

UPPER DUBLIN TOWNSHIP
MONTGOMERY COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

DECEMBER 31, 2008

UPPER DUBLIN TOWNSHIP

FINANCIAL STATEMENTS

December 31, 2008

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A P R O F E S S I O N A L C O R P O R A T I O N

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Upper Dublin Township
Fort Washington, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Upper Dublin Township, Montgomery County, Pennsylvania as of and for the year ended December 31, 2008, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of Upper Dublin Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the respective financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, of Upper Dublin Township, Montgomery County, Pennsylvania, as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general and park and recreation funds for the year ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 5 through 12 and the historical trend information on pages 50 and 51 are not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Upper Dublin's basic financial statements. The combining nonmajor fund financial statements are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Bee, Bergvall and Company, P.C.
Certified Public Accountants

June 2, 2009

TOWNSHIP OF UPPER DUBLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008

The following discussion and analysis of the Township of Upper Dublin's financial performance provides an overview of the Township's financial condition and activities for the fiscal year ended December 31, 2008. Please read the analysis in conjunction with the Township's financial statements which follow this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2008

Government-Wide Financial Statements (Full Accrual)

- The total net assets (assets less liabilities) of the Township were \$90.0 million at the end of 2008, an increase of \$2.3 million over net assets at the end of 2007.
- General taxes and program revenues for the Township amounted to \$23.7 million in 2008 while expenses equaled \$21.4 million.

Fund Financial Statements (Modified Accrual)

- At year-end, the Township's total governmental funds reported a fund balance of \$19,325,368, an increase of \$737,902 over the prior year. The gain in fund balance was primarily due to the receipt of proceeds from a 2008 bond issue held in reserve to fund future storm water capital projects.
- The Township's General Fund reported revenues and other financial sources and uses in excess of expenditures by an amount of \$155,678 resulting in a year ending fund balance of \$2,493,083. The 2007 year ending fund balance totaled \$2,337,405.
- Of the total General Fund year end balance of \$2,493,083, an amount of \$231,300 has been designated for future infrastructure improvements in the Fort Washington Office Park. The remaining balance, \$2,261,783, is undesignated and unreserved.
- In 2008, the voters of Upper Dublin approved through referendum the incurrence of electoral debt in the amount of up to \$30 million for the purpose of acquisition of property or rights therein to preserve open space. In four separate land acquisition transactions, the Township Board of Commissioners purchased 40.4 acres of land at a cost of \$7.345 million in 2008.
- Construction was completed on the Upper Dublin Sports Park athletic field complex on Susquehanna Road. The project has been funded through a partnership among Upper Dublin Township, Upper Dublin School District and the youth sports organizations in the Township at a cost of \$2.45 million.

OVERVIEW OF THIS ANNUAL REPORT

Prior to 2003, the primary focus of local government financial statements had been to provide fund type information on a current financial resource basis. This approach was modified in 2003 by the Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments* (GASB 34) which established new requirements and a new reporting model for the annual financial reports of state and local governments.

Since 2003, Upper Dublin Township's annual financial report consists of two kinds of financial statements each of which presents a different view of the Township's finances. The first set of financial statements, new since 2003, provide both long-term and short-term information of the Township's overall financial status. The second set of financial statements, which are similar to what has been provided in the past, focus on the individual Township funds and report on the Township's operations in more detail than the government wide statements. The Township's financial statements also include notes to explain information in the financial statements and provide more detailed data.

The statements and notes are followed by required supplementary information that contains data pertaining to the Township's pension plans. In addition to the required elements, the annual report includes other supplementary information to provide details about the Township's various funds.

TOWNSHIP OF UPPER DUBLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008

Government Wide Statements

The government wide statements report on the Township as a whole using accounting methods similar to those used by private sector companies. This analysis begins on page 13. One of the most important questions asked about the Township's finances is, "Is the Township as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about Upper Dublin Township as a whole and about its activities in a way that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or disbursed.

These two statements report on the Township's net assets and on changes in net assets. The Township's net assets are the difference between its assets and liabilities and one can use net assets as one way to measure the Township's financial health or financial condition. Over time, increases or decreases in the Township's net assets are one indicator of whether its financial condition is improving or deteriorating. Other non-financial factors will need to be considered, however, such as changes in the Township's property tax base and the condition of the Township's roads, to assess the overall health of the Township.

In the government-wide financial statements, the Township's activities are divided into two categories:

- Government activities – Most of the Township's basic services are reported here including police and emergency services, public works, sanitation, code enforcement, parks and recreation, library and general administration. Property taxes, earned income taxes, user fees and state and local grants finance most of these activities.
- Business type activities – The Township sold its sanitary sewer treatment system in 2002. The recording of the collection of balances due from the activities of the defunct system is reported as a business type activity.

Fund Financial Statements

The fund financial statements begin on page 16 and provide detailed information about the most significant funds, not the Township as a whole. Some funds are required to be established by State law. Others are established to help control and manage money for particular purposes or to show that the Township is meeting legal responsibilities for using certain taxes, grants or other funds.

Upper Dublin Township has three kinds of funds:

- Governmental Funds – Most of the Township's basic services are reported in government funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual 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 general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- Proprietary Funds – Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. The Township uses an internal service fund to account for the financing of goods and services provided by the Fleet and Facilities department to other departments of the Township.

**TOWNSHIP OF UPPER DUBLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008**

- **Fiduciary Funds** – The Township is the trustee, or *fiduciary*, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Township's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in the fiduciary net assets. These activities are excluded from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations. The Township's private purpose trust funds – Cheston Trust, Dannenberg Trust, Bauman Trust, Kayser Memorial Scholarship, North Hills Scholarship, Police Life Insurance Fund and DARE Fund – are reported in this manner.

THE TOWNSHIP AS A WHOLE

The following table reflects the condensed statement of net assets:

**Table 1
Statement of Net Assets – December 31, 2008
(in thousands)**

	Governmental Activities		Business-type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 21,102	\$ 20,004	\$ 154	\$ 209	\$ 21,256	\$ 20,213
Capital assets	<u>90,231</u>	<u>80,953</u>	<u>-</u>	<u>-</u>	<u>90,231</u>	<u>80,953</u>
Total Assets	<u>111,333</u>	<u>100,957</u>	<u>154</u>	<u>209</u>	<u>111,487</u>	<u>101,166</u>
Long term liabilities	18,368	10,206	-	-	18,368	10,206
Other liabilities	<u>1,992</u>	<u>2,054</u>	<u>-</u>	<u>3</u>	<u>1,992</u>	<u>2,057</u>
Total Liabilities	<u>20,360</u>	<u>12,260</u>	<u>-</u>	<u>3</u>	<u>20,360</u>	<u>12,263</u>
Net Assets						
Invested in capital assets, net of debt	71,124	69,979	-	-	71,124	69,979
Restricted	2,721	1,784	-	-	2,721	1,784
Unrestricted	<u>17,128</u>	<u>16,934</u>	<u>154</u>	<u>206</u>	<u>17,282</u>	<u>17,140</u>
Total Net Assets	<u>\$ 90,973</u>	<u>\$ 88,697</u>	<u>\$ 154</u>	<u>\$ 206</u>	<u>\$ 91,127</u>	<u>\$ 88,903</u>

For more detailed information see the Statement of Net Assets on page 13.

Net assets may serve over time as a useful indicator of a government's financial position. For 2008, Upper Dublin Township's assets exceeded liabilities by \$91.0 million. The largest portion of the Township's net assets reflects its investment in capital assets (e.g. land, buildings, infrastructure and equipment), less the outstanding debt to acquire these assets. The restricted net assets portion represents resources that are subject to external restrictions on how they may be used; restricted net assets are also reported net of the related outstanding debt. The unrestricted net assets for governmental activities is the portion of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

**TOWNSHIP OF UPPER DUBLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008**

Operations compared to the prior year are detailed below. 2008 revenues were 2.6% below 2007 revenues because of decreases in capital grants and contributions due to the receipt large of outside contributions in 2007 toward the construction of the Upper Dublin Sports Park, decreases in charges for services due to a reduction in the receipt of licenses and permit fees and decreases in investment income. 2008 expenses increased by 2.6% over 2007.

Operations compared to budget are noted in detail on page 20. For the General Fund, expenses varied from budget by 1% while revenues exceeded budget by 5% primarily due to better than expected earned income tax revenues.

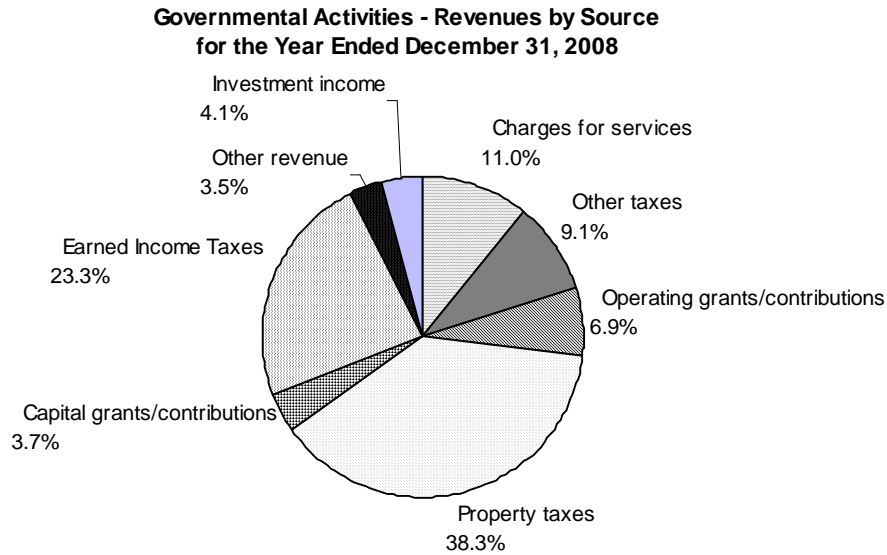
The following table shows the revenue and expenses of the governmental activities and business-type activities:

**Table 2
Changes in Net Assets – 2008
(in thousands)**

	Governmental Activities		Business-type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
REVENUES						
Program revenues:						
Charges for services	\$ 1,573	\$ 1,859	\$ -	\$ 14	\$ 1,573	\$ 1,873
Operating grants and contributions	1,673	1,658	-	-	1,673	1,658
Capital grants and contributions	1,061	1,661	-	-	1,061	1,661
General revenues:						
Property taxes	9,656	9,252	-	-	9,656	9,252
Other taxes	7,757	7,786	-	-	7,757	7,786
Grants and contributions not restricted to specific programs	276	126	-	-	276	126
Investment income	838	1,084	-	-	838	1,084
Miscellaneous	1,514	1,223	-	-	1,514	1,223
Gain on sale of capital assets	(25)	(162)	-	-	(25)	(162)
Transfers	(645)	(163)	(50)	(50)	(695)	(213)
Total Revenues	<u>23,678</u>	<u>24,324</u>	<u>(50)</u>	<u>(36)</u>	<u>23,628</u>	<u>24,288</u>
EXPENSES						
Administration	3,643	3,798	-	-	3,643	3,798
Licenses and permits	617	615	-	-	617	615
Police and emergency service	6,425	6,667	-	-	6,425	6,667
Sanitation and recycling	2,277	2,054	-	-	2,277	2,054
Public works	4,346	4,412	-	-	4,346	4,412
Library	1,047	949	-	-	1,047	949
Parks and recreation	1,433	1,877	-	-	1,433	1,877
Open space	1,003	3	-	-	1,003	3
Debt service	611	479	-	-	611	479
Sewer	-	-	2	12	2	12
Total Expenses	<u>21,402</u>	<u>20,854</u>	<u>2</u>	<u>12</u>	<u>21,404</u>	<u>20,866</u>
Change in Net Assets	2,276	3,470	(52)	(48)	2,224	3,422
Net Assets - Beginning	<u>88,697</u>	<u>85,227</u>	<u>206</u>	<u>254</u>	<u>88,903</u>	<u>85,481</u>
Net Assets - Ending	<u>\$ 90,973</u>	<u>\$ 88,697</u>	<u>\$ 154</u>	<u>\$ 206</u>	<u>\$ 91,127</u>	<u>\$ 88,903</u>

**TOWNSHIP OF UPPER DUBLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008**

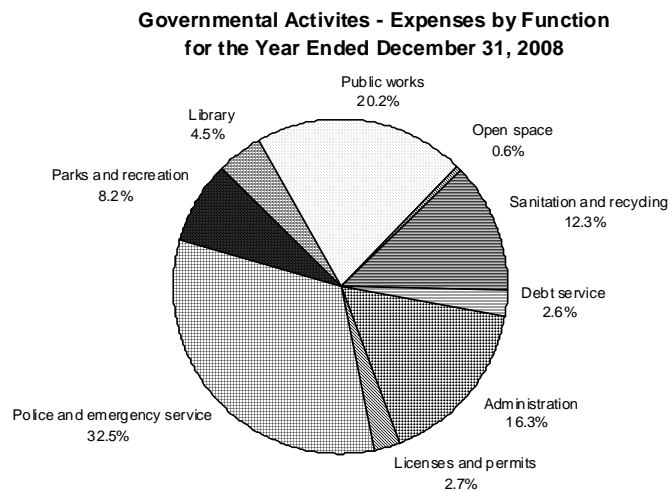
For the fiscal year ended December 31, 2008, revenues for governmental activities totaled \$23.7 million, a decrease of \$.6 million below 2007. Sources of revenue for the fiscal year 2008 are comprised of the following items:



Property taxes remain the Township's largest revenue source at \$9.7 million (41.1% of total revenues). The Township's assessed value of real property exceeded \$2.5 billion. The Township's second largest revenue source, the earned income tax, totaled \$6.4 million (27.1%) while the property transfer tax generated \$.6 million (2.6%) and the local services tax generated \$.8 million (3.4%). Other sources of general revenues include investment income (\$.8 million) and other income (\$1.8 million).

Revenues received in fiscal 2008 to fund specific Township programs totaled \$4.3 million. This included \$1.6 million (6.7% of total revenues) for direct charges for Township services and \$2.7 million (11.6%) from operating and capital program grants and contributions.

For the 2008 fiscal year, expenses for government activities totaled \$21.4 million, an increase of \$.6 million over 2007 expenses.



**TOWNSHIP OF UPPER DUBLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008**

As the chart above indicates, the largest program expense is for police and emergency services activities at \$6.4 million (30.0% of total expenses). Public works activity is the Township's second largest program with expenses of \$4.3 million (20.3%). General administration is the third largest program expense at \$3.6 million (17.0%).

The change in net assets reflects the difference between total revenues and total expenses. For governmental activities in fiscal 2008, revenues and net transfers (\$23.678 million) exceeded expenses (\$21.402 million) by \$2.276 million resulting in an increase in net assets by that amount. The year ended with net assets for governmental activities totaling \$91.0 million for government activities and \$.1 million for business type activities for a total of \$91.1 million.

THE TOWNSHIP'S FUNDS

At the end of fiscal 2008, the Township's governmental funds (as presented in the balance sheet on page 16) reported a combined fund balance of \$19.3 million, an increase of \$.7 million over 2007.

The \$19.3 million fund balance represents resources available for future appropriations. The Township's Community Reinvestment Fund holds a majority (\$14.2 million) of the total fund balance. These funds represent the net proceeds and accrued interest earnings from the Township's sale of its sanitary sewer system in 2002 less \$1.8 million used for the purchase of land in 2006. Interest earnings generated by the investment in the net proceeds are used to fund current and future infrastructure projects and capital equipment purchases.

The Township's General Fund balance increased from \$2.3 million at year end 2007 to \$2.5 million at year end 2008 with \$231,300 of the balance designated for infrastructure improvements in the Fort Washington Office Park. Reserves for future capital projects (\$2.5 million), reserves for future debt service payments (\$.1 million) and parks and recreation fund balances (\$.1 million) make up the remainder of the Township's governmental fund balances.

Capital Assets

At the end of 2008, the Township had \$90.2 million invested in a broad range of capital assets, including roads, bridges, storm sewers, street lights, land, rolling stock, buildings and equipment. This amount represents a net increase of \$9.3 million above last year after recording additions, deductions and accumulated depreciation for the year. The majority of the net increase was the result of significant land purchases in 2008.

The following table summarizes the change in Capital Assets. More detail is provided on pages 37-38 of the Notes.

**Table 3
Changes in Capital Assets – Governmental Funds
(in thousands)**

	Beginning Balance <u>1/1/08</u>	Net Additions/ Deletions	Ending Balance <u>12/31/08</u>
Non-Depreciable Assets			
Land	\$ 7,985	\$ 7,345	\$ 15,330
Construction in progress	2,931	(787)	2,144
Other Capital Assets			
Buildings and improvements	16,652	370	17,022
Machinery, vehicles and equipment	7,915	689	8,604
Library materials	1,486	51	1,537
Infrastructure	75,009	3,562	78,571
Accumulated depreciation on capital assets	<u>(31,025)</u>	<u>(1,952)</u>	<u>(32,977)</u>
Totals	<u>\$ 80,953</u>	<u>\$ 9,278</u>	<u>\$ 90,231</u>

**TOWNSHIP OF UPPER DUBLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008**

The Upper Dublin Township Board of Commissioners continues to place significant resources to the area of capital improvements. In 2008, the Township completed construction of the athletic fields and infrastructure improvements at the Upper Dublin Sports Park. This project was funded through a partnership among Upper Dublin Township, Upper Dublin School District and the youth sports organizations in the Township.

This year's major capital improvements/additions include:

Buildings and equipment	\$ 428,000
Roads, curbing and infrastructure	2,293,000
Storm water management projects	176,000
Rolling stock	621,000
Park equipment and park improvements	1,017,000
Land acquisitions	7,635,000
Technology	101,000

Debt

The Commonwealth of Pennsylvania sets the borrowing limit, called the "Borrowing Base", of the Township through the State Local Government Unit Debt Act. The Township's "Borrowing Base", as calculated using the annual arithmetic average of total revenue (as defined in the Debt Act) for the three most recent full fiscal years, is in excess of \$60 million. In 2008, the Township Board of Commissioners authorized the issuance of \$9 million of General Obligation bonds to fund land acquisition costs and storm water management projects. At the end of 2008, the Township's level of outstanding debt, \$19,044,000, was well below its "Borrowing Base" capacity.

In December 2001, Moody's Investor Service credit rating agency upgraded Upper Dublin Township's bond rating from A1 to Aa3. The rating agency cited the Township's growing tax base, adequate reserve levels and a below average direct debt burden as reasons for the credit rating upgrade.

In 2008, the residents of Upper Dublin Township approved a referendum authorizing the Township to issue up to \$30 million in electoral debt for the purpose of financing the acquisition of land within the Township for the preservation and conservation of undeveloped open space. As of December 31, 2008, no electoral debt has yet been issued. Electoral debt is not subject to the debt limits established by the Township's "borrowing base".

The following is a summary of the Township's outstanding long-term debt as of December 31, 2008:

**Table 4
Outstanding Debt at December 31, 2008**

<u>Year of Issue</u>	<u>Amount of Original Issue</u>	<u>Average Interest Rate</u>	<u>Final Maturity</u>	<u>Balance 1/1/2008</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Balance 12/31/2008</u>
1998	\$ 5,500,000	4.596%	2018	\$ 3,878,000	\$ 248,000	\$ 173,484	\$ 3,630,000
1999	1,193,871	-	2008	238,774	119,387	-	119,387
2002	8,140,000	4.877%	2021	1,440,000	190,000	61,425	1,250,000
2004	1,200,000	variable - 3.6%	2009	748,000	240,000	24,072	508,000
2005	5,390,000	3.863%	2021	5,390,000	5,000	196,413	5,385,000
2009	2,988,000	4.088%	2017	-	-	54,289	2,988,000
2009	6,012,000	4.088%	2028	-	-	109,231	6,012,000
				<u>\$ 11,694,774</u>	<u>\$ 802,387</u>	<u>\$ 618,914</u>	<u>\$ 19,892,387</u>

**TOWNSHIP OF UPPER DUBLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The elected officials of Upper Dublin Township consider many factors when establishing budget appropriations, tax rates and fee schedules. One of the most important factors currently facing the Board of Commissioners is the reduction in earned income tax revenues flowing into the Township.

In 2001, the Township began facing a situation of significantly reduced revenues from the earned income tax as more municipalities in the area adopted their own earned income tax ordinance. This reduces tax revenues to Upper Dublin Township because earned income taxes received from non-residents employed in the Township must be turned over to the non-residents' home municipality. Earned income tax revenue derived from non-residents peaked at \$2.8 million in 2000. As other municipalities have passed their own earned income tax, the non-resident tax revenue is estimated to reduce to \$1.5 million in 2009. Recognizing that the level of earned income tax revenue would be decreasing in future years, the Board of Commissioners and Township staff began developing a Solid Waste Automation Plan in 1998 as one method to reduce expenses. Through a reduction in staffing levels, the need for fewer trash trucks and a reduction in the volume of solid waste, the annual savings generated by the automated solid waste program is approximately \$400,000. To further offset the loss of earned income tax revenues, the Board of Commissioners enacted an Emergency and Municipal Services Tax (EMST) in 2006. The tax, renamed the Local Services Tax in 2008, is a \$52 tax imposed on all persons employed in Upper Dublin Township whether they are a resident or non-resident and is estimated to generate \$850,000 in 2009.

In 2009, the Township appointed an Economic Development Coordinator whose primary challenge is to obtain the necessary resources to implement storm water and infrastructure improvements in and around the Fort Washington Office Park. Potential sources of revenue are state grants through its H2O PA Act and the various programs within the American Recovery and Reinvestment Act of 2009.

Although the Township's fiscal health has not been significantly damaged by the current national recession, the Township elected officials and staff are closely monitoring the budgetary impact of the economic crisis.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

This financial report is designed to provide Upper Dublin Township's citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. Questions concerning this report or requests for additional financial information can be directed to the Finance Department of Upper Dublin Township, 801 Loch Alsh Avenue, Fort Washington, PA 19034 or visit our website at www.upperdublin.net.

UPPER DUBLIN TOWNSHIP

STATEMENT OF NET ASSETS

December 31, 2008

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Fire Company</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 18,092,480	\$ 43,749	\$ 18,136,229	\$ 126,398
Receivables	2,908,880	111,165	3,020,045	-
Deferred charges	102,617	-	102,617	-
Land	15,330,086	-	15,330,086	-
Construction in progress	2,143,488	-	2,143,488	-
Other capital assets (net of accumulated depreciation)	<u>72,757,473</u>	<u>-</u>	<u>72,757,473</u>	<u>-</u>
Total Assets	<u>111,335,024</u>	<u>154,914</u>	<u>111,489,938</u>	<u>126,398</u>
<u>LIABILITIES</u>				
Accounts payable and other current liabilities	1,007,781	-	1,007,781	-
Accrued interest payable	114,275	-	114,275	-
Unearned revenue	4,976	-	4,976	-
Taxes held in escrow	8,154	-	8,154	-
Non-current liabilities:				
Due within one year	859,598	-	859,598	-
Due after one year	<u>18,367,889</u>	<u>-</u>	<u>18,367,889</u>	<u>-</u>
Total Liabilities	<u>20,362,673</u>	<u>-</u>	<u>20,362,673</u>	<u>-</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	71,123,506	-	71,123,506	-
Restricted for:				
Fire capital	613,846	-	613,846	-
Park and recreation	93,637	-	93,637	-
Stormwater management	1,809,271	-	1,809,271	-
Debt service	52,041	-	52,041	-
Open space	151,784	-	151,784	-
Unrestricted	<u>17,128,266</u>	<u>154,914</u>	<u>17,283,180</u>	<u>126,398</u>
Total Net Assets	<u>\$ 90,972,351</u>	<u>\$ 154,914</u>	<u>\$ 91,127,265</u>	<u>\$ 126,398</u>

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

UPPER DUBLIN TOWNSHIP

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2008

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government				
Governmental Activities:				
Administrative	\$ 3,642,541	\$ 100,389	\$ 491,409	\$ -
Licenses and Permits	616,833	429,212	-	-
Police and Emergency Services	6,425,313	366,596	315,405	-
Sanitation and Recycling	2,276,865	48,721	88,101	-
Public Works	4,346,279	178,257	584,874	141,807
Library	1,047,350	40,733	144,694	-
Park and Recreation	1,433,002	409,446	48,970	-
Community Reinvestment	-	-	-	-
Open Space	1,003,372	-	-	918,827
Debt Service	610,573	-	-	-
Total Governmental Activities	21,402,127	1,573,354	1,673,453	1,060,634
Business -Type Activities				
Sewer	1,856	315	-	-
Total Business-Type Activities	1,856	315	-	-
 Total Primary Government	\$ (21,400,271)	\$ (1,573,039)	\$ (1,673,453)	\$ (1,060,634)
 Component Unit:				
Fire Company	\$ 448,650	-	52,202	-
 General Revenues				
Taxes:				
Real Estate				
Transfer				
Earned Income				
Local Services				
Grants and Contributions not				
Restricted to Specific Programs				
Investment Earnings				
Miscellaneous				
Gain on Sale of Capital Assets				
Transfers				
Total General Revenues and Transfers				
 Change in Net Assets				
Net Assets - Beginning				
Net Assets - Ending				

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Fire Company
\$ (3,050,743)	\$ -	\$ (3,050,743)	\$ -
(187,621)	-	(187,621)	-
(5,743,312)	-	(5,743,312)	-
(2,140,043)	-	(2,140,043)	-
(3,441,341)	-	(3,441,341)	-
(861,923)	-	(861,923)	-
(974,586)	-	(974,586)	-
-	-	-	-
(84,545)	-	(84,545)	-
(610,573)	-	(610,573)	-
<u>(17,094,686)</u>	<u>-</u>	<u>(17,094,686)</u>	<u>-</u>
-	(1,541)	(1,541)	-
-	(1,541)	(1,541)	-
<u>(17,094,686)</u>	<u>(1,541)</u>	<u>(17,096,227)</u>	<u>-</u>
-	-	-	<u>(396,448)</u>
9,656,049	-	9,656,049	283,000
607,203	-	607,203	-
6,358,127	-	6,358,127	-
792,315	-	792,315	-
275,576	-	275,576	49,810
838,069	-	838,069	6,335
1,513,859	-	1,513,859	15,110
(25,214)	-	(25,214)	-
(645,506)	(50,000)	(695,506)	-
<u>19,370,478</u>	<u>(50,000)</u>	<u>19,320,478</u>	<u>354,255</u>
2,275,792	(51,541)	2,224,251	(42,193)
<u>88,696,559</u>	<u>206,455</u>	<u>88,903,014</u>	<u>168,591</u>
<u>\$ 90,972,351</u>	<u>\$ 154,914</u>	<u>\$ 91,127,265</u>	<u>\$ 126,398</u>

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

UPPER DUBLIN TOWNSHIP

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2008

	<u>General</u>	<u>Community Reinvestment</u>	<u>Park & Recreation</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>						
Assets						
Cash and cash equivalents	\$ 1,678,768	\$ 14,119,157	\$ 144,443	\$ (266,620)	\$ 2,113,940	\$ 17,789,688
Receivables	1,576,664	98,067	8,922	484,601	620,879	2,789,133
Due from other funds	-	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 3,255,432</u>	<u>\$ 14,217,224</u>	<u>\$ 153,365</u>	<u>\$ 217,981</u>	<u>\$ 2,734,819</u>	<u>\$ 20,578,821</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities						
Accounts payable and accrued wages	\$ 756,987	\$ -	\$ 53,700	\$ 135,383	\$ 106,523	\$ 1,052,593
Deferred revenue	-	-	4,976	-	-	4,976
Total Liabilities	<u>756,987</u>	<u>-</u>	<u>58,676</u>	<u>135,383</u>	<u>106,523</u>	<u>1,057,569</u>
Restricted Liabilities						
Taxes held in escrow	<u>5,362</u>	<u>386</u>	<u>1,052</u>	<u>-</u>	<u>1,354</u>	<u>8,154</u>
Total Restricted Liabilities	<u>5,362</u>	<u>386</u>	<u>1,052</u>	<u>-</u>	<u>1,354</u>	<u>8,154</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>762,349</u>	<u>386</u>	<u>59,728</u>	<u>135,383</u>	<u>107,877</u>	<u>1,065,723</u>
Fund Balances						
Unreserved, designated for:						
Office park improvements	231,300	-	-	-	-	231,300
Unreserved, reported in:						
General fund	2,261,783	-	-	-	-	2,261,783
Special revenue funds	-	-	93,637	-	-	93,637
Debt service fund	-	-	-	-	52,041	52,041
Capital project funds	-	14,216,838	-	82,598	2,574,901	16,874,337
Total Fund Balances	<u>2,493,083</u>	<u>14,216,838</u>	<u>93,637</u>	<u>82,598</u>	<u>2,626,942</u>	<u>19,513,098</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,255,432</u>	<u>\$ 14,217,224</u>	<u>\$ 153,365</u>	<u>\$ 217,981</u>	<u>\$ 2,734,819</u>	<u>\$ 20,578,821</u>

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

UPPER DUBLIN TOWNSHIP

RECONCILIATION OF THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS

For the Year Ended December 31, 2008

Amounts reported for governmental activities in the statement of net assets (page 13)
are different because:

Total fund balances--total governmental funds (page 16). \$ 19,513,098

Capital assets used in governmental activities are not financial resources
and, therefore, are reported in the funds.

Cost of capital assets	\$ 123,208,474	
Accumulated depreciation	<u>(32,977,427)</u>	90,231,047

Bond issuance cost is recorded as an expenditure in the fund statements but
recorded as an asset and amortized over the life of the bonds in the statement
of net assets.

102,617

Because the focus of governmental funds is on short-term financing,
some assets will not be available to pay for current-period expenditures.
Those assets (for example, receivables) are offset by deferred revenues
in the governmental funds and thus are not included in fund balance.

119,746

Internal service funds.

347,606

Long term liabilities, including bonds payable, are not due and payable
in the current period and therefore are not reported in the funds.

Notes payable	(19,044,000)	
Leases payable	(63,542)	
Interest payable	(114,275)	
Compensated absences	<u>(119,946)</u>	<u>(19,341,763)</u>

Net assets of governmental activities (page 13).

\$ 90,972,351

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

UPPER DUBLIN TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2008

	<u>General</u>	<u>Community Reinvestment</u>	<u>Park & Recreation</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues						
Taxes:						
Property	\$ 6,023,925	\$ 413,610	\$ 1,282,781	\$ -	\$ 1,911,427	\$ 9,631,743
Transfer	607,203	-	-	-	-	607,203
Earned income tax	6,358,127	-	-	-	-	6,358,127
Local services tax	792,315	-	-	-	-	792,315
Fees, licenses and permits	388,368	-	-	-	-	388,368
Investment income and rent	469,318	543,330	14,482	526,219	67,714	1,621,063
Grants	880,665	-	62,000	141,807	1,227,757	2,312,229
Fines and forfeitures	97,715	-	-	-	-	97,715
Program revenues	901,891	-	409,446	-	40,733	1,352,070
Other	247,277	90,716	23,970	123,569	423,562	909,094
Total Revenues	<u>16,766,804</u>	<u>1,047,656</u>	<u>1,792,679</u>	<u>791,595</u>	<u>3,671,193</u>	<u>24,069,927</u>
Expenditures						
Current:						
General government	2,502,693	-	-	-	-	2,502,693
Public safety	6,731,538	-	-	-	403,775	7,135,313
Sanitation and recycling	2,303,773	-	-	-	-	2,303,773
Highways and roads	3,229,396	-	-	-	-	3,229,396
Culture and recreation	-	-	1,826,822	-	972,414	2,799,236
Miscellaneous	708,301	-	-	-	33,149	741,450
Debt service:						
Principal	-	-	-	-	848,387	848,387
Interest	-	-	-	-	569,260	569,260
Capital projects	-	-	-	10,076,151	1,293,130	11,369,281
Total Expenditures	<u>15,475,701</u>	<u>-</u>	<u>1,826,822</u>	<u>10,076,151</u>	<u>4,120,115</u>	<u>31,498,789</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,291,103</u>	<u>1,047,656</u>	<u>(34,143)</u>	<u>(9,284,556)</u>	<u>(448,922)</u>	<u>(7,428,862)</u>
Other Financing Sources (Uses)						
Refunded bonds issued	-	-	-	7,500,000	1,500,000	9,000,000
Operating transfers in	50,000	-	-	990,977	1,453,363	2,494,340
Operating transfers out	<u>(1,185,425)</u>	<u>(420,000)</u>	<u>-</u>	<u>-</u>	<u>(1,534,421)</u>	<u>(3,139,846)</u>
Total Other Financing Sources (Uses)	<u>(1,135,425)</u>	<u>(420,000)</u>	<u>-</u>	<u>8,490,977</u>	<u>1,418,942</u>	<u>8,354,494</u>
Net Change In Fund Balances	155,678	627,656	(34,143)	(793,579)	970,020	925,632
Fund Balance - Beginning	<u>2,337,405</u>	<u>13,589,182</u>	<u>127,780</u>	<u>876,177</u>	<u>1,656,922</u>	<u>18,587,466</u>
Fund Balance - Ending	<u>\$ 2,493,083</u>	<u>\$ 14,216,838</u>	<u>\$ 93,637</u>	<u>\$ 82,598</u>	<u>\$ 2,626,942</u>	<u>\$ 19,513,098</u>

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

UPPER DUBLIN TOWNSHIP

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

For the Year Ended December 31, 2008

Changes in Net Assets

Amounts reported for governmental activities in the statement of activities (page 14-15)
are different because:

Net change in fund balances--total governmental funds (page 18).		\$ 925,632
Governmental funds report capital outlays 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.		
Capital outlay	11,783,896	
Depreciation expense	<u>(2,479,995)</u>	9,303,901
The effect of sales of capital assets is to decrease net assets.		(25,214)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		24,306
Bond issuance cost is recorded as an expenditure in the fund statements but recorded as an asset and amortized over the life of the bond in the statement of net assets. This is the amount by which the bond issuance costs exceed amortization for the period.		(11,762)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
New bond issue	(9,000,000)	
Repayment of debt	848,387	
Repayment of leases	<u>18,598</u>	(8,133,015)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Interest expense	<u>3,598</u>	3,598
The internal service fund is used to charge the cost of self insurance for workers compensation to individual funds. The net expense of certain activities of the internal service fund is reported with governmental activities.		<u>188,346</u>
Change in net assets of governmental activities (page 14-15).		<u>\$ 2,275,792</u>

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

UPPER DUBLIN TOWNSHIP

GENERAL FUND

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

For the Year Ended December 31, 2008

	GENERAL FUND			Variance with Final Budget - Over (Under)
	Budgeted Amounts		ACTUAL	
	Original	Final		
Revenues				
Taxes	\$ 13,102,000	\$ 13,102,000	\$ 13,781,570	\$ 679,570
Licenses and permits	330,000	330,000	388,368	58,368
Interest and rent	459,000	459,000	469,318	10,318
Intergovernmental revenues	892,496	892,496	880,665	(11,831)
Fines and forfeits	108,000	108,000	97,715	(10,285)
Program revenues	1,117,000	1,117,000	901,891	(215,109)
Miscellaneous revenues	30,500	30,500	247,277	216,777
Total Revenues	<u>16,038,996</u>	<u>16,038,996</u>	<u>16,766,804</u>	<u>727,808</u>
Expenditures				
Current:				
General government	2,566,327	2,566,327	2,502,693	(63,634)
Public safety	6,418,380	6,418,380	6,731,538	313,158
Sanitation and recycling	2,315,556	2,315,556	2,303,773	(11,783)
Highways and roads	3,296,172	3,296,172	3,229,396	(66,776)
Miscellaneous	735,573	735,573	708,301	(27,272)
Total Expenditures	<u>15,332,008</u>	<u>15,332,008</u>	<u>15,475,701</u>	<u>143,693</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>706,988</u>	<u>706,988</u>	<u>1,291,103</u>	<u>584,115</u>
Other Financing Sources (Uses)				
Operating transfers in	50,000	50,000	50,000	-
Operating transfers out	(1,642,103)	(1,642,103)	(1,185,425)	456,678
Total Other Financing Sources (Uses)	<u>(1,592,103)</u>	<u>(1,592,103)</u>	<u>(1,135,425)</u>	<u>456,678</u>
Net Change In Fund Balance	<u>(885,115)</u>	<u>(885,115)</u>	<u>155,678</u>	1,040,793
Fund Balance, Beginning	<u>2,337,405</u>	<u>2,337,405</u>	<u>2,337,405</u>	
Fund Balance, Ending	<u>\$ 1,452,290</u>	<u>\$ 1,452,290</u>	<u>\$ 2,493,083</u>	

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

UPPER DUBLIN TOWNSHIP

PARK & RECREATION FUND

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL

For the Year Ended December 31, 2008

	<u>PARK & RECREATION FUND</u>			Variance with Final Budget - Over (Under)
	<u>Budgeted Amounts</u>		<u>ACTUAL</u>	
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 1,285,425	\$ 1,285,425	\$ 1,282,781	\$ (2,644)
Interest	18,000	18,000	14,482	(3,518)
Grants	41,426	41,426	62,000	20,574
Program revenues	314,026	314,026	409,446	95,420
Other	3,000	3,000	23,970	20,970
Total Revenues	<u>1,661,877</u>	<u>1,661,877</u>	<u>1,792,679</u>	<u>130,802</u>
Expenditures				
Culture and recreation	<u>1,725,337</u>	<u>1,725,337</u>	<u>1,826,822</u>	<u>101,485</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(63,460)</u>	<u>(63,460)</u>	<u>(34,143)</u>	<u>29,317</u>
Other Financing Sources (Uses)				
Operating transfers out	<u>(41,846)</u>	<u>(41,846)</u>	<u>-</u>	<u>41,846</u>
Total Other Financing Sources (Uses)	<u>(41,846)</u>	<u>(41,846)</u>	<u>-</u>	<u>41,846</u>
Net Change in Fund Balance	<u>(105,306)</u>	<u>(105,306)</u>	<u>(34,143)</u>	<u>71,163</u>
Fund Balance - Beginning	<u>127,780</u>	<u>127,780</u>	<u>127,780</u>	
Fund Balance - Ending	<u>\$ 22,474</u>	<u>\$ 22,474</u>	<u>\$ 93,637</u>	

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

UPPER DUBLIN TOWNSHIP

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

December 31, 2008

	<u>Business-type</u> <u>Activities</u>	<u>Governmental</u> <u>Activities</u>
	<u>Enterprise -</u> <u>Sewer</u>	<u>Internal</u> <u>Service</u>
<u>ASSETS</u>		
Current Assets		
Cash	\$ 43,749	\$ 302,791
Receivables		
Sewer rents	37,711	-
Accounts	73,454	-
Total Current Assets	<u>154,914</u>	<u>302,791</u>
Noncurrent Assets		
Capital Assets:		
Equipment/vehicles	-	7,008,193
Less accumulated depreciation	<u>-</u>	<u>(3,563,902)</u>
Total Capital Assets (net of accumulated depreciation)	<u>-</u>	<u>3,444,291</u>
Total Noncurrent Assets	<u>-</u>	<u>3,444,291</u>
Total Assets	<u>\$ 154,914</u>	<u>\$ 3,747,082</u>
 <u>LIABILITIES</u>		
Current Liabilities		
Accounts payable and accrued wages	<u>\$ -</u>	<u>\$ 75,105</u>
Total Current Liabilities	<u>-</u>	<u>75,105</u>
Total Liabilities	<u>-</u>	<u>75,105</u>
 <u>NET ASSETS</u>		
Unrestricted	<u>154,914</u>	<u>3,671,977</u>
Total Net Assets	<u>\$ 154,914</u>	<u>\$ 3,671,977</u>

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

UPPER DUBLIN TOWNSHIP

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS –
PROPRIETARY FUNDS

For the Year Ended December 31, 2008

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise - Sewer</u>	<u>Internal Service</u>
Operating Revenues		
Intergovernmental revenues	\$ -	\$ 252,826
Charges for services	315	1,571,926
Other revenues	-	-
Total Operating Revenues	<u>315</u>	<u>1,824,752</u>
Operating Expenses		
General sewer operation expenses	1,856	-
Insurance	-	-
Depreciation	-	493,586
Motor pool	-	1,287,887
Total Operating Expenses	<u>1,856</u>	<u>1,781,473</u>
Operating Income (Loss)	(1,541)	43,279
Nonoperating Revenues (Expense)		
Proceeds from the sale of assets	-	-
Insurance claim settlements	-	25,490
Total Nonoperating Revenues (Expense)	<u>-</u>	<u>25,490</u>
Net Income Before Other Financing Sources (Uses)	(1,541)	68,769
Other Financing Sources (Uses)		
Interfund transfers in	-	695,506
Interfund transfers out	(50,000)	-
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>695,506</u>
Change in Net Assets	(51,541)	764,275
Net Assets - Beginning	<u>206,455</u>	<u>2,907,702</u>
Net Assets - Ending	<u>\$ 154,914</u>	<u>\$ 3,671,977</u>

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

UPPER DUBLIN TOWNSHIP

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2008

	<u>Business-type</u> <u>Activities</u>	<u>Governmental</u> <u>Activities</u>	Total
	<u>Enterprise -</u> <u>Sewer</u>	<u>Internal</u> <u>Service</u>	(Memorandum Only)
Cash flows from operating activities			
Cash received from customers	\$ 18,689	\$ 1,824,748	\$ 1,843,437
Cash paid to employees	-	(302,644)	(302,644)
Cash paid to suppliers	(5,037)	(822,051)	(827,088)
Cash paid for employee benefits	-	(159,612)	(159,612)
Net cash provided by (used in) operating activities	<u>13,652</u>	<u>540,441</u>	<u>554,093</u>
Cash flows from capital and related financing activities			
Proceeds from the sale of propert, plant and equipment, net	-	235,425	235,425
Purchase of property, plant and equipment	-	(1,281,031)	(1,281,031)
Insurance settlements	-	1,580	1,580
Net cash used in capital and related financing activities	<u>-</u>	<u>(1,044,026)</u>	<u>(1,044,026)</u>
Cash flows from non-capital financing activities			
Operating transfers to/from other funds, net	<u>(50,000)</u>	<u>695,506</u>	<u>645,506</u>
Net cash provided by (used in) non-capital financing activities	<u>(50,000)</u>	<u>695,506</u>	<u>645,506</u>
Net increase (decrease) in cash and cash equivalents	(36,348)	191,921	155,573
Beginning cash and cash equivalents	80,097	110,870	190,967
Ending cash and cash equivalents	<u>\$ 43,749</u>	<u>\$ 302,791</u>	<u>\$ 346,540</u>

Reconciliation of Net Operating Income (Loss)
to Net Cash Provided By (Used In) Operating Activities

Net operating income (loss)	\$ (1,541)	\$ 43,279	\$ 41,738
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities			
Depreciation and amortization	-	493,586	493,586
Changes in assets and liabilities:			
(Increase) decrease in receivables	18,373	-	18,373
Increase (decrease) in payables	(3,180)	845	(2,335)
Increase (decrease) in accrued wages	-	2,731	2,731
Net adjustments	<u>15,193</u>	<u>497,162</u>	<u>512,355</u>
Cash provided by (used in) operating activities	<u>\$ 13,652</u>	<u>\$ 540,441</u>	<u>\$ 554,093</u>

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

UPPER DUBLIN TOWNSHIP

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

December 31, 2008

	Pension Trust Funds	Private - Purpose Trust Funds	Agency Funds	Total Fiduciary Funds
<u>ASSETS</u>				
Current Assets				
Cash	\$ 983,172	\$ 328,488	\$ 4,764,214	\$ 6,075,874
Investments				
Mutual funds	<u>16,532,903</u>	<u>-</u>	<u>-</u>	<u>16,532,903</u>
Total Current Assets	<u>\$ 17,516,075</u>	<u>\$ 328,488</u>	<u>\$ 4,764,214</u>	<u>\$ 22,608,777</u>
 <u>LIABILITIES</u>				
Accounts payable	\$ -	\$ -	\$ 2,281,717	\$ 2,281,717
Escrow payable	<u>-</u>	<u>-</u>	<u>2,482,497</u>	<u>2,482,497</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>4,764,214</u>	<u>4,764,214</u>
 <u>NET ASSETS</u>				
Held in trust for pension benefits and other purposes	<u>\$ 17,516,075</u>	<u>\$ 328,488</u>	<u>\$ -</u>	<u>\$ 17,844,563</u>

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

UPPER DUBLIN TOWNSHIP

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

For the Year Ended December 31, 2008

	Pension Trust <u>Funds</u>	Private - Purpose Trust <u>Funds</u>	Total Fiduciary <u>Funds</u>
Additions			
Contributions			
Member contributions	\$ 187,823	\$ -	\$ 187,823
Employer contributions	14,205	-	14,205
State contributions	506,258	-	506,258
Other contributions/additions	<u>74,819</u>	<u>24,005</u>	<u>98,824</u>
Total Contributions	<u>783,105</u>	<u>24,005</u>	<u>807,110</u>
Investment Earnings			
Net appreciation (depreciation) in fair value of investments	(6,920,387)	-	(6,920,387)
Investment income	<u>1,048,158</u>	<u>6,817</u>	<u>1,054,975</u>
Total Investment Earnings	<u>(5,872,229)</u>	<u>6,817</u>	<u>(5,865,412)</u>
Total Additions	<u>(5,089,124)</u>	<u>30,822</u>	<u>(5,058,302)</u>
Deductions			
Benefits	983,447	-	983,447
Miscellaneous Expense	72,604	31,632	104,236
Actuary fees	<u>4,080</u>	<u>-</u>	<u>4,080</u>
Total Deductions	<u>1,060,131</u>	<u>31,632</u>	<u>1,091,763</u>
Change in Net Assets	(6,149,255)	(810)	(6,150,065)
Net Assets Held in Trust:			
Beginning of Year	<u>23,665,330</u>	<u>329,298</u>	<u>23,994,628</u>
End of Year	<u>\$ 17,516,075</u>	<u>\$ 328,488</u>	<u>\$ 17,844,563</u>

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

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

I. Summary of significant accounting policies

A. *Reporting entity*

Upper Dublin Township is a municipal corporation existing and operating under the First Class Township code of the Commonwealth of Pennsylvania. The accompanying financial statements present the primary government. In evaluating the Township (the primary government) as a reporting entity, all potential component units that may or may not fall within the financial accountability of the Township have been addressed. Financial accountability is present if the Township appoints a voting majority of a component unit's governing body and has the ability to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Township. There is one component unit, described as an entity for which the government is considered to be financially accountable.

Discretely presented component units. The following are component units of Upper Dublin Township as the Township has the responsibility for funding, funding deficits; and handles the fiscal management of tax levied on the Fire Company's behalf. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Fort Washington Fire Company

Complete financial statements for the individual component unit may be obtained at the entity's administrative offices as follows: Fort Washington Fire Company, PO Box 857, Fort Washington, PA 19034.

B. *Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

I. Summary of significant accounting policies (Continued)

B. Government-wide and fund financial statements (continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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 government.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

I. Summary of significant accounting policies (Continued)

C. *Measurement focus, basis of accounting, and financial statement presentation*
(continued)

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *community reinvestment fund* accounts for capital purchases and construction to enhance and improve the community environment throughout the Township.

The *park & recreation fund* accounts for the programs and services provided for residents relating to culture and recreation.

The government reports the following major proprietary funds:

The *sewer fund* accounts for the collection of amounts due from the activities of the Township's now defunct sewer treatment system sold in 2002.

Additionally, the government reports the following fund types:

The *pension trust fund* accounts for the activities of the Police and Non Uniformed Pension plans, which accumulate resources for pension benefit payments to qualified employees.

The *private purpose trust fund* accounts for monies that are not used to support municipal operations. Activity in each fund is restricted by the purpose designated when the fund was established.

The *internal service fund* accounts for the motor pool and insurance programs. Fees are charged to the various funds to cover their respective costs.

The *agency fund* accounts for monies held by the Township on a purely custodial basis. Assets in the agency fund equal liabilities.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

I. Summary of significant accounting policies (Continued)

C. *Measurement focus, basis of accounting, and financial statement presentation*
(continued)

Private-sector standards of accounting and financial reporting issued by the Financial Accounting Standards Board (FASB) prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *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. As the sewer system was sold in 2002, the only remaining operating revenues of the sewer fund are special assessments and collections of outstanding accounts. Operating expenses for enterprise funds include the interfund transfers, consultant expenses, and treatment costs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

I. Summary of significant accounting policies (Continued)

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The government'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.

With the exception of Pension Trust Funds, state law allows the government to invest in obligations of the United States of America, the Commonwealth of Pennsylvania, or any agency or instrumentality of either, which are secured by the full faith and credit of such entity. The law also allows for the Government to invest in certificates of deposit of banks, savings and loans, and savings banks both within and outside the Commonwealth of Pennsylvania, provided such amounts are insured by the Federal Deposit Insurance Corporation (FDIC) or other like insurance, and that deposits in excess of such insurance are collateralized by the depository. The state also imposes limitations with respect to the amount of investment in certificates of deposit to the extent that such deposits may not exceed 20% of a bank's total capital surplus or 20% of a savings and loan's or savings bank's assets, net of its liabilities. The government may also invest in shares of registered investment companies, provided that investments of the Company are authorized investments, as noted above.

The government invests in obligations and agencies of the United States of America. These investments are comprised of U.S. Treasury obligations. The government recognizes interest rate risk and extension risk with some of these obligations. The government has stratified their portfolio so that the investments with extension risk are comprised of monies needed on a long-term basis. Investments with interest rate risk are selected so that the risk of interest decline below area saving's accounts rates is minimal.

The law provides that the government's Pension Trust Funds may invest in any form or type of investment, financial instrument, or financial transaction if determined by the government to be prudent.

Investments for the government are reported at fair value. The Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

I. Summary of significant accounting policies (Continued)

D. Assets, liabilities, and net assets or equity (continued)

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Due to the immaterial nature of uncollectible accounts, all trade and property tax receivables are deemed fully collectible and an allowance has not been recorded.

Property taxes are levied as of January 1 on property values assessed as of the same date. Taxes are billed February 1 and payable under the following terms: a 2% discount February 1 through April 1; face amount April 2 through June 1; and a 10% penalty after June 1. Any unpaid bills at December 31 are subject to lien, and penalties and interest are assessed.

3. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

I. Summary of significant accounting policies (Continued)

D. Assets, liabilities, and net assets or equity (continued)

4. 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 government as assets with an initial, individual cost of more than \$7,500 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. 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 projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Prior to January 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost. Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	45
Roads and bridges	75
Storm sewers	100
Lighting	20
Trucks, vehicles and heavy equipment	5-25
Library books	12
Library media	10

5. Compensated absences

It is the Township's policy to permit employees to accumulate earned but unused vacation and sick benefits. Vacation pay is accrued when earned.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

I. Summary of significant accounting policies (Continued)

D. Assets, liabilities, and net assets or equity (continued)

6. 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 in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are 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.

7. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds of the Township. All annual appropriations lapse at fiscal year end.

During November, the Township holds budget hearings for the purpose of receiving oral and written comments from interested parties in regard to the proposed budget for the following year. The Township makes available to the public its proposed operating budget for all funds. The operating budget includes proposed expenditures and the means of financing them. The board holds public hearings and a final budget must be prepared and adopted no later than December 31 through the passage of an ordinance.

All budget revisions require the approval of the Township Board of Commissioners. There were no budget revisions made during the year. The Board authorized the use of unallocated fund balance in 2008.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

II. Stewardship, compliance, and accountability (Continued)

A. *Budgetary information (continued)*

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders) outstanding at year end lapse.

B. *Excess of expenditures over appropriations*

For the year ended December 31, 2008, expenditures exceeded appropriations in the public safety category of the general fund by \$313,158. These overexpenditures were funded by greater than anticipated revenues.

III. Detailed notes on all funds

A. *Deposits and investments*

As of December 31, 2008, the Township had the following investments:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value</u>
US Treasuries	2009-2013	\$ 1,508,823
US Agencies	2009-2013	12,761,450
External Pooled Investments	2009	6,169,139
Money Market Deposits	n/a	962,362
Mutual Funds - Bonds	2012 avg	7,696,267
Mutual Funds - Equities	n/a	5,428,365
Mutual Funds - International Equities	n/a	2,786,184
Mutual Funds - Other	n/a	622,087
		<u>\$ 37,934,677</u>

Interest Rate Risk. This is the risk that changes in interest rates will adversely affect the fair market value of an investment. The government has 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 policy states that a cash management investment may not exceed 12 months. Reserve and trust funds may be invested in government securities with maturities exceeding 12 months but not more than 36 months if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

Credit Risk. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits the investment of governmental funds as described in Section 1, Note D. The government's investment in the external investment pool was rated AAAM by Standard & Poor's. The two bond portfolios in the government's investment in mutual bond funds had average credit ratings of AA- and AA+ by Moody's.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

III. Detailed notes on all funds (Continued)

A. *Deposits and investments (continued)*

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As the government invests solely in mutual funds, external investment pools, and US obligations, there is not a concentration of credit risk required to be disclosed.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government has deposits in money market funds and external investment pools. These deposits are considered cash equivalents because of their short maturity dates and are included in deposits. The government does not have a deposit policy for custodial credit risk. As of December 31, 2008, the government's carrying amount of deposits was \$18,136,229 and the bank balance was \$20,544,557. Of the bank balance, \$1,799,000 was covered by depository insurance. Any balances exceeding depository insurance are exposed to custodial credit risk because it is uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the government's name.

As of December 31, 2008, the Fire Company's carrying amount of deposits was \$111,556 and the bank balance was \$129,979. Of the bank balance, \$129,979 was covered by depository insurance. Any balances exceeding depository insurance are exposed to custodial credit risk because it is uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the government's name.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of a failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. All investments are "held in the name of the government" and thus not exposed to custodial credit risk.

B. *Receivables*

Receivables as of the year end for the government's individual major funds, non major funds, business-type fund, and internal service fund in the aggregate:

	<u>General</u>	<u>Community Reinvestment</u>	<u>Park & Recreation</u>	<u>Sewer</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 1,408,466	\$ 1,053	\$ 3,266	\$ -	\$ 4,871	\$ 1,417,656
Accounts	115,646	-	5,656	73,454	1,100,609	1,295,365
Special assessments	-	-	-	37,711	-	37,711
Interest	52,552	97,014	-	-	-	149,566
Total Receivables	<u>\$ 1,576,664</u>	<u>\$ 98,067</u>	<u>\$ 8,922</u>	<u>\$ 111,165</u>	<u>\$ 1,105,480</u>	<u>\$ 2,900,298</u>

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

III. Detailed notes on all funds (Continued)

C. *Capital assets*

Capital asset activity for the year ended December 31, 2008 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,985,086	\$ 7,345,000	\$ -	\$ 15,330,086
Construction in Progress	<u>2,930,726</u>	<u>3,883,204</u>	<u>4,670,442</u>	<u>2,143,488</u>
Total capital assets, not being depreciated	<u>10,915,812</u>	<u>11,228,204</u>	<u>4,670,442</u>	<u>17,473,574</u>
Capital assets, being depreciated:				
Buildings and improvements	16,652,199	369,749	-	17,021,948
Machinery, vehicles and equipment	7,914,593	1,111,031	422,271	8,603,353
Library	1,487,041	182,518	130,990	1,538,569
Infrastructure	<u>75,008,194</u>	<u>3,562,836</u>	<u>-</u>	<u>78,571,030</u>
Total capital assets being depreciated	<u>101,062,027</u>	<u>5,226,134</u>	<u>553,261</u>	<u>105,734,900</u>
Less accumulated depreciation for:				
Buildings and improvements	4,461,312	379,011	-	4,840,323
Machinery, vehicles and equipment	3,810,801	659,290	397,057	4,073,034
Library	774,060	171,611	130,990	814,681
Infrastructure	<u>21,979,306</u>	<u>1,270,083</u>	<u>-</u>	<u>23,249,389</u>
Total accumulated depreciation	<u>31,025,479</u>	<u>2,479,995</u>	<u>528,047</u>	<u>32,977,427</u>
Total capital assets, being depreciated, net	<u>70,036,548</u>	<u>2,746,139</u>	<u>25,214</u>	<u>72,757,473</u>
Governmental-type activities capital assets, net	<u>\$ 80,952,360</u>	<u>\$ 13,974,343</u>	<u>\$ 4,695,656</u>	<u>\$ 90,231,047</u>

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

III. Detailed notes on all funds (Continued)

C. Capital assets (continued)

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

Governmental activities:

Administrative	\$ 61,747
Codes	29,441
Police and emergency services	322,718
Public works, including depreciation of general infrastructure except park systems	1,549,980
Libraries	235,861
Parks, including depreciation related to park systems	<u>280,248</u>
Total depreciation expense - governmental activities	<u>\$ 2,479,995</u>

D. Interfund receivables, payables, and transfers

Interfund transfers:

	Transfer <u>Out</u>	Transfer <u>In</u>
General Fund	\$ 1,185,425	\$ 50,000
Community reinvestment	420,000	-
Non-major governmental	1,534,421	2,444,340
Internal service	-	695,506
Sewer	<u>50,000</u>	<u>-</u>
Total	<u>\$ 3,189,846</u>	<u>\$ 3,189,846</u>

The interfund transfers are a result of various funds sharing the cost of pension and capital project expense. Additionally, funds that actually pay expenditures are reimbursed by the fund incurring the expense in accordance with budgetary authorizations.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

III. Detailed notes on all funds (Continued)

E. Leases

Operating Leases

The government leases many pieces of office equipment under noncancelable operating leases. Total liabilities under these leases are considered immaterial to the financial statements.

Capital Leases

The assets acquired through capital leases are as follows:

	Governmental <u>Activities</u>
Asset:	
Machinery and equipment	\$ 92,988
Less: Accumulated depreciation	<u>(29,446)</u>
Total	<u>\$ 63,542</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2008, were as follows:

Year	Governmental
<u>Ending Dec 31</u>	<u>Activities</u>
2009	18,598
2010	18,598
2011	18,598
2012	<u>7,748</u>
Total present value of minimum lease payments	<u>\$ 63,542</u>

F. Long-term debt

General Obligation Notes

The government issues general obligation notes to provide funds for the acquisition and construction of major capital facilities. General obligation notes have been issued for both governmental and business-type activities. The original amount of general obligation notes issued was \$30,424,000.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

III. Detailed notes on all funds (Continued)

F. *Long-term debt (continued)*

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are generally issued as 15-20 year serial bonds with varying amounts of principal maturing each year.

General obligation notes currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	varies	<u>\$ 19,044,000</u>

Annual debt service requirements to maturity for general obligation notes are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Max Interest</u>
2009	\$ 841,000	\$ 1,735,977
2010	933,000	1,721,246
2011	970,000	1,646,203
2012	1,017,000	1,567,847
2013	1,056,000	1,486,890
2014-2018	5,945,000	6,055,911
2019-2024	5,787,000	4,125,606
2024-2028	<u>2,495,000</u>	<u>954,150</u>
	<u>\$ 19,044,000</u>	<u>\$ 19,293,830</u>

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2008 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Notes payable	\$ 10,892,387	\$ 9,000,000	\$ 848,387	\$ 19,044,000	\$ 841,000
Capital leases	82,139	-	18,598	63,541	18,598
Compensated absences	<u>98,467</u>	<u>21,479</u>	<u>-</u>	<u>119,946</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 11,072,993</u>	<u>\$ 9,021,479</u>	<u>\$ 866,985</u>	<u>\$ 19,227,487</u>	<u>\$ 859,598</u>

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

IV. Other information

A. *Risk management*

The government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Township participates in the Delaware Valley Insurance Trust pool. The insurance expense for the year ended December 31, 2008 was \$226,177. The pooling agreement permits the pool to make additional assessments to its members. At December 31, 2008 there were no additional assessments due or anticipated. Instead the pool declared a dividend of which Upper Dublin's share was \$111,400.

The Township is also a member of the Delaware Valley Workers' Compensation Trust (DVWCT), a risk retention pool. The insurance expense for the year ended December 31, 2008 was \$456,353. The Trust declared a dividend in 2008. Upper Dublin Township's share of the dividend distribution was \$43,563. At December 31, 2008, there were no additional assessments due or anticipated. Instead, an audit of the reported 2008 payroll will be performed during the first quarter of 2009.

B. *Contingent liabilities*

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

In the normal course of business, there are various relatively minor claims and suits pending against the Township, none of which materially effect the financial position of the Township.

C. *Employee retirement systems and pension plans*

Defined Benefit Pension Plan

The Township sponsors two single employer defined benefit pension plans, the Employees' Pension Plan and the Police Pension Plan. All full time police and non-uniform employees participate in the plans. Neither of the plans prepares individual stand-alone financial statements. The most recent valuation was as of January 1, 2008 whose details are discussed below.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

IV. Other information (Continued)

C. Employee retirement systems and pension plans (continued)

Plan Description

Upper Dublin Township sponsors a public employee retirement system (PERS) to provide pension benefits for employees of the Township.

At January 1, 2007, Upper Dublin Township Pension Plan consisted of the following:

	Non <u>Uniform</u>	<u>Police</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits not yet receiving them	12	23
Active employees	<u>82</u>	<u>40</u>
Total membership	<u><u>94</u></u>	<u><u>63</u></u>

Description of Non-Uniform Pension Plan

The Pension Plan provides retirement and disability benefits for non-uniform full-time employees. Eligibility is effective on December 31 following employment. A participant is eligible for normal retirement benefits on the first day of the month coincident with or immediately following attainment of age 60. The normal retirement pension is payable monthly during the participant's lifetime, with payments guaranteed for the first 120 months. The amount of monthly pension is equal to 1.35% (1.1667% prior to January 1, 2001) of average monthly pay per year of service – up to 30 years. Average monthly pay is based upon the last 60 months of employment. Overtime pay is included. Participants' benefits vest according to a vesting schedule.

If a participant continues working after the normal retirement date, the pension does not start until the participant actually retires. The late retirement benefit is the greater of the benefit accrued to the retirement date or the actuarial equivalent of the normal retirement benefit. Early retirement is available after age 55 and 10 years of service. The early retirement benefit is the pension accrued to the date of early retirement reduced by 0.5% for each month by which the early retirement date precedes the normal retirement date. A death benefit is payable to a participant's surviving spouse, or beneficiary in an amount equal to the present value of his accrued benefit.

The Authority under which obligations to contribute to the Non-Uniform Pension Plan by the plan members, employer and other contributing entities are established or may be amended includes Act 205 of the Commonwealth of Pennsylvania and Township Ordinances.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

IV. Other information (Continued)

C. Employee retirement systems and pension plans (continued)

Description of the Police Pension Plan

The Pension Fund provides retirement benefits as well as death and disability benefits to all full-time members of the police force as of their date of hire. All benefits vest after 12 years of credited service. Employees who retire at or after age 50 with 25 years of credited service are entitled to monthly retirement benefit, payable for life, in an amount equal to 50% of their average eligible monthly compensation received during the last 36 months of employment (excluding overtime) plus 1% of average monthly pay for each year of service in excess of 25 years, but not more than \$100 additional. A member who completes at least 20 years of service and terminates prior to reaching the normal retirement may receive an immediate pension. The pension is the accrued pension, reduced by an actuarial factor to account for early payment. If a participant continues working after his normal retirements date, his pension does not start until he actually retires. The late retirement benefit is the benefit accrued to the late retirement date. A disability pension is available to participants disabled in the line of duty. The disability pension is equal to 50% of the member's monthly salary at the time of disability. If an active member is killed in the line of duty, the Plan provides a monthly death benefit to the surviving spouse, or eligible child equal to 100% of the member's monthly salary at the time of death. If a member is eligible for retirement at the time of death, a monthly death benefit is payable to his surviving spouse, or eligible child, equal to 50% of the monthly benefit the member would have been receiving had he been retired at the time of death.

The Authority under which obligations to contribute to the Police Pension Plan by the plan members, employer and other contributing entities are established or may be amended includes Act 600 and Act 205 of the Commonwealth of Pennsylvania and Township Ordinances.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: Both the Police and Non-Uniform Pension Plans are recorded using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

IV. Other information (Continued)

C. Employee retirement systems and pension plans (continued)

Method Used to Value Investments: In both the Police and Non-Uniform Pension Plans, equity securities are reported at market value. Fixed income securities are reported at market value, investment income is recognized as earned. Gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date. Market related value of assets is used to determine the indicated contribution.

Funded Status and Funding Progress Non-Uniform and Police Pension Plans

The funded status of each plan as of January 1, 2007, the most recent actuarial valuation date, is as follows:

		Actuarial		Unfunded	Accrued	Liability
	Actuarial	Accrued		Actuarial	Annual	as a
	Value of	Liability	Percentage	Accrued	Covered	Percentage
	<u>Net Assets</u>	<u>Obligation</u>	<u>Funded</u>	<u>Liability</u>	<u>Payroll</u>	<u>of Payroll</u>
NonUniform	\$ 6,052,375	\$ 6,464,763	93.6%	\$ 1,620,613	\$ 3,187,571	50.8%
Police	16,573,646	17,315,760	95.7%	742,114	3,035,181	24.5%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

IV. Other information (Continued)

C. Employee retirement systems and pension plans (continued)

Funding Policy:

Police Pension Plan: Member contributions are determined each year according to funding needs. For 2008, 4.3% member contributions were required. If an actuarial study shows that the condition of the Plan is such that payments may be reduced below the minimum percentages, or eliminated, the Township may, on an annual basis, by resolution, reduce or eliminate payments into the Police Pension Plan by participants. The Police Pension Plan is also funded by annual entitlements received from the Commonwealth of Pennsylvania and contributions from the Township.

Non-Uniform Pension Plan: For 2008, 1% member contributions were required. The non-uniform pension plan is funded by contributions from participants, the Township, and annual entitlements received from the Commonwealth of Pennsylvania.

Contributions Required and Contributions Made

The Police and Non-Uniform Pension Plans funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates is determined using the entry age normal actuarial funding method as required by Pennsylvania Act 205. Both Pension Plans use a method defined by Act 205 to amortize the unfunded liability over a defined period.

Annual Pension Cost and Net Pension Obligation

The Township's annual pension cost and net pension obligation to the Pension Plans for the current year were as follows:

	<u>Non-Uniform</u>	<u>Police</u>
Annual required contribution	\$ 263,952	\$ 256,511
Interest on net pension obligation	(1,638)	(12,614)
Adjustments to annual required contribution	<u>4,120</u>	<u>24,445</u>
Annual pension cost	266,434	268,342
Contributions made	<u>(263,952)</u>	<u>(256,511)</u>
Increase (decrease) in net pension obligation	2,482	11,831
Net pension obligation (asset) at beginning of year	<u>(21,837)</u>	<u>(168,180)</u>
Net pension obligation (asset) at end of year	<u><u>\$ (19,355)</u></u>	<u><u>\$ (156,349)</u></u>

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

IV. Other information (Continued)

C. Employee retirement systems and pension plans (continued)

The annual required contribution for the current year was determined as part of the January 1, 2007 actuarial valuation using the following assumptions:

	<u>Non-Uniform</u>	<u>Police</u>
Date of Actuarial valuation	1/1/2007	1/1/2007
Investment rate of return	7.5%	7.5%
Projected salary increases due to inflation	4.5%	5.0%
Cost method	Entry Age	Entry Age
Amortization method	Level \$ Closed	Level \$ Closed
Asset valuation method	Fair Value	Fair Value
Remaining Amortization period	12	26
Cost of living increases	n/a	3%

Three Year Trend Information

POLICE

Fiscal Year	Annual Pension	Percentage of APC	Net Pension Obligation
<u>Ending</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>(Asset)</u>
12/31/2006	\$ 262,983	94.8%	\$ (180,906)
12/31/2007	278,973	95.4%	(168,180)
12/31/2008	268,342	95.6%	(156,349)

NON-UNIFORM

Fiscal Year	Annual Pension	Percentage of APC	Net Pension Obligation
<u>Ending</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>(Asset)</u>
12/31/2006	\$ 299,912	98.9%	\$ (24,637)
12/31/2007	315,368	99.1%	(21,837)
12/31/2008	266,434	99.1%	(19,355)

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

IV. Other information (Continued)

D. Other postemployment benefit plans

Effective January 1, 2008, the Township adopted the provisions of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" (OPEB).

The Township administers an employer defined benefit plan to provide for certain postretirement healthcare benefits.

Description of the Police OPEB Plan

In accordance with the Police Labor Contract effective January 25, 1996, the Township implemented a post-retirement healthcare benefit plan for police employees who retire from the Township. All officers will be eligible for coverage upon retirement after reaching the minimum age of 50 years and the completion of 25 years of service. A retired officer's spouse, surviving spouse as long as he/she has not remarried, are also eligible for coverage under the plan. Plan benefits may be amended through Police Labor Contracts.

An officer who retires between to January 1, 1995 and December 31, 2019 will receive, based on year of retirement a maximum defined benefit amount that may be drawn down by the retiree or the retiree's spouse.

The plan does not issue a stand-alone financial report.

Funding Policy

The contribution requirements of plan members have been established and may be amended through Police Labor Contracts. Currently Retirees are not required to make contributions to the plan. The Township is accounting for these expenditures on a "pay-as-you-go" basis. In 2008 there were no contributions made into the plans by the Township. The amount paid out for insurance premium reimbursements to eligible retirees for the 2008 was \$82,913 under the police plan.

UPPER DUBLIN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

IV. Other information (Continued)

D. Other postemployment benefit plans (continued)

Funded Status and Funding Progress

The Township has elected not to have an actuarial valuation in 2008 to determine the ARC. It is estimated, given the actual amount paid out for insurance premium reimbursements to eligible retirees, that any remaining unfunded balance would be immaterial. The estimated present value of the OPEB liability is \$843,524. This liability number is calculated with the assumptions of employees will retire when they reach eligibility and a 3% rate of return. The Township currently has 23 participants eligible to receive benefits.

E. Municipal life insurance

The Township is required to provide \$10,000 in life insurance coverage for each retired police officer who has completed 25 years of service and reached age 50. During 2008, there were no benefits paid. At December 31, 2008, the Township has seventeen retired police officers eligible for this benefit.

F. Escrow cash deposits and investments

The Township acts in a custodial capacity with respect to monies deposited with it by developers and others. These monies are held by the Township and used to pay legal, engineering, and other fees incurred on behalf of a specific project. Any unused deposits are returned to the developer upon completion of the project, except for an administrative handling fee. None of the monies received from or expended on behalf of the developers are recorded in the revenues or expenses of the Township. At December 31, 2008, \$2,482,497 represents the balance of these monies held in escrow.

G. Self-insurance

The Township is self-insured for short-term disability, and general liability claims on the first \$25,000 of any claim; \$100,000 in aggregate per annum. The Township carried liability insurance for amounts not otherwise self-insured. Estimated losses on claims are charged to expense in the period the loss is determinable. For the year ended December 31, 2008, \$3,350 was expensed for short-term disability.

**REQUIRED
SUPPLEMENTAL INFORMATION**

UPPER DUBLIN TOWNSHIP

Required Supplemental Information – Police Pension Plan

For the Year Ended December 31, 2008

SCHEDULE OF FUNDING PROGRESS

<u>Valuation Date</u>	<u>Actuarial Value of Net Assets</u>	<u>Actuarial Accrued Liability Obligation</u>	<u>Percentage Funded</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Projected Annual Covered Payroll</u>	<u>Accrued Liability as a Percentage of Payroll</u>
1/1/03	\$ 10,180,383	\$ 14,005,626	72.7%	\$ 3,825,243	\$ 2,418,678	158.2%
1/1/05	13,999,604	15,261,625	91.7%	1,262,021	2,753,818	45.8%
1/1/07	16,573,646	17,315,760	95.7%	742,114	3,035,181	24.5%

**SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER
AND OTHER CONTRIBUTING ENTITIES**

<u>Calendar Year</u>	<u>Annual Required Contribution</u>	<u>Contributions From Employer</u>	<u>Percentage Contributed</u>
2003	\$ 218,216	\$ 218,216	100.0%
2004	222,318	222,318	100.0%
2005	523,093	523,093	100.0%
2006	249,293	249,293	100.0%
2007	266,246	266,246	100.0%
2008	256,511	256,511	100.0%

UPPER DUBLIN TOWNSHIP

Required Supplemental Information – Non-Uniform Pension Plan

For the Year Ended December 31, 2008

SCHEDULE OF FUNDING PROGRESS

<u>Valuation Date</u>	<u>Actuarial Value of Net Assets</u>	<u>Actuarial Accrued Liability Obligation</u>	<u>Percentage Funded</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Projected Annual Covered Payroll</u>	<u>Accrued Liability as a Percentage of Payroll</u>
1/1/03	\$ 3,282,387	\$ 4,903,000	66.9%	\$ 1,620,613	\$ 3,187,571	50.8%
1/1/05	4,750,930	5,726,554	83.0%	975,624	3,577,606	27.3%
1/1/07	6,052,375	6,464,763	93.6%	412,388	3,789,892	10.9%

**SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER
AND OTHER CONTRIBUTING ENTITIES**

<u>Calendar Year</u>	<u>Annual Required Contribution</u>	<u>Contributions From Employer</u>	<u>Percentage Contributed</u>
2003	\$ 288,629	\$ 288,629	100.0%
2004	290,414	290,414	100.0%
2005	374,106	374,106	100.0%
2006	296,752	296,752	100.0%
2007	312,567	312,567	100.0%
2008	263,952	263,952	100.0%

UPPER DUBLIN TOWNSHIP

COMBINING BALANCE SHEET NONMAJOR
GOVERNMENTAL FUNDS

December 31, 2008

	<u>Special Revenue Funds</u>			
	<u>Fire Protection</u>	<u>Library</u>	<u>Highway Aid</u>	<u>Total</u>
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 1,491	\$ 43,591	\$ -	\$ 45,082
Receivables	2,078	233	-	2,311
Due from other funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 3,569</u>	<u>\$ 43,824</u>	<u>\$ -</u>	<u>\$ 47,393</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable and accrued wages	<u>\$ 2,990</u>	<u>\$ 43,824</u>	<u>\$ -</u>	<u>\$ 46,814</u>
Total Liabilities	<hr/>	<hr/>	<hr/>	<hr/>
	2,990	43,824	-	46,814
Restricted Liabilities				
Taxes held in escrow	<hr/>	<hr/>	<hr/>	<hr/>
	579	-	-	579
Total Restricted Liabilities	<hr/>	<hr/>	<hr/>	<hr/>
	579	-	-	579
Total Liabilities	<hr/>	<hr/>	<hr/>	<hr/>
	3,569	43,824	-	47,393
Fund Balances				
Unreserved, reported in:				
Debt service fund	-	-	-	-
Capital project funds	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
Total Fund Balances	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,569</u>	<u>\$ 43,824</u>	<u>\$ -</u>	<u>\$ 47,393</u>

<u>Capital Projects Funds</u>				<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Open Space</u>	<u>Stormwater Management</u>	<u>Fire Capital</u>	<u>Total</u>		
\$ (415,335)	\$ 1,818,699	\$ 615,471	\$ 2,018,835	\$ 50,023	\$ 2,113,940
615,775	-	-	615,775	2,793	620,879
-	-	-	-	-	-
<u>\$ 200,440</u>	<u>\$ 1,818,699</u>	<u>\$ 615,471</u>	<u>\$ 2,634,610</u>	<u>\$ 52,816</u>	<u>\$ 2,734,819</u>
\$ 48,656	\$ 9,428	\$ 1,625	\$ 59,709	-	\$ 106,523
<u>48,656</u>	<u>9,428</u>	<u>1,625</u>	<u>59,709</u>	-	<u>106,523</u>
-	-	-	-	775	1,354
-	-	-	-	<u>775</u>	<u>1,354</u>
<u>48,656</u>	<u>9,428</u>	<u>1,625</u>	<u>59,709</u>	<u>775</u>	<u>107,877</u>
-	-	-	-	52,041	52,041
<u>151,784</u>	<u>1,809,271</u>	<u>613,846</u>	<u>2,574,901</u>	-	<u>2,574,901</u>
<u>151,784</u>	<u>1,809,271</u>	<u>613,846</u>	<u>2,574,901</u>	<u>52,041</u>	<u>2,626,942</u>
<u>\$ 200,440</u>	<u>\$ 1,818,699</u>	<u>\$ 615,471</u>	<u>\$ 2,634,610</u>	<u>\$ 52,816</u>	<u>\$ 2,734,819</u>

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

UPPER DUBLIN TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2008

	Special Revenue Funds			
	Fire Protection	Library	Highway Aid	Total
Revenues				
Taxes:				
Property	\$ 814,865	\$ -	\$ -	\$ 814,865
Investment income and rent	6,040	1,562	6,103	13,705
Grants	-	142,883	584,874	727,757
Program revenues	-	40,733	-	40,733
Other	808	1,811	-	2,619
Total Revenues	821,713	186,989	590,977	1,599,679
Expenditures				
Current:				
Public safety	403,775	-	-	403,775
Culture and recreation	-	972,414	-	972,414
Miscellaneous	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital projects	-	-	-	-
Total Expenditures	403,775	972,414	-	1,376,189
Excess (Deficiency) of Revenues Over Expenditures	417,938	(785,425)	590,977	223,490
Other Financing Sources (Uses)				
Refunded bonds issued	-	-	-	-
Operating transfers in	-	785,425	-	785,425
Operating transfers out	(417,938)	-	(590,977)	(1,008,915)
Total Other Financing Sources (Uses)	(417,938)	785,425	(590,977)	(223,490)
Net Change in Fund Balances	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

Capital Projects Funds				Debt Service	Total Nonmajor Governmental Funds
Open Space	Stormwater Management	Fire Capital	Total		
\$ -	\$ -	\$ -	\$ -	\$ 1,096,562	\$ 1,911,427
-	24,358	17,398	41,756	12,253	67,714
500,000	-	-	500,000	-	1,227,757
-	-	-	-	-	40,733
418,827	-	-	418,827	2,116	423,562
<u>918,827</u>	<u>24,358</u>	<u>17,398</u>	<u>960,583</u>	<u>1,110,931</u>	<u>3,671,193</u>
-	-	-	-	-	403,775
-	-	-	-	-	972,414
-	-	-	-	33,149	33,149
-	-	-	-	848,387	848,387
-	-	-	-	569,260	569,260
<u>1,003,372</u>	<u>129,548</u>	<u>160,210</u>	<u>1,293,130</u>	<u>-</u>	<u>1,293,130</u>
<u>1,003,372</u>	<u>129,548</u>	<u>160,210</u>	<u>1,293,130</u>	<u>1,450,796</u>	<u>4,120,115</u>
<u>(84,545)</u>	<u>(105,190)</u>	<u>(142,812)</u>	<u>(332,547)</u>	<u>(339,865)</u>	<u>(448,922)</u>
-	1,500,000	-	1,500,000	-	1,500,000
250,000	-	417,938	667,938	-	1,453,363
<u>(13,671)</u>	<u>-</u>	<u>(511,835)</u>	<u>(525,506)</u>	<u>-</u>	<u>(1,534,421)</u>
<u>236,329</u>	<u>1,500,000</u>	<u>(93,897)</u>	<u>1,642,432</u>	<u>-</u>	<u>1,418,942</u>
151,784	1,394,810	(236,709)	1,309,885	(339,865)	970,020
-	414,461	850,555	1,265,016	391,906	1,656,922
<u>\$ 151,784</u>	<u>\$ 1,809,271</u>	<u>\$ 613,846</u>	<u>\$ 2,574,901</u>	<u>\$ 52,041</u>	<u>\$ 2,626,942</u>

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

UPPER DUBLIN TOWNSHIP

COMBINING STATEMENT OF NET ASSETS -
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2008

	<u>Motor Pool Fund</u>
<u>ASSETS</u>	
Current Assets	
Cash	\$ 302,791
Receivables	-
Total Current Assets	<u>302,791</u>
Fixed Assets (net of accumulated depreciation, where applicable)	<u>3,444,291</u>
 TOTAL ASSETS	 <u>\$ 3,747,082</u>
<u>LIABILITIES AND NET ASSETS</u>	
Current Liabilities	
Accounts payable and accrued wages	\$ 75,105
Total Current Liabilities	<u>75,105</u>
Net Assets	
Unrestricted	<u>3,671,977</u>
Total Net Assets	<u>\$ 3,671,977</u>

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

UPPER DUBLIN TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS - INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2008

	<u>Motor Pool Fund</u>
Operating Revenues	
Charges for services	\$ 1,571,926
Intergovernmental revenue	<u>252,826</u>
Total Operating Revenues	<u>1,824,752</u>
 Operating Expenditures	
Motor pool	1,287,887
Depreciation	<u>493,586</u>
Total Operating Expenditures	<u>1,781,473</u>
 Operating Income (Loss)	<u>43,279</u>
 Nonoperating Revenues (Expenses)	
Insurance claim settlements	<u>25,490</u>
Total Nonoperating Revenue (Expenses)	<u>25,490</u>
 Income (Loss) Before Other Financing Sources (Uses)	68,769
 Other Financing Sources (Uses)	
Interfund transfer in	<u>695,506</u>
Total Other Financing Sources (Uses)	<u>695,506</u>
 Change in Net Assets	764,275
Net Assets - Beginning	<u>2,907,702</u>
Net Assets - Ending	<u>\$ 3,671,977</u>

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

UPPER DUBLIN TOWNSHIP

COMBINING STATEMENT OF NET ASSETS -
FIDUCIARY FUNDS

For the Year Ended December 31, 2008

	Pension Trust Funds			Private Purpose Trust Funds		
	Police Pension	Municipal Pension	Total	Police Life Insurance	D.A.R.E	Cheston Trust
<u>ASSETS</u>						
Current Assets						
Cash	\$ 547,748	\$ 435,424	\$ 983,172	\$ 83,591	\$ 8,008	\$ 51,206
Investments						
Mutual funds	<u>12,002,603</u>	<u>4,530,300</u>	<u>16,532,903</u>	-	-	-
Total Current Assets	<u>12,550,351</u>	<u>4,965,724</u>	<u>17,516,075</u>	<u>83,591</u>	<u>8,008</u>	<u>51,206</u>
<u>LIABILITIES</u>						
Accounts payable	-	-	-	-	-	-
Escrow payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET ASSETS</u>						
Held in trust for pension benefits and other purposes	<u>\$ 12,550,351</u>	<u>\$ 4,965,724</u>	<u>\$ 17,516,075</u>	<u>\$ 83,591</u>	<u>\$ 8,008</u>	<u>\$ 51,206</u>

Private Purpose Trust Funds					Agency Funds			Total
Dannenberg Trust	Bauman Trust	Kayser Scholarship	North Hills	Total	General Escrow	Earned Income Taxes	Total	Fiduciary Funds
\$ 139,408	\$ 19,921	\$ 7,510	\$ 18,844	\$ 328,488	\$ 2,555,434	\$ 2,208,780	\$ 4,764,214	\$ 6,075,874
-	-	-	-	-	-	-	-	16,532,903
<u>139,408</u>	<u>19,921</u>	<u>7,510</u>	<u>18,844</u>	<u>328,488</u>	<u>2,555,434</u>	<u>2,208,780</u>	<u>4,764,214</u>	<u>22,608,777</u>
-	-	-	-	-	72,937	2,208,780	2,281,717	2,281,717
-	-	-	-	-	2,482,497	-	2,482,497	2,482,497
-	-	-	-	-	<u>2,555,434</u>	<u>2,208,780</u>	<u>4,764,214</u>	<u>4,764,214</u>
<u>\$ 139,408</u>	<u>\$ 19,921</u>	<u>\$ 7,510</u>	<u>\$ 18,844</u>	<u>\$ 328,488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,844,563</u>

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

UPPER DUBLIN TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS - FIDUCIARY FUNDS

For the Year Ended December 31, 2008

	Pension Trust Funds			Private Purpose Trust Funds		
	Police Pension	Municipal Pension	Total	Police Life Insurance	D.A.R.E	Cheston Trust
Additions						
Contributions						
Member contributions	\$ 146,202	\$ 41,621	\$ 187,823	\$ -	\$ -	\$ -
Employer contributions	-	14,205	14,205	-	-	-
State contributions	256,511	249,747	506,258	-	-	-
Other contributions/additions	74,819	-	74,819	-	19,005	2,000
Total Contributions	<u>477,532</u>	<u>305,573</u>	<u>783,105</u>	<u>-</u>	<u>19,005</u>	<u>2,000</u>
Investment Earnings						
Net appreciation (depreciation) in fair value of investments	(4,988,617)	(1,931,770)	(6,920,387)	-	-	-
Investment income	760,261	287,897	1,048,158	-	179	1,423
Total Investment Earnings	<u>(4,228,356)</u>	<u>(1,643,873)</u>	<u>(5,872,229)</u>	<u>-</u>	<u>179</u>	<u>1,423</u>
Total Additions	<u>(3,750,824)</u>	<u>(1,338,300)</u>	<u>(5,089,124)</u>	<u>-</u>	<u>19,184</u>	<u>3,423</u>
Deductions						
Benefits	794,216	189,231	983,447	-	-	-
Miscellaneous expense	56,338	16,266	72,604	-	15,136	4,035
Actuary fees	1,510	2,570	4,080	-	-	-
Total Deductions	<u>852,064</u>	<u>208,067</u>	<u>1,060,131</u>	<u>-</u>	<u>15,136</u>	<u>4,035</u>
Change in Net Assets	(4,602,888)	(1,546,367)	(6,149,255)	-	4,048	(612)
Net Assets Held in Trust:						
Beginning of Year	<u>17,153,239</u>	<u>6,512,091</u>	<u>23,665,330</u>	<u>83,591</u>	<u>3,960</u>	<u>51,818</u>
End of Year	<u>\$ 12,550,351</u>	<u>\$ 4,965,724</u>	<u>\$ 17,516,075</u>	<u>\$ 83,591</u>	<u>\$ 8,008</u>	<u>\$ 51,206</u>

Private Purpose Trust Funds					Total
Dannenberg Trust	Bauman Trust	Kayser Scholarship	North Hills	Total	Fiduciary Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 187,823
-	-	-	-	-	14,205
-	-	-	-	-	506,258
-	3,000	-	-	24,005	98,824
-	3,000	-	-	24,005	807,110
-	-	-	-	-	(6,920,387)
3,726	721	211	557	6,817	1,054,975
3,726	721	211	557	6,817	(5,865,412)
3,726	3,721	211	557	30,822	(5,058,302)
-	-	-	-	-	983,447
-	10,061	400	2,000	31,632	104,236
-	-	-	-	-	4,080
-	10,061	400	2,000	31,632	1,091,763
3,726	(6,340)	(189)	(1,443)	(810)	(6,150,065)
135,682	26,261	7,699	20,287	329,298	23,994,628
<u>\$ 139,408</u>	<u>\$ 19,921</u>	<u>\$ 7,510</u>	<u>\$ 18,844</u>	<u>\$ 328,488</u>	<u>\$ 17,844,563</u>

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

UPPER DUBLIN TOWNSHIP

COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES – AGENCY FUNDS

December 31, 2008

	<u>Balance January 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2008</u>
<u>GENERAL ESCROWS</u>				
ASSETS				
Cash	\$ 650,153	\$ 1,905,281	\$ -	\$ 2,555,434
LIABILITIES				
Accounts payable	\$ 66,309	\$ 6,628	\$ -	\$ 72,937
Deposits payable	583,844	1,898,653	-	2,482,497
Total Liabilities	\$ 650,153	\$ 1,905,281	\$ -	\$ 2,555,434
<u>EARNED INCOME TAXES</u>				
ASSETS				
Cash	\$ 1,918,730	\$ 290,050	\$ -	\$ 2,208,780
LIABILITIES				
Accounts payable	\$ 1,918,730	\$ 290,050	\$ -	\$ 2,208,780

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