<u>\$ 2,617,784</u>	<u>\$ 37,496,917</u>	<u>\$ 18,323,744</u>	<u>\$ 4,812,094</u>	<u>\$ 12,703,673</u>	<u>\$ 786,658</u>
Expenditures from:							
Capital Projects Fund	5,762,009	-	-	4,763,271	438,272	560,466	-
Capital assets disposals and transfers	<u>(56,093)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(56,093)</u>	<u>-</u>
Capital Assets, December 31, 2022	<u><u>\$ 82,446,786</u></u>	<u><u>\$ 2,617,784</u></u>	<u><u>\$ 37,496,917</u></u>	<u><u>\$ 23,087,015</u></u>	<u><u>\$ 5,250,366</u></u>	<u><u>\$ 13,208,046</u></u>	<u><u>\$ 786,658</u></u>

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF CAPITAL ASSETS - BY FUNCTION AND ACTIVITY

DECEMBER 31, 2022

Function and Activity	Total	Land	Infrastructure	Buildings	Improvements Other than Buildings	Equipment	Library Assets
General Government:							
Administration and finance	\$ 13,920,384	\$ 477,430	\$ -	\$ 12,843,288	\$ 34,715	\$ 564,951	\$ -
Information technology	1,411,482	-	-	-	-	1,411,482	-
Cable television	246,962	-	-	-	-	246,962	-
Total general government	15,578,828	477,430	-	12,843,288	34,715	2,223,395	-
Community Development	553,263	-	-	-	-	553,263	-
Public Safety:							
Police	2,239,501	-	-	118,925	-	2,120,576	-
VFD	5,447,326	579,106	-	4,026,694	-	841,526	-
Total public safety	7,686,827	579,106	-	4,145,619	-	2,962,102	-
Public Works:							
Office	1,076,263	-	-	551,086	219,262	305,915	-
Infrastructure	35,623,278	-	34,674,810	-	948,468	-	-
Garage	10,367,299	19,920	-	3,321,553	237,139	6,788,687	-
Total public works	47,066,840	19,920	34,674,810	3,872,639	1,404,869	7,094,602	-
Recreation and Leisure Services	10,653,462	1,541,328	2,822,107	2,207,052	3,810,782	272,193	-
Library	907,566	-	-	18,417	-	102,491	786,658
Total Capital Assets	\$ 82,446,786	\$ 2,617,784	\$ 37,496,917	\$ 23,087,015	\$ 5,250,366	\$ 13,208,046	\$ 786,658

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY FUNCTION AND ACTIVITY

DECEMBER 31, 2022

	Capital Assets January 1, 2022	Increases	Decreases	Capital Assets December 31, 2022
<u>Function and Activity</u>				
General Government:				
Administration and finance	\$ 9,165,959	\$ 4,754,425	\$ -	\$ 13,920,384
Information technology	1,383,142	28,340	-	1,411,482
Cable television	246,962	-	-	246,962
Total general government	10,796,063	4,782,765	-	15,578,828
Community Development	541,474	11,789	-	553,263
Public Safety:				
Police	2,166,591	89,635	(16,725)	2,239,501
VFD	5,361,236	86,090	-	5,447,326
Total public safety	7,527,827	175,725	(16,725)	7,686,827
Public Works:				
Office	1,076,263	-	-	1,076,263
Infrastructure	35,185,006	438,272	-	35,623,278
Garage	10,053,209	353,458	(39,368)	10,367,299
Total public works	46,314,478	791,730	(39,368)	47,066,840
Recreation and Leisure Services	10,653,462	-	-	10,653,462
Library	907,566	-	-	907,566
Total Capital Assets	<u>\$ 76,740,870</u>	<u>\$ 5,762,009</u>	<u>\$ (56,093)</u>	<u>\$ 82,446,786</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Township of Upper St. Clair's (Township) annual comprehensive 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 **124**

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 **130**

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 **136**

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 **139**

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 **141**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities:										
Net investment in capital assets	\$ 16,896,831	\$ 18,685,195	\$ 19,096,961	\$ 17,636,918	\$ 16,603,963	\$ 15,481,351	\$ 13,309,613	\$ 10,553,342	\$ 8,011,677	\$ 8,034,786
Restricted	184,304	5,737,387	3,809,331	1,691,838	95,062	1,212,857	937,539	734,973	61,563	55,668
Unrestricted	<u>27,154,928</u>	<u>14,445,146</u>	<u>11,893,733</u>	<u>10,468,620</u>	<u>11,041,287</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>
<i>Total governmental activities net position</i>	<u>\$ 44,236,063</u>	<u>\$ 38,867,728</u>	<u>\$ 34,800,025</u>	<u>\$ 29,797,376</u>	<u>\$ 27,740,312</u>	<u>\$ 26,803,081</u>	<u>\$ 24,873,008</u>	<u>\$ 22,569,101</u>	<u>\$ 20,802,034</u>	<u>\$ 19,746,138</u>
Business-type activities:										
Net investment in capital assets	\$ 904,334	\$ 1,335,473	\$ 1,642,031	\$ 1,400,201	\$ 1,418,676	\$ 2,208,670	\$ 2,620,113	\$ 2,765,099	\$ 4,665,935	\$ 3,381,614
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>19,165,108</u>	<u>17,416,474</u>	<u>16,048,320</u>	<u>15,709,864</u>	<u>14,013,997</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>
<i>Total business-type activities net position</i>	<u>\$ 20,069,442</u>	<u>\$ 18,751,947</u>	<u>\$ 17,690,351</u>	<u>\$ 17,110,065</u>	<u>\$ 15,432,673</u>	<u>\$ 13,641,548</u>	<u>\$ 12,261,639</u>	<u>\$ 9,964,355</u>	<u>\$ 8,250,044</u>	<u>\$ 6,548,344</u>
Primary government:										
Net investment in capital assets	\$ 17,801,165	\$ 20,020,668	\$ 20,738,992	\$ 19,037,119	\$ 18,022,639	\$ 17,690,021	\$ 15,929,726	\$ 13,318,441	\$ 12,677,612	\$ 11,416,400
Restricted	184,304	5,737,387	3,809,331	1,691,838	95,062	1,212,857	937,539	734,973	61,563	55,668
Unrestricted	<u>46,320,036</u>	<u>31,861,620</u>	<u>27,942,053</u>	<u>26,178,484</u>	<u>25,055,284</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>
<i>Total primary government net position</i>	<u>\$ 64,305,505</u>	<u>\$ 57,619,675</u>	<u>\$ 52,490,376</u>	<u>\$ 46,907,441</u>	<u>\$ 43,172,985</u>	<u>\$ 40,444,629</u>	<u>\$ 37,134,647</u>	<u>\$ 32,533,456</u>	<u>\$ 29,052,078</u>	<u>\$ 26,294,482</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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Program Revenues:										
Governmental Activities:										
Charges for services:										
General government	\$ 240,855	\$ 199,027	\$ 185,394	\$ 241,717	\$ 292,306	\$ 362,090	\$ 275,040	\$ 320,275	\$ 215,840	\$ 171,596
Public safety	199,666	173,722	263,813	120,479	93,673	70,388	72,768	55,795	89,092	56,695
Public works	286,676	287,602	272,714	256,857	292,721	247,179	216,768	244,567	258,638	213,629
Recreation and leisure services	642,328	462,355	214,914	395,098	395,642	408,032	406,946	397,507	397,398	397,596
Library services	17,819	17,247	17,340	40,635	45,309	36,345	40,266	39,928	40,501	48,022
Operating grants and contributions	4,872,488	2,576,179	2,757,679	2,738,996	2,595,593	2,646,047	2,752,579	2,850,551	1,716,362	1,513,922
Capital grants and contributions	1,887,917	294,984	820,413	1,273,156	505,067	1,012,654	439,142	787,878	-	-
Total governmental activities program revenues	8,147,749	4,011,116	4,532,267	5,066,938	4,220,311	4,782,735	4,203,509	4,696,501	2,717,831	2,401,460
Business-Type Activities:										
Charges for services:										
Sanitary sewer	8,521,564	8,276,144	8,389,609	7,528,108	7,229,804	6,926,885	6,475,486	5,758,183	5,694,915	4,704,317
Community & Recreation Center	3,683,325	2,750,907	1,840,307	3,599,932	3,677,049	3,922,165	4,180,268	4,108,877	3,895,680	3,618,973
Magazine	148,756	155,074	150,404	154,537	157,676	162,131	163,566	168,807	178,140	169,618
Capital grants and contributions	(36,447)	-	-	-	-	-	173,300	-	-	-
Total business-type activities program revenues	12,317,198	11,182,125	10,380,320	11,282,577	11,064,529	11,011,181	10,992,620	10,035,867	9,768,735	8,492,908
<i>Total primary government program revenues</i>	<u>\$ 20,464,947</u>	<u>\$ 15,193,241</u>	<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>
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Governmental Activities:										
General government	\$ 3,779,981	\$ 2,861,014	\$ 2,553,266	\$ 2,334,355	\$ 2,302,573	\$ 2,217,582	\$ 2,033,202	\$ 2,065,730	\$ 2,208,573	\$ 1,881,228
Public safety	7,171,705	5,179,344	5,499,264	6,216,747	6,345,986	5,927,084	5,611,527	5,496,330	5,224,826	5,306,190
Public works	9,488,342	8,999,437	8,382,733	9,979,288	9,936,643	8,210,920	9,114,710	8,825,279	7,522,628	7,437,013
Community development	733,919	682,704	677,869	678,103	674,091	650,305	432,808	600,344	662,534	647,435
Recreation and leisure services	2,221,956	1,597,214	1,277,889	1,577,398	1,485,724	1,564,093	676,689	1,282,956	1,956,555	1,357,804
Library services	977,876	965,601	869,713	1,213,053	1,181,284	1,109,795	1,105,351	1,084,582	1,028,723	1,029,614
Interest on long-term debt	908,248	842,359	463,788	480,341	492,888	865,582	675,113	610,013	599,991	619,556
Total governmental activities expenses	25,282,027	21,127,673	19,724,522	22,479,285	22,419,189	20,545,361	19,649,400	19,965,234	19,203,830	18,278,840
Business-Type Activities:										
Sanitary sewer	7,609,840	7,194,988	7,255,295	6,473,558	6,042,224	6,121,986	5,247,286	5,181,155	4,965,703	4,863,183
Community & Recreation Center	5,175,135	4,451,750	4,096,912	5,006,232	4,948,872	4,728,637	4,820,135	4,597,784	4,527,770	4,402,999
Magazine	154,122	144,850	154,541	161,466	162,272	162,809	168,355	162,668	171,276	168,464
Total business-type activities expenses	12,939,097	11,791,588	11,506,748	11,641,256	11,153,368	11,013,432	10,235,776	9,941,607	9,664,749	9,434,646
Total primary government expenses	<u>\$ 38,221,124</u>	<u>\$ 32,919,261</u>	<u>\$ 31,231,270</u>	<u>\$ 34,120,541</u>	<u>\$ 33,572,557</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>
Net (Expense)/Revenue:										
Governmental Activities	\$ (17,134,278)	\$ (17,116,557)	\$ (15,192,255)	\$ (17,412,347)	\$ (18,198,878)	\$ (15,762,626)	\$ (15,445,891)	\$ (15,268,733)	\$ (16,485,999)	\$ (15,877,380)
Business-Type Activities	(621,899)	(609,463)	(1,126,428)	(358,679)	(88,839)	(2,251)	756,844	94,260	103,986	(941,738)
<i>Total primary government net (expense) revenue</i>	<u>\$ (17,756,177)</u>	<u>\$ (17,726,020)</u>	<u>\$ (16,318,683)</u>	<u>\$ (17,771,026)</u>	<u>\$ (18,287,717)</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>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 9,194,453	\$ 8,897,845	\$ 8,836,608	\$ 8,622,795	\$ 8,525,686	\$ 8,269,372	\$ 8,285,971	\$ 7,960,376	\$ 7,921,103	\$ 7,869,860
Earned income taxes, levied for general purposes	11,215,311	10,312,728	9,584,624	9,590,707	8,977,463	8,867,789	8,529,885	8,210,827	8,286,351	8,213,525
Local services tax	344,809	310,930	292,994	297,279	314,436	293,106	280,677	267,060	274,454	274,724
Other taxes	1,834,524	2,239,713	1,965,764	1,397,605	1,933,891	1,324,561	1,195,566	1,322,037	1,580,875	1,620,549
Franchise fees	424,454	431,600	446,544	459,794	460,671	480,793	497,472	465,655	442,645	431,849
Unrestricted investment earnings	407,202	76,826	98,508	295,706	200,787	56,004	18,087	13,476	13,013	13,543
Miscellaneous income	784,181	532,153	532,072	497,870	420,259	495,982	477,126	414,905	371,156	562,450
Transfers	<u>(1,702,321)</u>	<u>(1,617,535)</u>	<u>(1,562,210)</u>	<u>(1,692,345)</u>	<u>(1,697,084)</u>	<u>(1,325,285)</u>	<u>(1,534,986)</u>	<u>(1,618,536)</u>	<u>(1,603,459)</u>	<u>(1,600,486)</u>
Total governmental activities general revenues	<u>22,502,613</u>	<u>21,184,260</u>	<u>20,194,904</u>	<u>19,469,411</u>	<u>19,136,109</u>	<u>18,462,322</u>	<u>17,749,798</u>	<u>17,035,800</u>	<u>17,286,138</u>	<u>17,386,014</u>
Business-Type activities:										
Unrestricted investment earnings	237,073	53,524	144,504	343,726	182,880	56,875	5,454	1,515	2,730	1,417
Transfers	<u>1,702,321</u>	<u>1,617,535</u>	<u>1,562,210</u>	<u>1,692,345</u>	<u>1,697,084</u>	<u>1,325,285</u>	<u>1,534,986</u>	<u>1,618,536</u>	<u>1,594,978</u>	<u>1,600,486</u>
Total business-type activities general revenues	<u>1,939,394</u>	<u>1,671,059</u>	<u>1,706,714</u>	<u>2,036,071</u>	<u>1,879,964</u>	<u>1,382,160</u>	<u>1,540,440</u>	<u>1,620,051</u>	<u>1,597,708</u>	<u>1,601,903</u>
<i>Total primary government general revenues</i>	<u>\$ 24,442,007</u>	<u>\$ 22,855,319</u>	<u>\$ 21,901,618</u>	<u>\$ 21,505,482</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>
Change in Net Position:										
Governmental Activities	\$ 5,368,335	\$ 4,067,703	\$ 5,002,649	\$ 2,057,064	\$ 937,231	\$ 2,699,696	\$ 2,303,907	\$ 1,767,067	\$ 800,139	\$ 1,508,634
Business-Type Activities	<u>1,317,495</u>	<u>1,061,596</u>	<u>580,286</u>	<u>1,677,392</u>	<u>1,791,125</u>	<u>1,379,909</u>	<u>2,297,284</u>	<u>1,714,311</u>	<u>1,701,694</u>	<u>660,165</u>
<i>Total primary government change in net position</i>	<u>\$ 6,685,830</u>	<u>\$ 5,129,299</u>	<u>\$ 5,582,935</u>	<u>\$ 3,734,456</u>	<u>\$ 2,728,356</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>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>General Fund:</u>										
Nonspendable	\$ 287,016	\$ 280,374	\$ 262,177	\$ 287,792	\$ 171,616	\$ 259,748	\$ 256,463	\$ 227,513	\$ 222,152	\$ 224,084
Unassigned	6,805,183	6,360,137	4,706,728	4,270,130	3,937,184	3,440,485	3,283,902	3,131,837	3,123,147	3,116,240
<i>Total General Fund</i>	<u>7,092,199</u>	<u>6,640,511</u>	<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>All Other Governmental Funds:</u>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	6,206,329	12,771,313	112,920	103,485	837,056	341,913	621,964	67,920	61,563	55,668
Committed	2,332,038	1,819,048	1,630,813	1,250,344	1,068,479	903,130	744,723	624,690	917,874	836,526
Assigned	18,692,242	12,054,474	10,831,558	9,202,644	7,690,882	8,451,939	7,546,173	8,284,816	7,343,619	6,606,542
<i>Total all other governmental funds</i>	<u>27,230,609</u>	<u>26,644,835</u>	<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>
<i>Total governmental funds</i>	<u>\$ 34,322,808</u>	<u>\$ 33,285,346</u>	<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>

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Real estate taxes	\$ 9,200,879	\$ 8,898,458	\$ 8,853,274	\$ 8,650,007	\$ 8,490,013	\$ 8,263,249	\$ 8,287,441	\$ 7,993,594	\$ 7,924,247	\$ 7,933,009
Earned income taxes	10,994,248	10,408,315	9,498,413	9,608,726	8,934,154	8,869,902	8,844,793	8,382,576	8,285,627	8,116,839
Other taxes	2,179,333	2,550,643	2,258,758	1,694,884	2,248,327	1,617,667	1,476,243	2,115,962	1,855,329	1,895,274
Licenses and permits	205,513	178,281	156,928	133,069	182,398	261,063	180,235	239,881	237,113	142,928
Fees and fines	499,239	517,874	507,274	566,179	550,407	570,142	565,383	536,177	533,771	519,321
Rents	2,952	-	5,648	88,419	86,371	90,167	84,282	63,024	85,816	77,808
Interest	407,202	76,826	98,508	295,706	200,787	56,004	18,087	13,476	13,015	13,544
Service agreements	298,593	297,022	288,735	270,364	307,340	249,909	228,969	256,624	240,384	229,332
Other revenue and grants	7,733,924	3,540,702	4,348,348	4,587,023	3,587,633	4,190,172	3,722,142	3,567,708	2,037,152	2,028,775
Recreation fees	616,163	440,990	203,950	379,548	387,092	398,057	397,096	386,782	397,398	397,596
<i>Total revenues</i>	<u>32,138,046</u>	<u>26,909,111</u>	<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>
Expenditures:										
Current:										
General government	2,428,439	2,246,020	2,028,028	2,161,788	2,184,079	2,229,884	2,572,484	1,964,321	2,009,963	1,688,199
Community development	729,279	678,064	673,229	673,463	673,318	650,305	665,185	595,612	652,398	633,636
Public safety	6,143,471	5,977,714	6,139,395	5,785,209	5,697,473	5,289,506	5,282,773	4,916,972	4,876,933	4,924,588
Public works	7,149,518	6,827,571	7,311,841	8,951,549	8,402,361	7,732,502	8,113,419	8,071,391	6,260,401	6,398,842
Recreation and leisure services	1,811,878	1,201,698	2,382,397	1,600,707	1,286,432	2,530,431	1,615,926	2,381,799	1,876,316	1,209,286
Library services	957,452	943,145	867,346	1,191,237	1,161,795	1,210,266	1,127,011	1,076,164	1,021,138	1,026,043
Debt service:										
Principal retirement	904,695	931,852	896,899	863,206	855,991	11,697,637	4,707,569	578,790	575,097	562,882
Bond issuance costs	96,173	165,647	-	-	-	278,012	47,026	-	-	-
Interest	929,298	745,821	463,788	480,341	492,888	487,805	513,692	505,488	566,998	587,775
Capital outlay	8,344,232	4,010,789	1,464,902	1,464,902	2,215,099	1,345,709	1,659,260	1,178,310	1,337,830	1,238,957
<i>Total Expenditures</i>	<u>29,494,435</u>	<u>23,728,321</u>	<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>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>2,643,611</u>	<u>3,180,790</u>	<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>
Other Financing Sources (Uses):										
Transfers in	10,775,748	7,093,279	7,541,252	6,424,484	6,149,048	6,859,746	6,741,295	5,597,354	5,262,122	5,007,569
Transfers out	(12,478,069)	(8,710,814)	(9,103,462)	(8,116,829)	(7,846,132)	(8,185,031)	(8,276,281)	(7,215,890)	(6,865,580)	(6,608,054)
Debt proceeds	3,810,000	14,177,895	-	-	-	11,155,000	4,151,109	2,390,000	-	-
Premium on bonds issued	175,545	-	-	-	-	-	-	-	-	-
Gain (loss) on refunding of bonds	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	(3,889,373)	-	-	-	-	-	-	(2,390,000)	-	-
<i>Total other financing sources (uses)</i>	<u>(1,606,149)</u>	<u>12,560,360</u>	<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>
Net Change in Fund Balance	<u>\$ 1,037,462</u>	<u>\$15,741,150</u>	<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>
Debt service as a percentage of non-capital expenditures	7.73%	7.73%	6.87%	6.33%	6.44%	40.69%	23.13%	5.40%	6.40%	6.76%
Debt service as a percentage of total expenditures	6.22%	7.07%	6.12%	5.80%	5.87%	36.43%	19.85%	5.10%	5.96%	6.30%

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Function/Program:										
Governmental Activities:										
General government	\$ 3,019,429	\$ 1,363,323	\$ 1,559,919	\$ 1,533,375	\$ 1,377,867	\$ 1,576,922	\$ 1,331,779	\$ 1,305,052	\$ 537,850	\$ 392,179
Public safety	2,730,106	544,644	652,316	562,717	460,219	436,560	443,701	451,951	292,969	269,288
Public works	1,079,218	1,083,163	1,112,895	1,877,024	1,186,211	1,394,686	1,448,357	1,459,674	861,629	787,666
Recreation and leisure services	1,007,328	722,355	884,914	745,098	856,142	1,039,032	642,946	1,150,507	693,398	619,215
Library services	311,668	297,631	322,223	348,724	339,872	335,535	336,726	329,317	331,985	333,112
Total governmental activities	8,147,749	4,011,116	4,532,267	5,066,938	4,220,311	4,782,735	4,203,509	4,696,501	2,717,831	2,401,460
Business-Type Activities:										
Sanitary sewer	8,485,117	8,276,144	8,389,609	7,528,108	7,229,804	6,926,885	6,648,786	5,758,183	5,694,915	4,704,317
Community & Recreation Center	3,683,325	2,750,907	1,840,307	3,599,932	3,677,049	3,922,165	4,180,268	4,108,877	3,895,680	3,618,973
Magazine	148,756	155,074	150,404	154,537	157,676	162,131	163,566	168,807	178,140	169,618
Total business-type activities	12,317,198	11,182,125	10,380,320	11,282,577	11,064,529	11,011,181	10,992,620	10,035,867	9,768,735	8,492,908
<i>Total primary government</i>	<u>\$ 20,464,947</u>	<u>\$ 15,193,241</u>	<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>

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	
2022	3.8300	28.5628	32.3928	4.7300	37.1228
2021	3.8300	27.6772	31.5072	4.7300	36.2372
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

* 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		
2022	\$2,064,453,163	\$322,283,385	\$2,386,736,548	100%	3.83
2021	\$2,024,915,423	\$323,676,943	\$2,348,592,366	100%	3.83
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

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 2021 (which is the most recent data available at the time of this report), the STEB's market value for Upper St. Clair Township was \$2,256,172,509, and the corresponding percent of assessed value to STEB market value was 104.87%.

TOWNSHIP OF UPPER ST. CLAIR, PENNSYLVANIA

PRINCIPAL REAL ESTATE TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	December 31, 2022			December 31, 2013		
	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	3.76%	\$ 89,715,450	1	5.32%
Friendship Village of South Hills	53,283,500	2	2.23%	38,225,900	2	2.27%
Torrente Apartments	28,000,000	3	1.17%	-	-	0.00%
W F Preston, LLC	18,357,300	4	0.77%	-	-	0.00%
1800 Washington Road Assoc (Lucca Ln)	12,833,300	5	0.54%	4,443,100	9	0.26%
Target	11,462,200	6	0.48%	11,462,200	3	0.68%
Upper St. Clair Senior Living	8,391,200	7	0.35%	8,391,200	4	0.50%
Forty-Two Company LLC	8,200,000	8	0.34%	-	-	0.00%
St. Clair Country Club	6,867,300	9	0.29%	6,066,000	7	0.36%
McMurray Road Family Limited PTR	6,500,000	10	0.27%	7,424,900	6	0.44%
Summerfield Commons Associates	-	-	-	7,595,200	5	0.45%
Painters Plaza Associates	-	-	-	5,018,200	8	0.30%
1614 Washington Road	-	-	-	4,172,300	10	0.25%
	\$ 243,805,000		10.20%	\$ 182,514,450		10.83%
Total Taxable Assessed Valuation	\$ 2,391,925,091			\$ 1,686,740,170		

Source: Allegheny County Department of Real Estate

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

Year	<u>Collected within Fiscal Year of Levy</u>			<u>Collections in Subsequent Years</u>	<u>Collections to Date</u>	
	<u>Adjusted Total Tax Levy</u>	<u>Initial Amount Collected</u>	<u>Percent of Levy</u>		<u>Total Amount Collected</u>	<u>Percent of Levy</u>
2022	\$ 9,158,002	\$ 9,080,191	99.15%	\$ -	\$ 9,080,191	99.15%
2021	8,986,653	8,895,018	98.98%	59,084	8,954,102	99.64%
2020	8,905,721	8,839,409	99.26%	14,883	8,854,292	99.42%
2019	8,704,496	8,601,210	98.81%	92,105	8,693,315	99.87%
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%

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
2022	0.80%	\$ 11,212,257	\$ (218,009)	\$ 10,994,248
2021	0.80%	10,605,012	(196,697)	10,408,315
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

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 TEN AVAILABLE YEARS

Number of Filers										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Taxable Wage Range										
\$1,000,001+	90	71	71	66	54	50	56	53	61	55
\$600,001 - 1,000,000	141	127	127	126	118	110	99	102	90	82
\$300,001 - 600,000	543	491	491	501	457	447	412	398	370	350
\$100,001 - 300,000	3,025	2,908	2,908	2,798	2,616	2,495	2,427	2,349	2,267	2,213
\$70,001 - 100,000	1,451	1,351	1,351	1,396	1,396	1,366	1,333	1,329	1,325	1,312
\$50,001 - 70,000	1,189	1,170	1,170	1,197	1,197	1,170	1,137	1,135	1,147	1,128
\$30,001 - 50,000	1,384	1,375	1,375	1,452	1,492	1,434	1,441	1,445	1,455	1,426
\$12,000 - 30,000	1,570	1,613	1,613	1,660	1,742	1,732	1,736	1,743	1,763	1,785
\$11,999 and lower	2,977	2,954	2,954	3,064	3,203	3,369	3,378	3,473	3,626	3,900
Total	12,370	12,060	12,060	12,260	12,275	12,173	12,019	12,027	12,104	12,251

Taxable Base										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Taxable Wage Range										
\$1,000,001+	\$ 200,425,365	\$ 126,590,797	\$ 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	106,047,921	96,091,427	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	224,073,376	200,760,938	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	483,320,547	461,793,503	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	122,519,360	114,704,190	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	70,671,305	69,791,297	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	54,878,145	54,718,176	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	32,054,925	33,206,309	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	13,070,914	12,591,549	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	\$1,307,061,858	\$1,170,248,186	\$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 this 2022 report is from tax year 2021.

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				
2022	\$ 26,215,564	\$ 29,853,543	\$ -	\$ -	\$ 56,069,107	2.35%	4.08%	\$ 2,696
2021	27,141,310	31,083,356	-	-	58,224,666	2.48%	4.45%	2,753
2020	13,964,376	32,324,972	-	-	46,289,348	2.00%	3.96%	2,188
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

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 page 139 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 %
2022	\$ 39,715,545	\$ 99,288,863	\$ 42,898,755	\$ 56,390,108	56.79%
2021	37,415,965	93,539,913	44,272,858	49,267,055	52.67%
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%

(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, 2022

	<u>Gross Outstanding</u>
Direct Debt (Governmental Funds Portion)	
General Obligation Bonds, Series of 2022	\$ 3,949,586
General Obligation Bonds, Series of 2021	14,002,522
General Obligation Bonds, Series B of 2017	4,825,000
General Obligation Bonds, Series A of 2016	3,438,456
Total Direct Debt (Governmental Funds Portion)	<u>\$ 26,215,564</u>
 Overlapping Debt	
Allegheny County (1) (2)	\$ 27,784,035
Upper St. Clair School District (1)	124,010,000
Total Overlapping Debt	<u>\$ 151,794,035</u>
 Total Direct and Overlapping Debt	<u>\$ 178,009,599</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 (2.667%) of \$961,385,294 of outstanding non-electoral debt of Allegheny County as of May 1, 2023. The proportional share is based upon the based on the ratio of Upper St. Clair Township's taxable assessed valuation to Allegheny County's taxable assessed valuation for 2022.

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

Year	Population (1)	Total Earned Income (2)	Per Capita Earned Income (3)	Unemployment Rate (4)
2022	20,794 (a)	\$ 1,374,281,000	\$ 66,090	3.7%
2021	21,148 (a)	1,307,061,858	61,805	3.6%
2020	21,160 (b)	1,170,248,186	55,305	7.9%
2019	19,737 (c)	1,177,307,208	59,650	3.9%
2018	19,592 (c)	1,129,706,848	57,662	3.7%
2017	19,524 (c)	1,090,901,604	55,875	4.2%
2016	19,521 (c)	1,042,561,481	53,407	4.6%
2015	19,385 (c)	1,030,764,258	53,173	4.5%
2014	19,303 (c)	1,007,403,640	52,189	4.7%
2013	19,272 (c)	979,311,735	50,815	5.4%

(1) Source: U. S. Census Bureau

(a) U.S. Census Bureau, Population Estimates for reported year (or prior year if reported year data is unavailable)

(b) U.S. Census Bureau, 2020 Census

(c) U.S. Census Bureau, American Community Survey 5-Year Estimates, 2013-2019

(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:	2022			2013		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
Upper St. Clair School District	555	1	9.65 %	583	1	11.51 %
Target Corporation	290	2	5.04	175	4	3.46
Friendship Village (Oasis AHR)	247	3	4.29	211	3	4.17
Whole Foods Market Group	221	4	3.84	-	-	-
St. Clair Country Club	191	5	3.32	-	-	-
Upper St. Clair Township	163	6	2.83	165	5	3.26
Southwood Psychiatric Hospital	160	7	2.78	135	7	2.67
Dicks Sporting Goods	148	8	2.57	130	8	2.57
PNC Bank NA	123	9	2.14	-	-	-
Port Authority of Allegheny County	120	10	2.09	121	9	2.39
Bank of America	-	-	-	229	2	4.52
OS Restaurant Services Inc.	-	-	-	150	6	2.96
Sears Roebuck & Co.	-	-	-	119	10	2.35
Total	2,218		38.55 %	2,018		39.86 %
Total Full-Time Employees	5,754			5,064		

Source: Upper St. Clair Local Services Tax records

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

Function/Program:	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government:										
Administration	9.00	9.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00
Finance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Information Technology	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Community Development:										
Administration	5.00	5.00	4.00	4.00	4.00	4.00	3.50	3.50	3.50	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	28.00	28.00	27.00	27.00	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	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Inspection	5.00	5.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00
Laborers	24.00	25.00	25.00	25.00	24.00	24.00	24.00	24.00	24.00	24.00
Recreation and Leisure Services:										
Administration	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Recreation Center Personnel	14.00	14.00	15.00	14.00	14.00	14.00	15.00	14.00	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	117.50	118.50	121.50	120.50	118.50	118.50	119.00	116.00	115.00	115.50

Source: Township payroll and personnel records

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

Function/Program:	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<u>Community Development:</u>										
Building Permits Issued - All	241	273	279	224	267	265	276	301	288	278
Building Permits Issued - New Construction	13	38	31	23	42	52	34	51	33	23
Building Permits - New Construction Value	7,615,065	10,668,521	18,083,602	8,772,390	17,393,845	46,514,196	16,360,283	30,598,832	15,872,036	10,799,900
<u>Public Works:</u>										
Roads Resurfaced (linear miles)	6.61	6.02	4.92	4.71	5.64	5.64	4.59	5.72	3.61	3.70
Sanitary Sewers Rehabilitated (linear miles)	1.35	0.74	1.06	0.28	0.28	0.53	0.94	0.80	0.16	0.31
Snow Storm / De-Icing Efforts	26	35	39	20	37	26	39	43	41	41
Storm Sewer Inlets and Manholes Rebuilt	70	80	97	84	84	77	65	117	85	73
Miles of Roadway Swept	2,954	3,360	3,147	3,480	2,491	2,994	2,108	3,289	1,502	1,486
Sidewalks Built (square feet)	170	400	0	1,490	0	0	0	0	3,800	0
Requests for Service	3,431	3,659	3,427	3,980	4,708	4,383	3,862	4,609	4,649	5,514
<u>Recreation:</u>										
Total Program Attendees	5,906	3,745	1,211	4,228	3,463	3,175	3,339	3,482	3,252	3,167
C&RC Memberships at December 31	3,537	3,046	2,496	3,261	3,038	3,112	3,292	3,278	3,067	3,153
C&RC Individual Members at December 31	9,541	8,259	6,398	8,849	8,579	8,973	9,788	10,272	10,975	10,810
<u>Police:</u>										
Calls for Service	13,136	10,507	9,617	9,104	9,661	9,930	10,579	10,143	10,666	10,342
Total Arrests	116	115	154	100	163	211	230	149	159	189
Part I Offenses Reported (major offenses)	161	52	97	163	136	111	129	96	114	127
Part I Offenses Cleared Percentage	88%	52%	73%	61%	59%	43%	57%	36%	38%	36%
Part II Offenses Reported (other crimes)	125	121	114	128	123	137	146	138	152	178
Part II Offenses Cleared Percentage	93%	74%	74%	60%	63%	72%	65%	64%	67%	85%
DUI Arrests	15	24	14	25	18	18	19	14	16	15
Average Response Time (minutes)	4.2	3.7	3.5	3.8	3.9	3.5	3.8	2.6	1.9	2.8
<u>Fire:</u>										
Total Number of Emergency Calls	318	316	250	316	394	283	267	266	292	235
Structural Incidents	40	40	32	30	18	11	16	12	9	22
Average Response Time (minutes)	7:38	7:34	8:20	7:10	5:40	6:48	6:44	6:26	5:45	6:16
<u>Library:</u>										
Circulation	296,580	303,709	250,077	329,948	324,668	336,992	355,780	375,615	375,233	372,868
Circulation Per Capita	15.42	15.79	13.01	17.16	16.88	17.53	18.50	19.53	19.51	19.39
Visits	106,588	75,097	69,520	149,682	149,575	152,263	161,286	153,593	162,853	154,144
Visits Per Capita	5.54	3.91	3.62	7.78	7.78	7.92	8.39	7.99	8.47	8.02

Source: Upper St. Clair Township

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

Function/program:	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<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	10	12	12	12	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	4
Inspection vehicles	3	3	3	3	3	3	3	3	3	3
Utility trucks	14	14	14	14	14	14	16	17	18	18
Dump trucks	12	12	12	12	12	12	9	9	8	8
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	16	16	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