

COMPREHENSIVE ANNUAL FINANCIAL REPORT



BUCKINGHAM TOWNSHIP,
PENNSYLVANIA

For the year ended December 31, 2020

BUCKINGHAM TOWNSHIP, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2020

Prepared by:
Buckingham Township Finance Department
Jill G. Pistory, CPA, Treasurer/Finance Director

BUCKINGHAM TOWNSHIP

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2020

TABLE OF CONTENTS

Introductory Section (Unaudited):

Letter of Transmittal.....	i
Organizational Chart	ix
Elected and Appointed Officers	x
Certificate of Achievement for Excellence in Financial Reporting	xi

Financial Section:

Independent Auditors' Report	1-3
------------------------------------	-----

Management's Discussion and Analysis	4-15
--	------

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position.....	16-17
Statement of Activities	18-19

Fund Financial Statements:

Balance Sheet - Governmental Funds	20
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Governmental Activities in the Statement of Activities	23
Statement of Net Position - Proprietary Funds.....	24
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds.....	25
Statement of Cash Flows - Proprietary Funds	26
Statement of Net Position - Fiduciary Funds.....	27
Statement of Changes in Net Position - Fiduciary Funds.....	28
Notes to Financial Statements.....	29-60

Required Supplementary Information:

Schedule of Changes in Net Pension Liability and Related Ratios - Police Pension Plan.....	62-63
Schedule of Contributions - Police Pension Plan	64
Schedule of Changes in Net Pension Liability and Related Ratios - Non-Uniform Pension Plan.....	65-66
Schedule of Contributions - Non-Uniform Pension Plan	67
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	68
Notes to Supplementary Information - Budgetary Comparison Schedules.....	69

Supplementary Information:

Major Funds	70
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Debt Service Fund	71
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Capital Reserve Fund.....	72
Nonmajor Governmental Funds	73
Combining Balance Sheet - Nonmajor Governmental Funds	74-75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	76-77
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Emergency Service Fund.....	78
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Fire Protection Fund	79
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - State Highway Fund	80
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Highway Improvement Fund.....	81
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Park and Recreation Fund.....	82
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Obligation Bond Fund.....	83
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Capital Projects Fund.....	84

Statistical Section (Unaudited):

Financial Trends:

Net Position by Component	85
Changes in Net Position	86
Program Revenues by Function/Program	87
Fund Balances, Governmental Funds	88
Changes in Fund Balances, Governmental Funds	89

Revenue Capacity:

Tax Revenue by Source, Governmental Funds.....	90
Assessed Value and Estimated Actual Value of Taxable Property	91
Property Tax Rates - Direct and Overlapping Governments	92
Principal Property Taxpayers.....	93
Property Tax Levies and Collections	94
Municipal Earned Income Tax Revenue Base and Collections.....	95
Income Tax Statistics	96

Debt Capacity:

Ratio of Outstanding Debt by Type	97
Ratios of General Bonded Debt Outstanding.....	98
Computation of Direct and Overlapping Debt.....	99
Legal Debt Margin Information.....	100

Statistical Section (Unaudited): continued

Demographic and Economic Information:

Demographic and Economic Statistics101

10 Principal Employers.....102

Operating Information:

Full-time Equivalent Municipal Employees by Function/Program103

Operating Indicators by Function/Program104

Capital Asset Statistics by Function/Program.....105

INTRODUCTORY SECTION



BUCKINGHAM TOWNSHIP

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July 28, 2021

To the Board of Supervisors and Citizens of Buckingham Township, Pennsylvania:

We hereby submit the Comprehensive Annual Financial Report of Buckingham Township, Pennsylvania for the year ended December 31, 2020. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Bee, Bergvall & Co., an independent firm of certified public accountants, has issued an unmodified opinion on Buckingham Township's financial statements for the year ended December 31, 2020. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD & A complements this letter of transmittal and should be read in conjunction with it.

Following the MD & A are the basic financial statements, including the government-wide financial statements, the fund financial statements, the notes to the financial statements, and the statistical section, complete the Comprehensive Annual Financial Report.

REPORTING ENTITY

Buckingham Township, incorporated in 1700, lies in the center of Bucks County, in the southeastern part of the state and is part of the Philadelphia Metropolitan Area. The 33 square mile area makes it the largest of the county's fifty-four townships. The Township is bisected by Old York Road, which follows the original route to New York City from Philadelphia established in colonial times. The governing body of the Township is the Board of Supervisors, which consists of three members, elected at large to a six-year term.

The Township provides a full range of municipal services. The public safety program includes police protection, fire marshal, building inspection, planning, zoning, and emergency management. The Highway programs include street sweeping, snow removal, traffic signalization and street markings, street lighting, storm sewer maintenance, bridge and highway construction and maintenance. The Park and recreation department own and operates three community parks and provides a variety of recreational facilities and programs. The Township also fully operates and maintains the water and waste water systems for most of its residents who have public sewer and water connections.

This report includes all the funds of Buckingham Township. There are no separate component units included or excluded. The Township sponsors two defined benefit pension plans, the Police Pension Plan and the Non-Uniform Pension Plan. The plans are administered by the Pennsylvania Municipal Retirement System (PMRS). PMRS is an agent, multi-employer pension system with the purpose to administer sound, cost-effective pensions for local government employees.

ECONOMIC CONDITION

Buckingham Township is characterized by gentle rolling hills and productive agricultural soils. The land use composition of the Township in 2012, according to the Delaware Valley Regional Planning Commission, is comprised of 6,342 acres of agricultural use; 5,834 acres of family residential; 3,826 acres of rural residential; 1,525 acres of transportation and utilities; 1,422 acres for parks, recreational use and open space; 491 acres of government and institutional use; 389 acres of commercial use; 89 acres of mining and manufacturing use; 26 acres of water use; 1,165 acres of vacant land; Over 5,000 acres have been preserved from future development.

The 2010 census states Buckingham Township's population as 20,075, which represents an 18% increase from 2000, and the third highest in the County. The Township had experienced steady residential development during the past decade. Beginning in 2009, Buckingham had been affected by the nationwide construction downturn and downturn in home values. From 2010 to 2019 the increase in population was .82%, significantly lower than the decade before. During 2020 and 2019 we have experienced an increase in activity in the building department, the township issued 26 new housing permits in 2020 and 24 in 2019. The Township's current residential development projects include one residential project which includes 75 mix use homes of which is almost completed. Another mixed-use project is in the approval stages that includes 19 single family homes, 4 apartments, 18 condominiums and two restaurants and one retail location. Taxable property assessed values increased by 0.1% in 2020 and 0.4% in 2019. Real Estate Transfer Taxes revenues have increased steadily since 2011. Current unemployment levels, 6.6 percent, are consistent with the state (6.6 percent) and national averages (6.7 percent). The rate almost doubled in 2020 due to the COVID19 pandemic. Wealth and income levels well exceed state and national medians. Median household income as a percentage of the state is 234%.

Buckingham Township has maintained General Fund balances of at least \$3.9 million since fiscal year 2004. At the end of fiscal year 2020, the total balance increased to \$6,624,103, an ample 68.9% of General Fund expenditures and other financing uses. The increase in 2020 was \$393,063. This increase was even after transfers of \$350,000 to the Park Fund, \$500,000 to the Capital Reserve Fund for future improvements to the Township building and \$1,250,000 to the General Obligation Bond Fund for future open space preservation.

The General Fund budgeted expenditures plus transfers to other funds for 2021 are in excess of budgeted revenues by \$841,450. Budgeted fund balance at the end of 2021 will still be an ample \$5,782,653.

In February 2021, *“S&P Global Ratings assigned its 'AAA' long-term rating to Buckingham Township, Pa.'s expected \$4 million series 2021A and \$5 million series 2021B general obligation (GO) bonds. At the same time, we affirmed our 'AAA' rating on the township's GO debt outstanding. The outlook is stable.”*

MAJOR INITIATIVES

The year 2020 started as many others have, full of planning for the new year and with many projects on the horizon. The Township was in the process of hiring a new Water and Wastewater Director and several new Police Officers to replace retiring employees. Construction of a Water and Wastewater Operations Center to centralize the Water and Wastewater Department staff, their equipment and operations was to take center stage. Smaller construction projects at the Township building and the Township maintenance garage were also in the works along with the planned completion of the Holicong Park Expansion project.

In early February 2020, we welcomed Stephen Clark as our new Director of Water and Wastewater to replace our retiring Director who had been with the Township for over 20 years. Mr. Clark came to the Township after a 24-year career in wastewater operations at the Borough of Conshohocken Authority serving as Executive Director for the last five years. His experience and enthusiasm proved for a great fit with the department and the Township.

February 2020 also saw the retirement of our Lieutenant John R. Landis. JR started in Buckingham in 1985 and gave 34 years of dedicated service to the residents of Buckingham. He was promoted several times during his career holding the rank of Corporal, Sergeant, and finally Lieutenant. JR was also the acting Chief of Police while the Township searched for Chief Daniel's successor. He gave 100% to his duties in Buckingham and was known by our residents and business owners as a true public servant.

To fill the vacant officer position, Officer Kevin Myslinski was hired by the Buckingham Township Police Department on February 18, 2020. Officer Kevin Myslinski graduated from Saint Joseph's University. After college, Kevin decided to follow his dream and become a Police Officer. He was hired by the Temple University Police Department in 2014 and graduated from the Philadelphia Police Academy in 2015.

After a mild winter, March started out fairly typical. Permits and inspection numbers were on par for the time of year and planning for the construction projects was underway. Then COVID hit. While all emergency services including police and water and sewer departments continued at full staff, on March 13th we closed the Township Administrative Offices anticipating that we could re-open to the public as soon as March 20th but then the Governor's Stay at Home Orders were issued and revised to April 30th and Orders continued to be revised through June 2020.

For the first weeks, the Emergency Management Coordinator, the Township Manager and the Finance Director were the only office staff who had full access to work from home. We began to stagger other office staff on March 30th and bought laptops for all office employees so that they could work from home when not in the office. The Township issued weekly press releases and staff memos as news of COVID and the accompanying pandemic information was changing by the day. With few exceptions, building inspections halted on March 26th and only resumed on May 4th and permit applications dropped by half for April 2020.

By late April 2020, the Township Administrative Offices remained closed to the public but the office staff as well as the public works and water and sewer staff were working hybrid schedules to prevent COVID spread. All meetings were moved to virtual meetings. The Township installed a mail drop box for the permit applications, water sewer payments and other correspondence and encouraged online payments of water and sewer bills by covering the convenience fees.

The Township administrative offices followed an open floorplan both within the middle office area and where the public would enter. Plans were already in the works to create two offices in the open office area. To comply with the governor's guidance when we would re-open and to offer more protection to the public and our employees, we enclosed both the admin and building department counter areas including adding doors and adding plexiglass shields to the front counters. The Township received reimbursement funds to pay for the counter enclosures and other cleaning efforts through the COVID PEMA public Assistance Grant.

The Township had several false starts to re-opening to the public by appointment only as the Governor's Stay at Home Orders were continually revised as the pandemic continued. The Township ultimately re-opened the administrative offices to the public by appointment only on June 11, 2020. By then most business was able to be handled electronically and/or we had drop box type procedures for people to submit paperwork. Building permits had begun to return to normal by May and then they began to accelerate. July 2020 there were 164 permit applications compared to 97 in 2019.

Building and Zoning permits have continued to explode with permit applications for 2020 up 20%-35% over 2019. To date, those percentages are even higher for 2021.

We started out 2020 thinking we would have another year of business as usual for our tax revenues. Since we have no General Fund mileage our General Fund revenues are heavily reliant on Earned Income Taxes (EIT) and Realty Transfer Tax revenues. The past several years saw a modest increase in EIT and LST on average. When the COVID19 Pandemic hit we were, like many, in a state of concern. Our counterparts in Bucks County were so concerned that they hired a consultant to evaluate the potential impact on tax revenues for the municipalities in Bucks County. Since Buckingham Township had a healthy fund balance for many years, we felt we were in a good position to weather this pandemic, all the while keeping a close eye on the tax revenues. The results of the study projected a substantial decrease in both EIT and Realty Transfer Tax for 2020 and 2021. The actual results for 2020 were the opposite. Our 2020 Realty Transfer Tax revenues increased by 22% and our 2020 EIT revenues were minimally higher than 2019. In 2021, the trend continues for Realty Transfer Taxes and EIT revenues are up modestly.

While Buckingham Township has remained financially stable through this pandemic, we have seen the effects the boom of the construction industry has on completing our biggest building projects; the Holicong Park Expansion and the Water and Wastewater Operations Center.

The Holicong Park Expansion was slated to be completed in 2020. Delays due to the pandemic pushed the project into late 2020 for completion. Unfortunately, by the end of 2020, delays in getting supplies such as benches, piping and other materials have pushed the completion into 2021. Even now, some items are still on order and we are still working on getting the pavilion completed.

The Water and Wastewater Operations Center was in the planning and bid preparation stages at the beginning of the pandemic. The Township decided on a slight delay and bid the project with a bid opening of June 18, 2020. The project consists of four bids: general construction, electrical, mechanical, and plumbing. In the first round of bidding there was good participation in the general construction and electrical bids but only one plumbing bid and no mechanical bids. We re-bid the mechanical and plumbing bids on July 16, 2020 to better results. With the pandemic we also saw the bids come in over initial estimates, particularly the electrical bids as construction and supply costs have been rising. The total project bid costs without change orders came in at \$5,007,100.00. Bids were awarded with the understanding that construction would not begin until September 2020 and continue through 2021. The project is ongoing and the estimated substantial completion date is late August 2021.

The end of the year included one more hire for the police department. Officer Steven Dompert was hired in December of 2020 in the heart of the pandemic. Steve was born and raised in the Central Bucks area and received a Bachelor's Degree from Pennsylvania State University. Steve graduated from the police academy in 2014 and worked for the Philadelphia Police Department until 2017, when he was hired by the Warwick Township Police Department.

To fund the Water and Wastewater Operations Center, which is funded solely through water and sewer customers, the Township always planned to use a combination of funds previously set aside for the project and borrowed monies. We looked at several options and settled on a twenty-year General Obligation Bond as the best option as interest rates were at record lows. As we were looking at interest rate trends in considering financing, we found that the Township would also benefit by saving an estimated net present value benefit of \$321, 253.45 by refinancing the 2014 Open Space bonds. By timing the financing of the Water and Wastewater Operations Center with the refinancing of the 2014 bonds the Township also saved costs of issuances of both bonds. The Township ultimately borrowed \$3,980,000 in General Obligation Bond Series A for the Water and Wastewater Operations Center and refinanced \$4,820,000 in General Obligation Bond Series B for the refinancing of the 2014 Open Space Bonds. Along with the financing and refinancing of monies, the Township participated in a re-rating by Standard and Poor's (S&P). The Township is proud to report that S&P once again gave Buckingham Township their highest rating of "AAA" with a stable outlook.

FINANCIAL OPERATIONS

Accounting Systems and Controls

Responsibility for the completeness and reliability of the information contained in this report is based on a comprehensive framework of internal control that management established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Our internal control evaluations occur within the above framework. We believe that the Township's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budget

Annual Budgets are adopted for all governmental funds. The Township's budget policy is for the elected officials to provide direction on goals, service levels, fund balance level and tax levels. Budgetary control is maintained at the fund level, with operating departments charged with the development and maintenance of budgeted expenditures. The Township Manager is responsible for administering the annual budget.

Buckingham Township prepares its annual budget using the technique of Zero-Based Budgeting. All expenditures must be justified as if new during the annual budgeting process, thereby providing continued accountability by the operating departments. That said the Township does do a three year look forward for capital purchases and significant maintenance expenditures in order to assess projected long-term financial outlays.

Encumbrance accounting is used to record an estimated amount for approved purchase orders, contracts and other commitments to vendors. Justification of all expenditures is again required during this process. Legal budgetary control is maintained by the Township Manager with the assistance of the Finance Director. All budget transfers and additional appropriations are approved by the Board of Supervisors. See Note 1 of the financial statements for additional information on the Township's budget policies.

Independent Audit

The Township engaged the independent firm of licensed certified public accountants, Bee, Bergvall & Co., to perform an audit of the financial statements. In their report, which is included in the financial section of this comprehensive annual financial report, they expressed an unmodified opinion on Buckingham Township's financial statements for the year ended December 31, 2020.

The Township was not required to comply with the provisions of the Single Audit Act, as amended, as the federal funds expended did not total more than \$750,000.

Certificate of Achievement

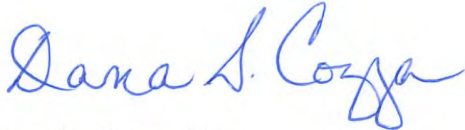
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Buckingham Township for its comprehensive annual financial report for the year ended December 31, 2019. This was the thirteenth consecutive year that the township has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

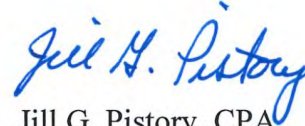
ACKNOWLEDGEMENTS

The preparation of this report would not be possible without the assistance of all municipal departments. For that cooperation, we are very appreciative. We also wish to express our appreciation to the Board of Supervisors for the continued dedication to the well being of our community. We have the utmost gratitude to the elected officials of the Township for their constant and continual cooperation and interest in the financial operations of Buckingham Township. Their unfailing commitment to maintaining the highest standards of professionalism in the management of Buckingham Township but specifically the finances is what enables us to continue to provide the quality of municipal government, which makes Buckingham so outstanding.

Respectfully submitted,



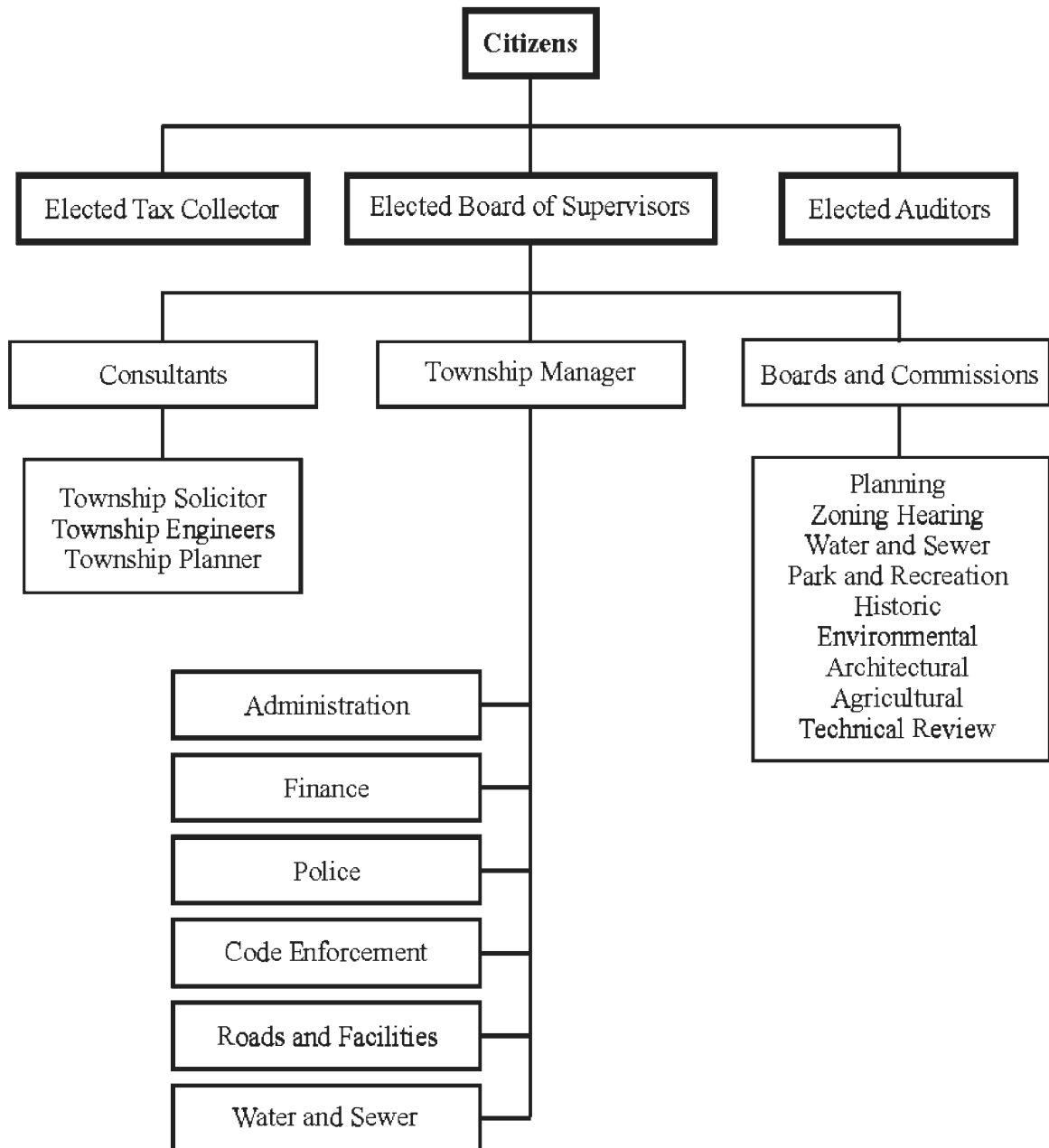
Dana S. Cozza, Esq.
Township Manager



Jill G. Pistory, CPA
Treasurer/Finance Director

BUCKINGHAM TOWNSHIP, PENNSYLVANIA ORGANIZATIONAL CHART

As of December 31, 2020



BUCKINGHAM TOWNSHIP, PENNSYLVANIA

Elected and Appointed Officials

Elected Officials

Board of Supervisors:

Chairperson of the Board	Jon Forest
Vice-Chairperson of the Board	Maggie Rash
Member of the Board	Paul Calderaio

Elected Auditors:

Chairperson of the Board	Steve Mekanik
Vice-Chairperson of the Board	Skip Salvesen
Secretary of the Board	Sam A. Losorelli

Tax Collector	Ann Calderaio
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Appointed Officials

Township Manager/Secretary	Dana S. Cozza, Esquire
Treasurer/Finance Director	Jill G. Pistory, CPA
Township Solicitor	Craig Smith, Esquire
Township Engineer	Knight Engineering, Inc.
Township Sewer/Water Engineer	Castle Valley Consultants
Township Planner	Evan J. Stone, PLA
Township Independent Auditors	Bee, Bergvall & Co.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Buckingham Township
Pennsylvania**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Buckingham Township, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Buckingham Township, Pennsylvania, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Buckingham Township, Pennsylvania, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information


Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 15, the budgetary comparison information on page 68, and the historical trend information on pages 62 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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



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

Warrington, PA
July 28, 2021

**Buckingham Township
Management's Discussion and Analysis
For the Year Ended December 31, 2020**

This narrative and analysis provide an overview of the financial activities of Buckingham Township for the year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the beginning of this report and the Township's financial statements, which follow.

Financial Highlights

- The assets and deferred outflows of resources of Buckingham Township exceeded its liabilities and deferred inflows of resources at the close of 2020 by \$142,862,772. Of this amount, \$23,735,622 represents unrestricted net position, which may be used to meet the Township's ongoing obligations to citizens and creditors.
- The Township's total net position increased by \$5,514,231. Net position increased for both the governmental activities and business-type activities. The most significant increase was of capital contributions from developers. For Governmental Funds the capital contributions were \$876,355 and for Business-Type Activities the capital contributions were \$1,274,292.
- At the close of 2020, Buckingham Township governmental funds reported combined ending fund balance of \$15,668,631, an increase of \$914,180 from the prior year. Most of the increase is due to excess of revenues over expenditures in the amount of \$641,717. Approximately 40.8% of the total fund balance, or \$6,387,085, is available for spending at the government's discretion (*unassigned fund balance*) and another \$6,553,269 or 41.8% is committed by the Board of Supervisor's for parks, land conservation and future capital improvements. Additionally, \$334,708 has been restricted for open space debt service which represent 2.1% of the governmental fund balance. \$2,235,673 or 14.3%, is restricted for future public works projects.
- At the end of 2020, unassigned fund balance for the General Fund was \$6,466,599 or an ample 88.8% of the total general fund expenditures.
- Buckingham Township's total debt decreased by \$2,023,161 during the current year primarily due to principle payments on General Obligation Bonds of \$1,180,000 plus a decrease in net pension liability of \$856,739 resulting from better than expected returns on investments.
- Buckingham Township's bond rating was upgraded to AAA by Standard & Poor's in July 2014 and reaffirmed in February 2021 with a stable outlook.

Overview of the Financial Statements

The Buckingham Township basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Buckingham Township's finances, in a manner similar to a private-sector business. They provide both short and long-term information about the Township's overall financial status.

The statement of net position presents financial information on all of the Township's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increase or decrease in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The statement of activities presents information showing how the Township's net position changed during the most recent fiscal year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Buckingham Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include general government, public safety, public works, conservation and preservation and parks and recreation. The business-type activities of the Township include Water and Waste Water operations.

The government-wide financial statements can be found on pages 16-19 of this report.

Fund Financial Statements

The fund financial statements provide a detailed look at the Township's most significant funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Buckingham Township, like other state and local government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Buckingham Township can be divided into two categories: governmental funds and proprietary funds.

Governmental funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing the Township's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in financial balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Buckingham Township maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General fund, Debt Service fund and General Obligation Bond fund, all of which are considered to be major funds. Data from the other seven funds are combined into a single, aggregate presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found on pages 20-23 of this report.

Proprietary funds – Proprietary funds provide the same type of information as the business-type activities in the government-wide financial statements, only in more detail. Buckingham Township has one kind of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Buckingham Township uses the enterprise funds to account for water and waste water activities.

The basic proprietary fund financial statements can be found on pages 24-26 of this report.

The basic fiduciary fund financial statements can be found on pages 27-28 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-60 of this report.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Buckingham Township’s progress in funding its obligations to provide pension benefits to its employees, which can be found on page 62-67 of this report.

Also included in the supplementary information are the budgetary comparison schedules, which can be found on pages 68-72 and again on pages 78-84 of this report. Buckingham Township adopts an annual budget for all its governmental funds. A budgetary comparison schedule has been provided for the general fund and the major special revenue fund, the park and recreation fund, to demonstrate compliance with this budget. This schedule shows four columns: 1) the original budget as adopted by the board, 2) the final budget as amended by the board, 3) the actual revenues, expenditures and ending fund balance, and 4) the difference or variance between the final budget and the actual revenues and expenditures.

The combining and individual statements and schedules of governmental funds are presented immediately following the required supplementary information. They can be found on pages 73-77 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government’s financial position. Buckingham Township’s assets and deferred outflows of resources exceeded liabilities by \$142,862,772, at the close of 2020.

Buckingham Township’s Net Position

Figure 1

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$21,395,169	\$18,389,196	\$ 9,866,023	\$10,542,970	\$31,261,192	\$28,932,166
Capital assets	73,834,161	72,695,816	49,020,171	46,222,128	122,854,332	118,917,944
Total assets	95,229,330	91,085,012	58,886,194	56,765,098	154,115,524	147,850,110
Total deferred outflows of resources	638,696	1,148,648	135,930	199,966	744,626	1,348,614
Long-term liabilities outstanding	6,439,551	5,936,271	14,479	288,983	6,454,030	6,225,254
Other liabilities	2,342,421	4,489,109	563,267	354,047	2,905,688	4,843,156
Total liabilities	8,781,972	10,425,380	577,746	643,030	9,359,718	11,068,410
Total deferred inflows of resources	2,357,555	746,983	310,105	34,790	2,667,660	781,773
Net position:						
Net investment in capital assets	67,514,584	66,050,754	49,020,171	46,222,128	116,534,755	112,272,882
Restricted	2,592,395	2,406,925	0	0	2,592,395	2,406,925
Unrestricted	14,621,520	12,603,618	9,114,102	10,065,116	23,735,622	22,668,734
Total net position	<u>\$84,728,499</u>	<u>\$81,061,297</u>	<u>\$58,134,273</u>	<u>\$56,287,244</u>	<u>\$142,862,772</u>	<u>\$137,348,541</u>

Buckingham Township's Net Position

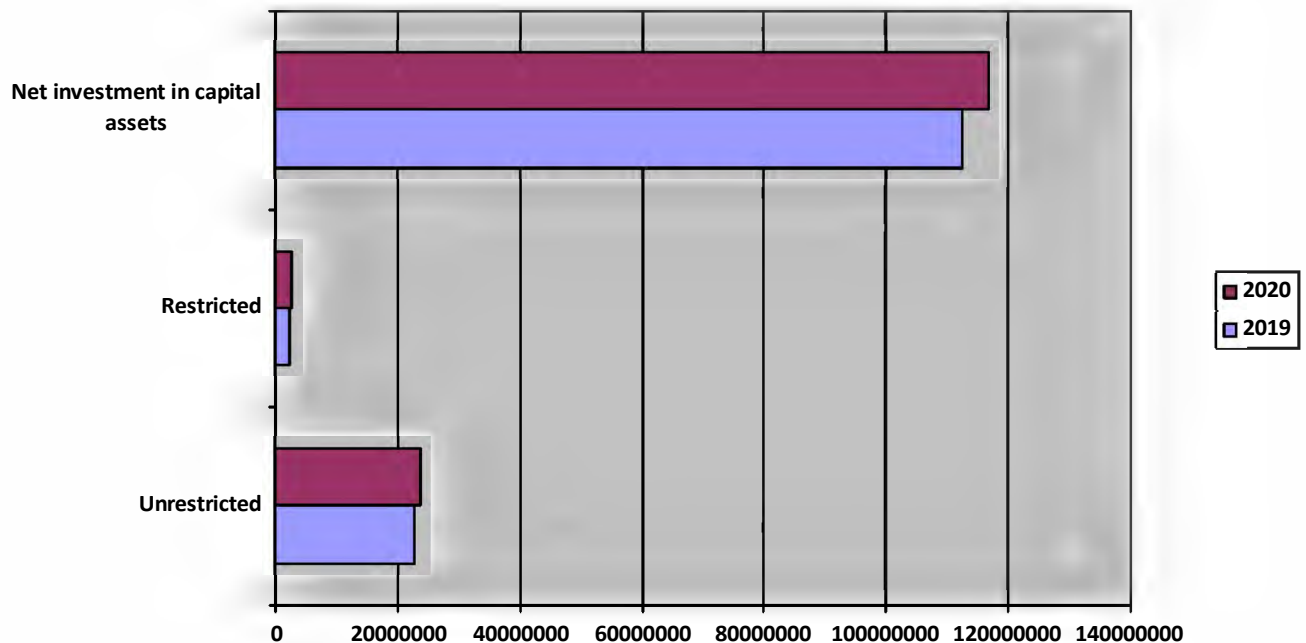
The largest portion of Buckingham Township's net position \$116,534,755 (81.6%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, infrastructure), less any related outstanding debt that was used to acquire those assets. The Township uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Township investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Buckingham Township's net position, \$2,592,395 (1.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$23,735,622 (16.6%) is unrestricted and may be used to meet the township's ongoing obligations to its citizens and creditors.

At the end of 2020 Buckingham Township reported positive balances in all reported categories of net position, both for the government as a whole, as well as for its business-type activities, except the Capital Projects Fund which had a negative unassigned balance of \$79,514. This was reimbursed by the General Fund in January 2021.

Buckingham Township's Net Position

Figure 2



The overall net position of Buckingham Township increased \$5,514,231 from the prior year primarily due to reasons discussed in the following sections for governmental activities and business-type activities.

Several particular aspects of the Township's financial operations positively influenced the total unrestricted governmental net position:

- Continued low cost of debt due to the Township's high bond rating.
- Thorough and detailed budgeting process.
- Sound financial operations for many years.
- Although expenditures are evaluated during the budgeting process, management reevaluates all expenditures during the requisitioning process.
- Police Pension is 118% funded and the Nonuniform Pension is 104% funded.
- An ample tax base and continued increases in tax revenues.

Buckingham Township's Changes in Net Position

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for services	\$ 1,230,021	\$ 1,192,798	\$ 4,287,940	\$ 4,170,479	\$ 5,517,961	\$ 5,363,277
Operating grants and contributions	1,223,134	1,242,649	46,084	46,085	1,269,218	1,288,734
Capital grants and contributions	876,355	3,674,515	1,274,292	491,547	2,150,647	4,166,062
General revenues:						
Real estate taxes	1,544,661	1,537,851	0	0	1,544,661	1,537,851
Real estate transfer taxes	1,266,295	1,037,284	0	0	1,266,295	1,037,284
Earned income taxes	6,649,070	6,810,322	0	0	6,649,070	6,810,322
Local services tax	72,225	81,399	0	0	72,225	81,399
Investment earnings	101,859	487,612	65,689	109,075	167,548	596,687
Gain on sale of capital assets	22,463	11,005	0	0	22,463	11,005
Miscellaneous	101,930	20	85,092	106,406	187,022	106,426
Total revenues	13,088,013	16,075,455	5,759,097	4,923,592	18,847,110	20,999,047
Expenses:						
General government	1,576,912	1,734,926	0	0	1,576,912	1,734,926
Public safety	4,610,441	5,404,200	0	0	4,610,441	5,404,200
Public works	1,972,655	2,087,672	0	0	1,972,655	2,087,672
Parks and recreation	449,416	304,917	0	0	449,416	304,917
Conservation and preservation	893,048	14,417	0	0	893,048	14,417
Interest on long-term debt	168,339	190,431	0	0	168,339	190,431
Water	0	0	1,433,676	1,394,776	1,433,676	1,394,776
Waste Water	0	0	2,228,392	2,479,861	2,228,392	2,479,861
Total expenses	9,670,811	9,736,563	3,662,068	3,874,637	13,332,879	13,611,200
Increase in net position before transfers	3,417,202	6,338,892	2,097,029	1,048,955	5,514,231	7,387,847
Transfers	250,000	200,000	(250,000)	(200,000)	0	0
Increase in net position	3,667,202	6,538,892	1,847,029	848,955	5,514,231	7,387,847
Net position, beginning	81,061,297	74,522,405	56,287,244	55,438,289	137,348,541	129,960,694
Net position, ending	\$ 84,728,499	\$ 81,061,297	\$ 58,134,273	\$ 56,287,244	\$ 142,862,772	\$ 137,348,541

Governmental activities. Governmental activities increased the Township's net position by \$3,667,202, accounting for 66.5% of the total growth in net position of Buckingham Township. Total revenues for governmental activities decreased by \$2,987,442. This decrease is almost entirely due to a decrease in capital grants and contributions of \$2,798,160. The primary reason was a reduction in capital contributions from developers of infrastructure.

Business-type activities: Business-type activities increased the Township's net position by \$1,847,029 accounting for 33.5% of the total growth in the net position of Buckingham Township. Total revenues for business-type activities increased by \$835,505. This increase is almost entirely due to an increase in capital contributions of \$782,745. This was because \$1,274,292 in water and waste water facilities were dedicated by developers to the township in 2020 versus \$491,547 in 2019.

Financial Analysis of Governmental Funds

As noted earlier, Buckingham Township uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

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

The general fund is the primary operating fund of Buckingham Township. At the end of the 2020, unassigned fund balance of the General Fund was \$6,466,599, while total fund balance amounted to \$6,624,103. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 88.8 % of total General Fund expenditures. This represented a \$399,126 increase in unassigned fund balance.

The fund balances at the end 2020 for the other major funds are as follows; The Debt Service fund balance decreased by \$142,443 to \$334,708, which is committed for the payment of open space debt service. This represented money remaining from real estate tax millage for open space and transfers from the General fund. The Capital Reserve fund balance increased by \$540,155, due to transfers from the General Fund of \$500,000 and interest of \$40,343.

At December 31, 2020, the governmental funds of Buckingham Township reported a combined fund balance of \$15,668,631, an increase of 914,180 in comparison with the prior year. Approximately 40.8% of this total amount, or \$6,387,085, is available for spending at the government's discretion (*unassigned fund balance*). Another \$6,553,269 or 41.8% has been committed for expansion of the parks, land conservation and future capital outlays. The amount of fund balance subject to external restrictions is \$2,570,773, or 16.4%.

Proprietary Funds. Buckingham Township's proprietary funds provide the same type of information found in the business-type activities in the government-wide statements but in more detail. Unrestricted net position of the Water and Waste Water Fund at the end of the fiscal year amounted to \$9,114,102. The total change in net position for both funds was \$1,847,029. The increase in net position was partly from capital contributed from developers in the amount of \$1,274,292. The balance was from operating revenues.

General Fund Budgetary Highlights: During the fiscal year, the Township revised the budget on one occasion. Generally, budget amendments fall into one of three categories:

1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once the exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Original budget compared to final budget. Total amendments to the General Fund increased revenue and other financing sources by \$462,400 and increased budgeted expenses and other financing uses by \$549,000.

There was a decrease in budgeted expenditures in the Park Fund in the amount of \$325,600 due to delays in the completion of Phase 2 of the Holicong Park expansion project. There was also a decrease in budgeted expenditures for the General Obligation Bond Fund due to lower-than-expected purchases of easements in 2020. One of the larger preservation was put on hold in 2020 but we expect the purchase to be completed in 2021 or early 2022.

Final budget compared to actual results. Revenues and other financing sources were higher than the final budgeted amounts by \$337,328 primarily due to higher-than-expected tax revenues of \$291,590. Expenses and other financing uses were lower than the final budgeted amounts by \$991,196. General government expenditures were lower than the final budget by 176,508 due primarily to not hiring an additional employee in 2020 as budgeted. Public safety costs were lower than the final budgeted amount by \$585,714. This was primarily due to lower salaries and benefits due to the termination of two officers which were not replaced until later in the year and the hiring of officers at lower pay rates to replace newly retired officers. Public Works expenditures were lower than the final budgeted amount by \$185,642 mostly attributed to lower snow removal costs as a result of a mild winter.

Capital Asset and Debt Administration

Capital assets: Buckingham Township's investment in capital assets for its governmental and business-type activities as of December 31, 2020, totals \$122,854,332 (net of accumulated depreciation). These assets include land, land easements and park facilities, buildings and improvements, machinery and equipment, vehicles, furniture and fixtures and roads, bridges and water and waste water connection systems. In 2020, investment in capital assets increased by \$3,936,388.

Major capital asset transactions during the year include the following additions and deletions:

- Increase in accumulated depreciation of \$788,743 for Governmental activities and \$1,164,920 for Business-type activities.
- Infrastructure contributed by developer in the amount of \$2,150,647.
- Holicong Park expansion and other improvements to the various parks costing \$822,001.
- Water meter replacements costing \$72,731, engineering and construction of the arsenic removal building of \$1,440,715 and engineering of Lojeski spray pump replacement in the amount of \$63,382.
- Lindquist Water/Waste Water Operations engineering and construction in the amount of \$882,984 and vehicle and equipment purchases of \$135,051 for both Water and Waste Water.

Buckingham Township's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land and Land Easements	\$ 40,278,893	\$ 40,826,275	\$ 8,371,411	\$ 8,371,411	\$ 48,650,304	\$ 49,197,686
Construction in Progress	2,031,212	1,274,534	1,293,958	2,163,686	3,325,170	2,163,686
Building and Improvements	928,585	850,333	6,112,812	4,903,932	7,041,397	5,754,265
Machinery and Equipment	668,645	679,837	3,117,760	2,648,376	3,786,405	3,328,213
Vehicles and Equipment	513,735	616,726	162,326	68,666	676,061	685,392
Furniture and Fixtures	16,186	28,646	13,234	0	29,420	28,646
Infrastructure	29,396,905	29,693,999	0	0	29,396,905	29,693,999
Water and Sewer Connections	0	0	29,948,670	28,066,057	29,948,670	28,066,057
Total	\$ 73,834,161	\$ 72,695,816	\$ 49,020,171	\$ 46,222,128	\$ 122,854,332	\$ 118,917,944

Additional information on the Township's capital assets can be found in note 5 of the Basic Financial Statements.

Long-term Debt: As of December 31, 2020, Buckingham Township had total general obligation bonds outstanding of \$6,380,683, all of which is backed by the full faith and credit of the Township.

Buckingham Township's Outstanding Debt
General Obligation Bonds, Pension Debt and Compensated Absences

Figure 5

	Governmental Activities		Business-type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General obligation bonds	\$6,380,683	\$7,574,403	\$ 0	\$ 0	\$6,380,683	\$7,574,403
Pension related debt	0	574,015	0	282,724	0	856,739
Compensated absences	58,868	39,790	14,479	6,259	73,347	46,049
Total	<u>\$6,439,551</u>	<u>\$8,188,208</u>	<u>\$ 14,479</u>	<u>\$ 288,983</u>	<u>\$6,454,030</u>	<u>\$ 8,477,191</u>

The Township's total debt decreased by \$2,023,161 (23.9%) during the past fiscal year. The payment of scheduled principal payments of \$1,180,000 and the decrease of pension related debt of \$856,739 were to reasons for the total decrease in debt.

As mentioned in the financial highlights section of this document, in February 2021, "S&P Global Ratings assigned its 'AAA' long-term rating to Buckingham Township, Pa.'s expected \$4 million series 2021A and \$5 million series 2021B general obligation (GO) bonds. At the same time, we affirmed our 'AAA' rating on the township's GO debt outstanding. The outlook is stable. Buckingham's full faith, credit, and taxing power secures the bonds. The township intends to use the 2021A bond proceeds for capital projects for its water and sewer system; the 2021B bond proceeds will currently refund its series 2014 GO bonds for interest cost savings over the lifetime of the bonds and is not extending maturities. The rating reflects our opinion of the following factors for the township, specifically its:

- Very strong economy, which benefits from its participation in the broad and diverse Philadelphia metropolitan statistical area (MSA);
- Very strong budgetary flexibility with fiscal 2013 audited reserves of 56.6% of adjusted general fund expenditures;
- Very strong budgetary performance with another operating surplus projected for fiscal 2014;
- Very strong liquidity, providing very strong cash to cover debt service and expenditures;
- Strong management, coupled with "standard" financial management policies under our Financial Management Assessment (FMA) methodology and a consistent ability to maintain balanced budgets; and
- Weak debt and contingent liabilities position with low overall net debt as a percent of market value and rapid amortization -- The township has exposure to contingent liability risk, but we understand it has sufficient reserves to cover an immediate principal acceleration."

This bond rating is a clear indicator of the sound financial condition of the Township. This achievement is a key factor in keeping interest costs on the Township's outstanding debt low. State statutes limit the amount of nonelectoral debt the Township may incur. The Township may not incur any new nonelectoral debt if, following the issuance thereof, the aggregate net principal amount of outstanding debt of the Township will exceed 250 percent of its borrowing base. The borrowing base of the Township is defined by the Debt Act as the arithmetic average of the total revenues of the Township for the three full fiscal years of the Township immediately preceding the date on which any new nonelectoral debt is incurred. The current debt limitation for Buckingham Township is approximately \$44,339,755 which is significantly in excess of Buckingham Township's outstanding general obligation debt.

In 2012, the Township issued General Obligation Bonds, Series 2012, 2012A and 2012B in the total amount of \$8,800,000 to currently refund the Series 2014 General Obligation Bonds, and currently refund the 2006B General Obligation Bonds in the total amount of \$9,215,000. The net present value of the savings was \$851,951.

In 2021, the Township issued General Obligation Bonds, Series 2021A and 2021B in the total amount of \$8,800,000. Series 2021A in the amount of \$3,980,000 in nonelectoral debt and will be used to finance a portion of the new Water and Waste Water Complex. Series 2021B in the amount of \$4,820,000 is electoral debt and was issued to currently refund the Series of 2014 General Obligation Bonds in the amount of \$4,870,000. The net present value of the savings was \$282,309.

Additional information regarding Buckingham Township's long-term debt can be found in note 6 of the Basic Financial Statements.

Economic Factors and Next Year's Budget and Rates

- Buckingham is located in Bucks County, Pennsylvania. The Township had an unemployment rate of 6.6 percent in 2020, which was lower than both the national and state average.
- Retail vacancy rates are low, staying in the 10 percent range all year.
- In 2020, the median household income for Buckingham Township was \$138,789 compared to a median income of \$89,139 for Bucks County and \$61,774 for the Commonwealth of Pennsylvania. The Township continues to enjoy a median household income well in excess of the average for the County and the State.
- During 2020, 26 new housing units were occupied in Buckingham Township compared to 24 in 2019.
- The county-wide median home value was \$330,600. The median home value in Buckingham continues to be much higher at \$486,600.

Budget Highlights for the Year Ending December 31, 2021

Governmental Activities: Real Estate tax millage was reduced by 1.5 mills in 2017. Total millage was reduced to 4.0 mills, of which 3.0 mills is attributable to the Open Space program, .75 mills for fire protection and .25 mills for emergency services. The millage is the lowest of the area municipalities, the second lowest in the county. In 2021 General Fund revenues are expected to decrease by 5.74 percent primarily due to conservative budgeting due to the uncertainty caused by the COVID19 Pandemic.

Budgeted expenditures in the General fund are expected to decrease by 6.47% in 2021. The increase before transfers is only 2.71% mainly due to a low increase in healthcare premiums and turnover in the Police Department to younger officers. Expenditures are budgeted to be in excess of revenues, resulting in a reduction of Fund Balance of \$841,450. This was an intentional reduction of the Fund Balance which will still be an ample amount of more than \$5,037,636 or 59.6% of budgeted expenditures at the end of 2021.

Business-type Activities: During 2021, the Township expects a continued increase in the number of water and waste water customers. There had been no changes to the water rates of the Township since 1989 however in 2021 we increased water rates by CPI plus up to 2%. This will continue until the Board of Supervisors determines it is no longer necessary. In the beginning of 2018, we increased waste water rates by \$22.95 per quarter, for the first time since 2014. For years 2019 and later, the waste water rates increased by the CPI plus up to 2% until the Board of Supervisors determines it is no longer necessary.

Covid19 Impact on the Budget: At the time of this report, the world was enduring the COVID-19 pandemic and the United States is in the process of reopening and beginning to recover from the economic turmoil that resulted. We are unable to fully understand the economic impact of this uncharted event. The 2021 budget was adopted with the effects of the pandemic still being assessed. During the course of 2021 the budget will be reevaluated and amended as needed. The board of Supervisors has adopted and practiced fiscally conservative economic policies throughout the years which has put Buckingham Township in a good financial situation for handling this event. The Township has weathered this storm with minimal impact to its residents and our financial situation thus far.

Request for Information

This report is designed to provide an overview of the Township's finances for those with an interest in this area. If you have any questions concerning any of the information found in this report or need additional information please contact the Finance Director, Buckingham Township, P.O. Box 413, Buckingham, PA 18912.

BUCKINGHAM TOWNSHIP

STATEMENT OF NET POSITION

December 31, 2020

	Primary Government		
	Governmental Activities	Business -Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 14,800,019	\$ 8,598,980	\$ 23,398,999
Restricted cash - escrows	1,481,840	-	1,481,840
Investments	125,000	-	125,000
Receivables			
Accounts, net	111,025	59,161	170,186
Real estate taxes	21,769	-	21,769
Real estate transfer tax	119,912	-	119,912
Earned income taxes	2,135,699	-	2,135,699
Accrued unbilled charges for services	-	1,050,862	1,050,862
Other	28,265	-	28,265
Internal balances	749	-	749
Prepaid items	157,504	36,260	193,764
Net pension asset	2,413,387	120,760	2,534,147
Capital assets			
Land	32,007,093	8,371,411	40,378,504
Construction in progress	2,031,212	1,293,958	3,325,170
Other capital assets (net of accumulated depreciation)	39,795,856	39,354,802	79,150,658
Total capital assets	73,834,161	49,020,171	122,854,332
Total Assets	95,229,330	58,886,194	154,115,524
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred loss on refunding	61,106	-	61,106
Deferred outflows of resources for police pension	288,460	-	288,460
Deferred outflows of resources for non-uniform pension	289,130	135,930	425,060
Total Deferred Outflows of Resources	638,696	135,930	774,626

(Continued)

	Primary Government		
	Governmental	Business -Type	
	Activities	Activities	Total
<u>LIABILITIES</u>			
Accounts payable	\$ 451,594	\$ 416,808	\$ 868,402
Accrued payroll and payroll taxes	191,463	26,100	217,563
Accrued interest payable	50,905	-	50,905
Unearned revenue	166,619	-	166,619
Deposits payable from restricted assets	1,481,840	120,359	1,602,199
Non-current liabilities:			
Due within one year	1,282,586	14,479	1,297,065
Due after one year	5,156,965	-	5,156,965
Total Liabilities	<u>8,781,972</u>	<u>577,746</u>	<u>9,359,718</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows of resources for police pension	1,744,957	-	1,744,957
Deferred inflows of resources for non-uniform pension	612,598	310,105	922,703
Total Deferred Inflows of Resources	<u>2,357,555</u>	<u>310,105</u>	<u>2,667,660</u>
<u>NET POSITION</u>			
Net investment in capital assets	67,514,584	49,020,171	116,534,755
Restricted for			
Public safety	4,116	-	4,116
Highways and streets	2,235,673	-	2,235,673
Debt Service	352,606	-	352,606
Unrestricted	14,621,520	9,114,102	23,735,622
Total Net Position	<u>\$ 84,728,499</u>	<u>\$ 58,134,273</u>	<u>\$ 142,862,772</u>

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

BUCKINGHAM TOWNSHIP

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	\$ 1,576,912	\$ 630,066	\$ 120,051	\$ -
Public safety	4,610,441	588,160	365,021	-
Public works	1,972,655	1,116	729,998	876,355
Parks and recreation	449,416	10,679	8,064	-
Conservation and preservation	893,048	-	-	-
Interest on long-term debt	168,339	-	-	-
Total Governmental Activities	<u>9,670,811</u>	<u>1,230,021</u>	<u>1,223,134</u>	<u>876,355</u>
Business -Type Activities				
Water fund	1,433,676	1,380,174	23,042	456,518
Waste water fund	<u>2,228,392</u>	<u>2,907,766</u>	<u>23,042</u>	<u>817,774</u>
Total Business-Type Activities	<u>3,662,068</u>	<u>4,287,940</u>	<u>46,084</u>	<u>1,274,292</u>
Total Primary Government	<u>\$ 13,332,879</u>	<u>\$ 5,517,961</u>	<u>\$ 1,269,218</u>	<u>\$ 2,150,647</u>

General Revenues

Taxes:

Real estate taxes

Real estate transfer taxes

Earned income taxes

Local services taxes

Investment earnings

Miscellaneous

Gain on sale of capital assets

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (826,795)	\$ -	\$ (826,795)
(3,657,260)	-	(3,657,260)
(365,186)	-	(365,186)
(430,673)	-	(430,673)
(893,048)	-	(893,048)
(168,339)	-	(168,339)
<u>(6,341,301)</u>	<u>-</u>	<u>(6,341,301)</u>
-	426,058	426,058
<u>-</u>	<u>1,520,190</u>	<u>1,520,190</u>
<u>-</u>	<u>1,946,248</u>	<u>1,946,248</u>
<u>(6,341,301)</u>	<u>1,946,248</u>	<u>(4,395,053)</u>
1,544,661	-	1,544,661
1,266,295	-	1,266,295
6,649,070	-	6,649,070
72,225	-	72,225
101,859	65,689	167,548
101,930	85,092	187,022
22,463	-	22,463
250,000	(250,000)	-
<u>10,008,503</u>	<u>(99,219)</u>	<u>9,909,284</u>
3,667,202	1,847,029	5,514,231
<u>81,061,297</u>	<u>56,287,244</u>	<u>137,348,541</u>
<u>\$ 84,728,499</u>	<u>\$ 58,134,273</u>	<u>\$ 142,862,772</u>

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

BUCKINGHAM TOWNSHIP

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2020

	General	Debt Service	Capital Reserve	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 5,509,779	\$ 331,627	\$ 5,027,316	\$ 3,931,297	\$ 14,800,019
Restricted cash - escrows	1,481,840	-	-	-	1,481,840
Investments	-	-	125,000	-	125,000
Receivables					
Accounts, net	111,025	-	-	-	111,025
Real estate taxes	-	16,326	-	5,443	21,769
Real estate transfer tax	119,912	-	-	-	119,912
Earned income taxes	1,135,686	-	-	-	1,135,686
Other	24,211	-	-	4,054	28,265
Due from other funds	-	2,972	-	13,321	16,293
Prepaid items	157,504	-	-	-	157,504
Total Assets	<u>\$ 8,539,957</u>	<u>\$ 350,925</u>	<u>\$ 5,152,316</u>	<u>\$ 3,954,115</u>	<u>\$ 17,997,313</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 193,892	\$ -	\$ -	\$ 257,702	\$ 451,594
Accrued payroll and payroll taxes	191,463	-	-	-	191,463
Due to other funds	15,544	-	-	-	15,544
Unearned revenue	33,115	-	128,504	5,000	166,619
Deposits	1,481,840	-	-	-	1,481,840
Total Liabilities	<u>1,915,854</u>	<u>-</u>	<u>128,504</u>	<u>262,702</u>	<u>2,307,060</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable revenue - Real Estate Taxes	-	16,217	-	5,405	21,622
Total Deferred Inflows of Resources	<u>-</u>	<u>16,217</u>	<u>-</u>	<u>5,405</u>	<u>21,622</u>
<u>FUND BALANCES</u>					
Nonspendable-prepaid items	157,504	-	-	-	157,504
Restricted for:					
Public safety	-	-	-	392	392
Highways and streets	-	-	-	2,235,673	2,235,673
Debt service	-	334,708	-	-	334,708
Committed					
Land conservation	-	-	-	1,216,593	1,216,593
Park and recreation	-	-	-	312,864	312,864
Capital outlay	-	-	5,023,812	-	5,023,812
Unassigned	6,466,599	-	-	(79,514)	6,387,085
Total Fund Balances	<u>6,624,103</u>	<u>334,708</u>	<u>5,023,812</u>	<u>3,686,008</u>	<u>15,668,631</u>
Total Liabilities and Fund Balances and Deferred Inflows of Resources	<u>\$ 8,539,957</u>	<u>\$ 350,925</u>	<u>\$ 5,152,316</u>	<u>\$ 3,954,115</u>	<u>\$ 17,997,313</u>

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

BUCKINGHAM TOWNSHIP

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES

December 31, 2020

Total fund balances-total governmental funds		\$ 15,668,631
Capital assets used in governmental activities are not financial resources and, therefore, are reported in the funds.		
Cost of capital assets	\$ 84,641,985	
Accumulated depreciation	<u>(10,807,824)</u>	73,834,161
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.		1,021,635
Bond loss on refunding is recorded as an expense in the fund statements but recorded as an asset and amortized over the life of the note in the statement of net position.		61,106
Net pension assets are not financial resources and, therefore, are not reported in the governmental funds.		2,413,387
Deferred inflows and outflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred Outflows:		
Deferred outflows of resources for police pension	288,460	
Deferred outflows of resources for non-uniform pension	289,130	
Deferred Inflows:		
Deferred inflows of resources for police pension	(1,744,957)	
Deferred inflows of resources for non-uniform pension	<u>(612,598)</u>	(1,779,965)
Long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(58,868)	
Net pension liability	-	
Accrued interest payable	(50,905)	
Unamortized bond premiums	(70,683)	
General obligation bonds payable	<u>(6,310,000)</u>	<u>(6,490,456)</u>
Total net position of governmental activities		<u>\$ 84,728,499</u>

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

BUCKINGHAM TOWNSHIP

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

For the Year Ended December 31, 2020

	General	Debt Service	Capital Reserve	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Real estate taxes	\$ -	\$ 1,151,360	\$ -	\$ 388,868	\$ 1,540,228
Real estate transfer taxes	1,266,295	-	-	-	1,266,295
Earned income taxes	6,749,070	-	-	-	6,749,070
Local services taxes	72,225	-	-	-	72,225
Licenses, permits and fees	477,465	-	-	-	477,465
Interest and rent	46,587	3,676	40,343	24,554	115,160
Intergovernmental revenues	286,751	-	-	928,319	1,215,070
Fines and forfeitures	33,012	-	-	-	33,012
Charges for services	706,243	-	-	-	706,243
Contributions from private sources	-	-	-	8,064	8,064
Miscellaneous	101,930	-	-	-	101,930
Total Revenues	<u>9,739,578</u>	<u>1,155,036</u>	<u>40,343</u>	<u>1,349,805</u>	<u>12,284,762</u>
Expenditures					
Current:					
General government	1,633,664	-	-	-	1,633,664
Public safety	4,307,766	-	-	611,504	4,919,270
Public works	1,058,506	-	-	382,489	1,440,995
Parks and recreation	278,765	-	-	1,715,033	1,993,798
Miscellaneous	5,240	1,514	188	-	6,942
Debt service:					
Principal	-	1,180,000	-	-	1,180,000
Interest	-	175,965	-	-	175,965
Capital outlay	-	-	-	292,411	292,411
Total Expenditures	<u>7,283,941</u>	<u>1,357,479</u>	<u>188</u>	<u>3,001,437</u>	<u>11,643,045</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,455,637</u>	<u>(202,443)</u>	<u>40,155</u>	<u>(1,651,632)</u>	<u>641,717</u>
Other Financing Sources (Uses)					
Sale of capital assets	22,463	-	-	-	22,463
Transfers in	250,000	60,000	500,000	1,830,256	2,640,256
Transfers out	<u>(2,335,037)</u>	<u>-</u>	<u>-</u>	<u>(55,219)</u>	<u>(2,390,256)</u>
Total Other Financing Sources (Uses)	<u>(2,062,574)</u>	<u>60,000</u>	<u>500,000</u>	<u>1,775,037</u>	<u>272,463</u>
Net Change in Fund Balance	393,063	(142,443)	540,155	123,405	914,180
Fund Balance - Beginning	<u>6,231,040</u>	<u>477,151</u>	<u>4,483,657</u>	<u>3,562,603</u>	<u>14,754,451</u>
Fund Balance - Ending	<u>\$ 6,624,103</u>	<u>\$ 334,708</u>	<u>\$ 5,023,812</u>	<u>\$ 3,686,008</u>	<u>\$ 15,668,631</u>

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

BUCKINGHAM TOWNSHIP

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

For the Year Ended December 31, 2020

Net change in fund balances - total governmental funds		\$ 914,180
Amounts reported for governmental activities in the statement of activities of activities are different because:		
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. This is the amount by which capital outlay exceeds depreciation in the current period:		
Capital outlay	\$ 2,051,678	
Depreciation expense	<u>(913,333)</u>	1,138,345
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(95,567)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction, however, does not have any effect on net position.		1,180,000
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	7,750	
Compensated absences:		
General government	(9,285)	
Public safety	(9,191)	
Public works	3	
Parks and recreation	<u>(605)</u>	(11,328)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Amortization of premiums, discounts, and losses	<u>1,376</u>	1,376
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.		
Net pension asset and deferred items		<u>540,196</u>
Change in net position of governmental activities		<u>\$ 3,667,202</u>

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

BUCKINGHAM TOWNSHIP

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

December 31, 2020

	Water Fund	Waste Water Fund	Total
<u>ASSETS</u>			
Current Assets			
Cash and cash equivalents	\$ 3,942,550	\$ 4,656,430	\$ 8,598,980
Investments	-	-	-
Accounts receivable, net	25,306	33,855	59,161
Accrued unbilled charges for services	313,940	736,922	1,050,862
Prepaid expenses	17,421	18,839	36,260
Total Current Assets	<u>4,299,217</u>	<u>5,446,046</u>	<u>9,745,263</u>
Noncurrent Assets			
Capital assets			
Land	94,314	8,277,097	8,371,411
Construction in progress	685,279	608,679	1,293,958
Buildings and improvements	3,615,659	8,963,631	12,579,290
Connection systems	13,045,187	23,660,400	36,705,587
Machinery, vehicles and equipment	3,496,581	3,250,538	6,747,119
Less accumulated depreciation	<u>(6,349,842)</u>	<u>(10,327,352)</u>	<u>(16,677,194)</u>
Total capital assets (net of accumulated depreciation)	<u>14,587,178</u>	<u>34,432,993</u>	<u>49,020,171</u>
Net pension asset	<u>62,105</u>	<u>58,655</u>	<u>120,760</u>
Total Noncurrent Assets	<u>14,649,283</u>	<u>34,491,648</u>	<u>49,140,931</u>
Total Assets	<u>18,948,500</u>	<u>39,937,694</u>	<u>58,886,194</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows of resources for non-uniform pension	69,907	66,023	135,930
Total Deferred Outflows of Resources	<u>69,907</u>	<u>66,023</u>	<u>135,930</u>
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	200,600	216,208	416,808
Accrued payroll and payroll taxes	12,979	13,121	26,100
Due to other funds	4,009	(4,009)	-
Deposits	32,000	88,359	120,359
Compensated absences	8,053	6,426	14,479
Total Current Liabilities	<u>257,641</u>	<u>320,105</u>	<u>577,746</u>
Total Liabilities	<u>257,641</u>	<u>320,105</u>	<u>577,746</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows of resources for non-uniform pension	159,483	150,622	310,105
Total Deferred Inflows of Resources	<u>159,483</u>	<u>150,622</u>	<u>310,105</u>
<u>NET POSITION</u>			
Net investment in capital assets	14,587,178	34,432,993	49,020,171
Unrestricted	4,014,105	5,099,997	9,114,102
Total Net Position	<u>\$ 18,601,283</u>	<u>\$ 39,532,990</u>	<u>\$ 58,134,273</u>

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

BUCKINGHAM TOWNSHIP

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

For the Year Ended December 31, 2020

	<u>Water Fund</u>	<u>Waste Water Fund</u>	<u>Total</u>
Operating Revenues			
Charges for services	\$ 1,380,174	\$ 2,907,766	\$ 4,287,940
Miscellaneous	82,849	1,495	84,344
Total Operating Revenues	<u>1,463,023</u>	<u>2,909,261</u>	<u>4,372,284</u>
Operating Expenses			
Salaries and wages	415,682	378,288	793,970
Employee benefits	163,277	173,746	337,023
Utilities	70,570	273,033	343,603
Repair and maintenance	41,890	198,126	240,016
Disposal fees	-	28,483	28,483
Laboratory services	43,814	88,467	132,281
Supplies	85,133	83,603	168,736
Other operating costs	114,154	156,491	270,645
Insurance	24,905	30,815	55,720
Depreciation	469,126	809,734	1,278,860
Professional fees	5,100	6,171	11,271
Miscellaneous	25	1,435	1,460
Total Operating Expenses	<u>1,433,676</u>	<u>2,228,392</u>	<u>3,662,068</u>
Operating Income (Loss)	<u>29,347</u>	<u>680,869</u>	<u>710,216</u>
Nonoperating Revenues (Expense)			
Intergovernmental grants	23,042	23,042	46,084
Refunds and reimbursements	374	374	748
Interest income	49,351	16,338	65,689
Total Nonoperating Revenues (Expense)	<u>72,767</u>	<u>39,754</u>	<u>112,521</u>
Income (Loss) before Transfers	102,114	720,623	822,737
Capital Contributions	456,518	817,774	1,274,292
Transfers Out	<u>(125,000)</u>	<u>(125,000)</u>	<u>(250,000)</u>
Changes in Net Position	433,632	1,413,397	1,847,029
Total Net Position - Beginning	<u>18,167,651</u>	<u>38,119,593</u>	<u>56,287,244</u>
Total Net Position - Ending	<u>\$ 18,601,283</u>	<u>\$ 39,532,990</u>	<u>\$ 58,134,273</u>

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

BUCKINGHAM TOWNSHIP

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended December 31, 2020

	Proprietary Fund Types		
	Water Fund	Waste Water Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 1,434,696	\$ 2,874,541	\$ 4,309,237
Cash paid to suppliers	(424,465)	(1,019,601)	(1,444,066)
Cash paid to employees	(411,193)	(372,904)	(784,097)
Net cash provided by (used in) operating activities	<u>599,038</u>	<u>1,482,036</u>	<u>2,081,074</u>
Cash flows from non-capital financing activities			
Transfers to other funds	(125,000)	(125,000)	(250,000)
Refunds and reimbursements	374	374	748
Intergovernmental grants	<u>23,042</u>	<u>23,042</u>	<u>46,084</u>
Net cash provided by (used in) non-capital financing activities	<u>(101,584)</u>	<u>(101,584)</u>	<u>(203,168)</u>
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	<u>(2,158,126)</u>	<u>(644,485)</u>	<u>(2,802,611)</u>
Net cash provided by (used in) capital and related financing activities	<u>(2,158,126)</u>	<u>(644,485)</u>	<u>(2,802,611)</u>
Cash flows from investing activities			
Earnings on investments	49,351	16,338	65,689
Redemption of term deposit	<u>1,386,000</u>	<u>245,000</u>	<u>1,631,000</u>
Net cash provided by (used in) investing activities	<u>1,435,351</u>	<u>261,338</u>	<u>1,696,689</u>
Net increase (decrease) in cash and cash equivalents	(225,321)	997,305	771,984
Beginning cash and cash equivalents	<u>4,167,871</u>	<u>3,659,125</u>	<u>7,826,996</u>
Ending cash and cash equivalents	<u>\$ 3,942,550</u>	<u>\$ 4,656,430</u>	<u>\$ 8,598,980</u>
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Net operating income (loss)	<u>\$ 29,347</u>	<u>\$ 680,869</u>	<u>\$ 710,216</u>
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities			
Depreciation and amortization	469,126	809,734	1,278,860
Changes in assets and liabilities			
(Increase) decrease in receivables and unbilled charges	(28,327)	(34,720)	(63,047)
(Increase) decrease in due from other funds	-	4,177	4,177
(Increase) decrease in prepaid expenses	1,125	421	1,546
(Increase) decrease in deferred outflows	39,166	24,870	64,036
Increase (decrease) in accounts payables	155,257	44,090	199,347
Increase (decrease) in due to other funds	24	(4,009)	(3,985)
Increase (decrease) in accrued payroll and payroll taxes	9,131	8,962	18,093
Increase (decrease) in net pension liability	(216,318)	(187,166)	(403,484)
Increase (decrease) in deferred inflows	<u>140,507</u>	<u>134,808</u>	<u>275,315</u>
Net adjustments	<u>569,691</u>	<u>801,167</u>	<u>1,370,858</u>
Cash provided (used) by operating activities	<u>\$ 599,038</u>	<u>\$ 1,482,036</u>	<u>\$ 2,081,074</u>
Noncash investing, capital, and financing activities			
The Township recognized contributed capital of:	<u>\$ 456,518</u>	<u>\$ 817,774</u>	<u>\$ 1,274,292</u>

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

BUCKINGHAM TOWNSHIP

STATEMENT OF NET POSITION - FIDICUARY FUNDS

December 31, 2020

	Custodial Escrow Funds
<u>ASSETS</u>	
Cash and cash equivalents	\$ 2,212,518
Total Current Assets	<u>2,212,518</u>
 <u>NET POSITION</u>	
Restricted for	
Developers and others	<u>2,212,518</u>
Total Net Position	<u>\$ 2,212,518</u>

BUCKINGHAM TOWNSHIP

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
FIDICIUARY FUNDS

For the Year Ended December 31, 2020

	<u>Custodial Escrow Funds</u>
Additions	
Contributions	
Escrow receipts	\$ -
Total Contributions	-
Investment Income	<u>2,517</u>
Total Additions	<u>2,517</u>
Deductions	
Escrow Disbursements	<u>41,936</u>
Total Deductions	<u>41,936</u>
Change in Net Position	(39,419)
Net Position	
Beginning of the Year	<u>2,251,937</u>
End of the Year	<u>\$ 2,212,518</u>

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. Summary of Significant Accounting Policies

Buckingham Township (the “Township”), located in Bucks County, Pennsylvania, is classified as a “Township of the Second Class” under the laws of the Commonwealth of Pennsylvania. The major services provided by the Township include public safety, public works, parks and recreation, conservation and preservation, and general administration.

The Township is governed by an elected three-member Board of Supervisors. The daily operations of the Township are administered by the Township Manager.

The financial statements of the Township have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government’s accounting policies are described below.

Reporting Entity: The basic financial statements include all funds, organizations, agencies, boards, commissions, and authorities for which the Township is financially accountable. The Township has also considered all other potential organizations for which the nature and significance of their relationships with the Township are such that exclusion would cause the Township’s financial statements to be misleading or incomplete. GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization’s governing body, and 1) the ability of the Township to impose its will on that organization, or 2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the Township. Based on these criteria, there are no other organizations or agencies which should be included in these basic financial statements.

Government-Wide and Fund Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Township. For the most part, the effect of interfund activity has been removed from these statements except for interfund services provided and used which are not eliminated. 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.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements: (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Administrative overhead charges of the general government are included in the direct expenses. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting: The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent. The Township has the following fund types:

Governmental Funds: Governmental funds are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as “fund balance”. The measurement focus is upon determination of changes in current financial resources, rather than upon net income determination.

The following are the Township’s major governmental funds:

- **General Fund** - The General Fund is the general operating fund of the Township. All activities of the Township are accounted for through this fund, except for those required to be accounted for in another fund.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. **Summary of Significant Accounting Policies (Continued)**

Fund Accounting: (continued)

- **Debt Service Fund** - The Debt Service Fund is used to accumulate resources for the payment of interest and principal on long-term general obligation debt. The Debt Service Fund includes the General Sinking Fund and the Open Space Sinking Fund. The resources of this fund include real estate taxes levied for the purpose of open space debt service and general fund transfers.
- **Capital Reserve Fund** - The Capital Reserve Fund is a major capital projects fund with a legally adopted budget. The Capital Reserve Fund is used to account for the continued updating and replacement of Township equipment, which is funded primarily by interfund transfers from the General Fund.

The other governmental funds of the Township are considered nonmajor.

Proprietary Funds: Proprietary funds are used to account for operations that are organized to be self-supporting through user charges. The fund type included in this category is:

- **Enterprise Funds** - Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Township has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The Township reports the following major enterprise funds:

- **Water Fund** - The Water Fund is used to account for the billing and collection of metered water sales and associated water costs.
- **Waste Water Fund** - The Waste Water Fund is to account for the billing and collection of sewer rents and the expenditures related to the collection and treatment of waste water.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. Summary of Significant Accounting Policies (Continued)

Fund Accounting: (continued)

Fiduciary Funds: Custodial funds are used to account for assets held on behalf of individuals and/or developers. The Township has one custodial fund consisting of an escrow fund.

Measurement Focus and Basis of Accounting: 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. Earned income taxes are recognized when the underlying exchange transaction occurs or when resources are received, whichever is first. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Those revenues susceptible to accrual are real estate taxes, earned income taxes, interest, intergovernmental, charges for services (water and waste water), and certain miscellaneous revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due or matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Township; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting: (continued)

Licenses and permits, fines and forfeitures, charges for sales and services (other than water and wastewater), and certain miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable and available until actually received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the Township's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Cash and Cash Equivalents: For purposes of reporting cash flows of proprietary funds, the Township considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

Investments: Investments consist of investments in the Pennsylvania Local Government Investment Trust, an external investment pool, and are included with cash and cash equivalents in the statements of net position and balance sheets. Certificates of deposit with maturities greater than three months reported separately in the statements of net position and balance sheets.

Receivables: Receivables are shown net of any allowance for the amount which the Township estimates to be uncollectible.

Interfund Transactions: Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements.

Activities between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" or "advances 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."

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. Summary of Significant Accounting Policies (Continued)

Interfund Transactions: (continued)

Non-current portions of long-term interfund loan receivables are reported as advances within the governmental funds, and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources, and therefore, are not available for appropriation.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. In the governmental funds, prepaid items are offset by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation. Prepaid items are accounted for using the consumption method.

Unearned Revenues: In the government-wide and governmental fund financial statements, unearned revenues represent amounts received which revenue cannot be recognized because it was not earned.

Capital Assets: Capital assets include land, construction in progress, buildings and improvements, machinery and equipment, vehicles, furniture and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Purchases of capital assets are recognized as expenditures in governmental funds statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$5,000 and an initial useful life of one year or greater. Such assets are recorded at cost or estimated historical cost if purchased or constructed. Assets acquired through contributions from developers are recorded at their acquisition value at the time of acquisition. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Prior to January 1, 2004, governmental funds' infrastructure assets were not capitalized. These assets are valued prospectively. 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. No interest was capitalized in the current fiscal year.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. Summary of Significant Accounting Policies (Continued)

Capital Assets (continued)

Depreciation has been provided using the straight-line method over the estimated useful lives of the depreciable assets. The estimated useful lives for each capital asset type are as follows:

Buildings and improvements	20 - 100 years
Water and waste water connection systems	50 years
Machinery/vehicles/furniture/equipment	3 - 10 years
Infrastructure	50 - 100 years

Long-Term Obligations: In the government-wide financial statements and in the proprietary fund financial statements, any long-term debt and other long-term obligations are reported as liabilities. Any unamortized charge, difference between the reacquisition price and the net carrying amount of old debt, on refunding of debt is deferred and amortized to interest expense using the proportionate-to-stated-interest method. The unamortized charge is reported as a deferred outflow of resources.

In the governmental fund financial statements, the face amount of debt issued is reported as another financing source and is not considered a fund liability, and repayments of debt are considered debt service expenditures.

Bond Discounts and Premiums: In the government-wide financial statements and in the proprietary fund financial statements, any bond discounts and premiums are deferred and amortized over the life of the bonds using the proportionate-to-stated-interest method. Long-term debt is reported net of the applicable bond premium or discount.

In the government fund financial statements, bond premiums and discounts are recognized during the current period. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Bond Issuance Costs: In the government-wide financial statements and in the proprietary fund financial statements, any bond issuance costs are expensed as incurred. In the governmental fund financial statements, issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the current period.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Township has items that qualify for reporting in this category:

1. *Unamortized deferred loss on refunding* is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
2. *Change in assumptions* is reported in the government-wide statement of net position. A net difference results from an actuarial change in pension assumptions. This amount is deferred and amortized over a seven to eight years.
3. *Pension contributions made after the measurement date* is reported in the government-wide statement of net position. The pension measurement date is December 31, 2020. These amounts are deferred and recognized as an outflow of resources in the next period.
4. *Differences between expected and actual experience on pension plan liability* is reported in the government-wide statement. A difference results when actual economic or demographic factors differ from expected results. These amounts are deferred and amortized over six to eight years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category:

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources: (continued)

1. *Differences between expected and actual experience on pension plan liability* is reported in the government-wide statement. A difference results when actual economic or demographic factors differ from expected results. These amounts are deferred and amortized over six to eight years.
2. *Change in assumptions* is reported in the government-wide statement of net position. A net difference results from an actuarial change in pension assumptions. This amount is deferred and amortized over seven to eight years.
3. *Unavailable revenue - real estate taxes* is reported in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.
4. *Net difference between projected and actual earnings on pension plan investments* is reported in the government-wide statement of net position. A net difference results from the actual earnings in the plan either exceeding or falling short of projected earnings. This amount is deferred and amortized over a five-year period.

Compensated Absences: Full-time Township employees accumulate sick time in accordance with their applicable contracts. Employees are not compensated for unused sick leave upon termination. The employees in the police union may carry over unused vacation up to 48 hours and it must be taken within 4 months. For all other employees' vacation leave up to 40 hours may be carried beyond the calendar year only with Township Manager approval. All vacation pay is accrued when incurred in government wide financial statements and in proprietary fund financial statements and reported as a liability. A liability for these amounts is reported in governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

Real Estate Taxes: Taxes are levied on March 1 and payable under the following terms: 2% discount March 1 through May 1; face amount May 2 through July 1; and a 10% penalty after July 1. Taxes unpaid are lienied in January of the subsequent year.

The tax rate for 2020 was 4.0 mills on an assessed valuation of \$392,774,540. The mills were levied for the Fire Protection Fund, the Emergency Services Fund and the Debt Service Fund.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. Summary of Significant Accounting Policies (Continued)

Real Estate Transfer Taxes, Earned Income Taxes and Local Services Taxes: The Township recognizes assets resulting from real estate transfer taxes, earned income taxes and local services taxes (derived tax revenues) when the underlying exchange transaction occurs or when resources are received, whichever is first. In the governmental fund financial statements, under the modified accrual basis of accounting revenue is recorded when the underlying exchange occurs and when the resources are available. Revenue that is not available is deferred.

Water and Waste Water Charges for Services: Water and waste water charges for services are recorded when earned. Customers are billed quarterly. The fourth quarter billings for the current year are billed in January of the following year and are shown as accrued unbilled charges for services as of year-end.

Net Position: In the government-wide financial statements, net position is classified in the following categories:

Net investment in capital assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance of this category.

Restricted net position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - This category represents net position of the entity, not restricted for any project or other purpose.

Fund Balance: Governmental funds report fund balance in classifications based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. **Summary of Significant Accounting Policies** (Continued)

Fund Balance: (continued)

Nonspendable Fund Balance - Includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance - Includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance - Includes amounts that can only be used for the specific purposes determined by a resolution of the Board of Supervisors, Township’s highest level of decision-making authority. Commitments may be changed or lifted only by the Township taking the same formal action that imposed the constraint originally (for example: resolution).

Assigned Fund Balance - Includes amounts intended to be used by the Township for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the Board of Supervisors or (b) a body (a budget, finance committee, or Township Manager and Finance Director) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as nonspendable, restricted, or committed. The governing body, the Board of Supervisors, has by resolution authorized the finance director to assign fund balance.

Unassigned Fund Balance - This residual classification is used for all negative fund balances in Special Revenue, Capital Projects, and Debt Service funds; or any residual amounts in the General Fund. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned. In all cases, encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. Summary of Significant Accounting Policies (Continued)

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 or expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements: In 2020, the Township adopted Government Statement No. 84 *Fiduciary Activities*. The effect of this change was to move the certain escrow deposits from liabilities in the Governmental funds to Net Position Restricted for Developers and Others in the Fiduciary Funds. Escrow additions are now recorded as receipts and escrow disbursements are recorded as expenses. Beginning net position in the fiduciary funds increased by \$2,251,937 as a result of adapting this change.

Subsequent Events: The Township has evaluated events and transactions for potential recognition or disclosure in the financial statements through the date of this report, which is the date the statements were available for release. No subsequent events have been recognized.

2. Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting: Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds of the Township.

1. At least thirty days prior to the adoption of the annual budget, the Township Board of Supervisors begins preparation of a proposed budget for all funds or annual estimates of revenues and expenditures for the following year.
2. After preparation, the Board gives public notice that the proposed budget is available for public inspection in a designated place; the proposed budget remains available for at least twenty days after notice and before adoption. Should a revision of the proposed budget increase the aggregate more than ten percent or an individual item more than twenty-five percent, the budget is advertised again with the appropriate time for public inspection. Not later than December 31, the Board adopts the budget and the necessary appropriation measures required to put it into effect.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

2. Stewardship, Compliance, and Accountability (Continued)

Budgets and Budgetary Accounting: (continued)

3. Any excess appropriations lapse at year end.
4. The Supervisors may make supplemental appropriations from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated.
5. Legal budgetary control is maintained by the Township Manager with the assistance of the Finance Director at the Fund level. Budget transfers at the fund level must be approved by the Board of Supervisors.
6. At least thirty days prior to the adoption of the annual budget, the Township Board of Supervisors begins preparation of a proposed budget for all funds or annual estimates of revenues and expenditures for the following year.
7. After preparation, the Board gives public notice that the proposed budget is available for public inspection in a designated place; the proposed budget remains available for at least twenty days after notice and before adoption. Should a revision of the proposed budget increase the aggregate more than ten percent or an individual item more than twenty-five percent, the budget is advertised again with the appropriate time for public inspection. Not later than December 31, the Board adopts the budget and the necessary appropriation measures required to put it into effect.
8. Any excess appropriations lapse at year end.
9. The Supervisors may make supplemental appropriations from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated.
10. Legal budgetary control is maintained by the Township Manager with the assistance of the Finance Director at the Fund level. Budget transfers at the fund level must be approved by the Board of Supervisors.
11. Annual budgets for governmental funds are adopted on the modified accrual basis of accounting.
12. Budgets for proprietary funds are adopted on the accrual basis of accounting. These annual budgets are “flexible budgets” and not legally appropriated operating budgets.

Excess of Expenditures over Appropriations - For the year ended December 30, 2020, expenditures over appropriation for the General Fund were as follows: Miscellaneous \$4,740. The over expenditures were covered through revenues in excess of budget and expenditures under budget in other areas.

Deficit Fund Balance - The Capital Projects fund had a deficit fund balance of \$79,514 at December 31, 2020. This deficit is expected to be eliminated in 2021 by a transfer from general fund.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

3. Deposits and Investments

Legal and Contractual Restrictions: The Township is permitted to invest in U.S. Treasury bills, short-term obligations of the U.S. Government or its agencies, and shares of an investment company as defined, provided that the only investments of the company are in authorized investments for Township funds. The Township may also place deposits that are insured by the Federal Deposit Insurance Corporation ("FDIC") and deposits that are collateralized on an individual or on a pooled basis in accordance with Act No. 72 of the Commonwealth of Pennsylvania, August 6, 1971.

As of December 31, 2020, the government had the following investments for governmental funds:

	<u>Carrying</u> <u>Value</u>	<u>Weighted</u> <u>Average</u> <u>Maturity</u>
Certificates of deposit	\$ 125,000	351 days

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it or the government will not be able to recover collateral securities in the possession of an outside party. The Township does not have a formal deposit policy for custodial credit risk. As of December 31, 2020, the Township's bank balances was \$27,093,357. Of the bank balance, \$1,835,004 was covered by federal depository insurance and \$18,010,635 was invested in externally pooled investments, which are not subject to credit risk. Any balance exceeding depository insurance and investment in risk pools, are exposed to custodial credit risk because it is uninsured and collateralized with securities held by pledging institution's trust department, but nor in the government's name.

The Township participates in an external investment pool, the Pennsylvania Local Government Investment Trust ("PLGIT"). PLGIT is a common law trust established pursuant to the Intergovernmental Cooperation Act and similar statutes by Local Governments in Pennsylvania for the purpose of pooling their investments. It is a fundamental policy of PLGIT to maintain a net position value of \$1 per share, but there can be no assurance that the net position value will not vary from \$1 per share. At December 31, 2020, management of PLGIT has indicated that all investments made of the PLGIT were either obligations of the U.S. Government or its agencies or instrumentalities, or certificates of deposit insured by FDIC. The Township had \$18,010,635 of deposits invested in PLGIT at December 31, 2020, all of which is included in cash and cash equivalents. All amounts invested have maturity dates of less than 6 months.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

3. Deposits and Investments (Continued)

Custodial Credit Risk- Deposits: (continued)

The Township's cash equivalent investments in PLGIT are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or entry form. The Township's position in the external investment pool is the same as the value of the pool shares and is reported at amortized cost which approximates fair value. PLGIT activities are invested directly in a portfolio of securities, which are held by a third-party custodian. All investments in an external investment pool that is not SEC registered are subject to oversight by the Commonwealth of Pennsylvania. The Township can withdraw funds from the external investment pool without limitation or fees upon adequate notice.

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. The Township does not have a formal deposit policy for custodial credit risk. The Township's investments consisted of certificates of deposit as listed above.

Interest Rate Risk - Investments: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township does not have a formal investment policy for interest rate risk.

Credit Risk - Investments: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township does not have a formal investment policy for credit risk. The Township's investments in PLGIT were rated "AAAm" by Standard & Poor's.

Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. There were no investments that exceeded 5% of the total investments reported in the governmental or fiduciary funds that would be considered a concentration of credit risk.

Fair Value Measurements: The Township categorizes its fair value measurements within the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs that include quoted prices for similar assets in active markets and inputs that are observable for the asset, either directly, or indirectly, for substantially the full term of the financial instrument.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

3. Deposits and Investments (Continued)

Fair Value Measurement: (continued)

Fair values of these instruments are estimated using pricing models, quoted pricing models, quoted prices of securities with similar characteristics, or discounted cash flows; Level 3 inputs are significant unobservable inputs. The Township only had one recurring fair value measurement as of December 31, 2020, term deposits are classified as Level 2.

4. Interfund Receivables, Payables, and Transfers

Interfund receivable and payable balances of each individual fund as of December 31, 2020 are as follows (certain amounts are netted for presentation in the fund financial statements):

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ -	\$ 15,544
Debt Service Fund	2,972	-
Nonmajor Governmental Funds	13,321	-
Enterprise Funds		
Water Fund	-	4,009
Waste Water Fund	-	(4,009)
	<u>\$ 16,293</u>	<u>\$ 15,544</u>

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

4. Interfund Receivables, Payables, and Transfers (Continued)

The following is a schedule of transfers as included in the basic financial statements of the Township:

	<u>Transfer in</u>	<u>Transfer out</u>
General Fund	\$ 250,000	\$ 2,335,037
Debt Service Fund	60,000	-
Capital Reserve	500,000	-
Nonmajor Governmental Funds	1,830,256	55,219
Enterprise Funds		
Water Fund	-	125,000
Waste Water Fund	-	125,000
Total	<u>\$ 2,640,256</u>	<u>\$ 2,640,256</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

5. Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2020:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and land easements	\$ 31,126,916	\$ 880,177	\$ -	\$ 32,007,093
Construction in progress	1,274,534	756,678	-	2,031,212
Total capital assets, not being depreciated	32,401,450	1,636,855	-	34,038,305
Capital assets, being depreciated:				
Land improvements	8,424,825	-	-	8,424,825
Buildings and improvements	4,791,000	184,396	-	4,975,396
Machinery and equipment	1,958,830	105,811	-	2,064,641
Vehicles and equipment	2,198,362	96,902	(124,590)	2,170,674
Furniture and equipment	575,676	1,127	-	576,803
Infrastructure	32,364,754	26,587	-	32,391,341
Total capital assets being depreciated	50,313,447	414,823	(124,590)	50,603,680
Less accumulated depreciation for:				
Land improvements	-	153,025	-	153,025
Buildings and improvements	3,940,667	106,144	-	4,046,811
Machinery and equipment	1,278,993	117,003	-	1,395,996
Vehicles and equipment	1,581,636	199,893	(124,590)	1,656,939
Furniture and equipment	547,030	13,587	-	560,617
Infrastructure	2,670,755	323,681	-	2,994,436
Total accumulated depreciation	10,019,081	913,333	(124,590)	10,807,824
Total capital assets, being depreciated, net	40,294,366	(498,510)	-	39,795,856
Governmental activities capital assets, net	\$ 72,695,816	\$ 1,138,345	\$ -	\$ 73,834,161
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 8,371,411	\$ -	\$ -	\$ 8,371,411
Construction in progress	2,163,686	997,435	(1,867,163)	1,293,958
Total capital assets, not being depreciated	10,535,097	997,435	(1,867,163)	9,665,369
Capital assets, being depreciated:				
Buildings and improvements	10,997,769	1,463,579	-	12,461,348
Connection systems	34,128,266	2,577,320	-	36,705,586
Machinery, vehicles and equipment	6,351,238	905,732	(113,940)	7,143,030
Total capital assets being depreciated	51,477,273	4,946,631	(113,940)	56,309,964
Less accumulated depreciation for:				
Buildings and improvements	6,093,837	254,699	-	6,348,536
Connection systems	6,062,209	694,708	-	6,756,917
Machinery, vehicles and equipment	3,634,196	329,453	(113,940)	3,849,709
Total accumulated depreciation	15,790,242	1,278,860	(113,940)	16,955,162
Total capital assets, being depreciated, net	35,687,031	3,667,771	-	39,354,802
Business-type activities capital assets, net	\$ 46,222,128	\$ 4,665,206	\$ (1,867,163)	\$ 49,020,171

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

5. Capital Assets (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:		
General government	\$	84,652
Public safety		118,888
Public works		525,421
Parks and recreation		184,372
Total depreciation expense-governmental activities	\$	<u>913,333</u>
Business activities:		
Water	\$	469,126
Waste Water		809,734
Total depreciation expense-business activities	\$	<u>1,278,860</u>

6. Long-Term Debt

The Township issues general obligation bonds and notes payable to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds and notes payable have been issued for both general government and proprietary activities. These bonds and notes payable are reported in the Proprietary Funds if they are expected to be repaid from Proprietary Fund revenues. In addition, general obligation bonds have been issued to refund debt for both general governmental and proprietary activities.

General obligations currently outstanding in total are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Government-type activities	1.95%-3.0%	\$ <u>6,310,000</u>

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

6. Long-Term Debt (Continued)

Refunding Bonds: In 2012, the Township issued General Obligation Bonds, Series 2012, 2012A and 2012B in the amounts of \$2,775,000, \$4,705,000, and \$1,855,000, respectively. The bonds were issued to currently refund the Series 2003, 2006A, and 2006B General Obligation Bonds (Governmental and Business-type) in the total amount of \$9,215,000. The Bonds have varying maturities from November 1, 2012 to November 1, 2022 with interest being paid semi-annually, May 1 and November 1. The reacquisition price exceeded the net carrying amount of the old debt by \$78,531. This amount is recorded in the government-wide statement as deferred outflows or resources and will be amortized over the remaining life of the refunded debt. The refunded debt has been considered defeased and removed from this statement. The present value savings at the time of refunding on the Bond Series 2012 and 2012 A & B was \$247,967 and \$603,984, respectively. In 2016, the 2012B Series Bonds were paid off. In 2019, the 2012C Series Bonds were paid off.

Refunding Bonds: In 2014, the Township issued General Obligation Bonds, Series 2014 in the amounts of \$7,540,000. The bonds were issued to currently refund the Series 2009 General Obligation Bonds (Governmental type) in the total amount of \$7,380,000. The Bonds have varying maturities from November 1, 2014 to November 1, 2029 with interest being paid semi-annually, May 1 and November 1. The reacquisition price exceeded the net carrying amount of the old debt by \$83,247. This amount is recorded in the government-wide statement as deferred outflows or resources and will be amortized over the remaining life of the refunded debt. The refunded debt has been considered defeased and removed from this statement. The present value savings at the time of refunding on the Bond Series 2009 was \$900,936.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

6. Long-Term Debt (Continued)

Changes in Long-Term Liabilities: The following is a summary of changes in the long-term liabilities:

	Year of Final Maturity	Original Issue Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:							
General obligation bonds/notes							
Series of 2012A - 1.00%-2.15%	2022	4,705,000	\$ 2,140,000	\$ -	\$ (700,000)	\$ 1,440,000	\$ 715,000
Series of 2014 - 1.00%-4.00%	2029	7,540,000	5,350,000	-	(480,000)	4,870,000	495,000
Total general obligation bonds/notes			7,490,000	-	(1,180,000)	6,310,000	1,210,000
Less deferred amount: issuance premium			84,403	-	(13,720)	70,683	13,718
Total obligation bonds/notes payable			7,574,403	-	(1,193,720)	6,380,683	1,223,718
Net pension liability for non-uniform pension			574,015	-	(574,015)	-	-
Compensated absences			39,790	58,868	(39,790)	58,868	58,868
Governmental activity long-term liabilities			<u>\$ 8,188,208</u>	<u>\$ 58,868</u>	<u>\$ (1,807,525)</u>	<u>\$ 6,439,551</u>	<u>\$ 1,282,586</u>
Business-type activities:							
Net pension liability for non-uniform pension			\$ 282,724	\$ -	\$ (282,724)	\$ -	\$ -
Compensated absences			6,259	14,479	(6,259)	14,479	14,479
Business-type activity long-term liabilities			<u>\$ 288,983</u>	<u>\$ 14,479</u>	<u>\$ (288,983)</u>	<u>\$ 14,479</u>	<u>\$ 14,479</u>

Legal Debt Limit: At December 31, 2020, the Township's legal debt limit under the Pennsylvania Local Government Unit Debt Act (the "Act") was approximately \$44,339,756 for non-electoral debt. After deducting the non-electoral debt outstanding of \$0, the Township's remaining borrowing capacity was \$44,339,756 for non-electoral debt. Electoral debt (i.e. debt approved by the Township voters) is not subject to any statutory borrowing limit under the Act. The 2012 Bonds, Series A of 2012 Bonds, and the 2014 Bonds are considered electoral debt.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

6. Long-Term Debt (Continued)

Debt Service Requirements: Annual debt service requirements for each of the next five years and each five-year period thereafter for all long-term debt except compensated absences are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2021	\$ 1,210,000	\$ 152,715
2022	1,230,000	128,515
2023	515,000	102,827
2024	525,000	91,498
2025	540,000	79,160
2026-2029	2,290,000	170,410
	<u>\$ 6,310,000</u>	<u>\$ 725,125</u>

Debt service for general obligation bonds is funded primarily from real estate taxes for governmental activities and charges for service in the business type activities. Any liabilities for compensated absences and net pension liability are generally liquidated by the general fund or proprietary-type fund that they relate to.

7. Defined Benefit Pension Plans

Plan Description: The Township sponsors two single employer defined benefit pension plans, the Police Pension Plan and the Non-Uniform Pension Plan. These plans cover substantially all full-time employees. The following are details of these two plans. The most recent valuation was as of January 1, 2019. Details below are from the valuation.

Police Pension Defined Benefit Pension Plan - The plan is a contributory, single employer defined benefit plan that covers all regular, full-time sworn police officers. An employee enters the plan after a 90-day probationary period.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

7. Defined Benefit Pension Plans (Continued)

Plan Description: (continued)

Non-Uniform Defined Benefit Pension Plan - The plan is a contributory, single employer defined benefit plan that covers all regular, full-time employees, excluding sworn police officers, who join the plan after a 90-day probationary period.

The Township's plans are administered by the Pennsylvania Municipal Retirement System ("PMRS"), a statewide local government system. PMRS is an agent, multiple-employer system with the purpose to administer sound, cost-effective pensions for local government employees. PMRS consists of over 900 participating employer plans. Responsibility for the organization and administration of the system is vested in the eleven-member Pennsylvania Municipal Retirement Board - including the State Treasurer and Secretary of the Commonwealth by virtue of statute, and eight other members appointed by the Governor based on their respective organizations. PMRS issues a separate Comprehensive Annual Financial Report ("CAFR"). A copy of the CAFR can be obtained by contacting the PMRS Accounting Office, P.O. Box 1165, Harrisburg, PA 17108-1165.

The following table provides information concerning types of covered employees and benefit provisions for each of the Township's Plans for the year ended December 31, 2020:

	<u>Police</u>	<u>Non-Uniform</u>
Inactive employees (or their beneficiaries)		
currently receiving benefits	8	10
Inactive employees entitled to benefits		
but not yet receiving them	1	4
Active employees	<u>17</u>	<u>28</u>
	<u>26</u>	<u>42</u>

Benefits Provided

Description of Police Pension Plan: The plan provides retirement, death, and disability benefits to plan members and their beneficiaries. A member is fully vested after 12 years of service. Cost-of-living allowances are provided at the discretion of the plan. Normal retirement is available upon attainment of age 54 with 12 years of service. The normal retirement benefit is equal to 2% times credit service times final average salary (FAS), but in no event is the basic benefit greater than 50% of FAS, plus an additional \$100 per month if retiring with 26 or more years of service.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

7. Defined Benefit Pension Plans (Continued)

Benefits Provided (continued)

Description of Police Pension Plan (continued)

Early retirement is voluntary after 24 years of service. For service related disability, a 50% disability benefit is provided to a member who is unable to perform gainful employment regardless of age or service. For non-service related disability, a 30% disability benefit is provided to a member who has at least 10 years of service and who is unable to perform gainful employment. A post retirement adjustment may be awarded based on investment performance (excess interest awards). Benefit provisions are established and amended by Pennsylvania law. Administrative costs of the Plan are financed through investment earnings.

A Deferred Retirement Option Plan ("DROP") is available to the Township's police officers who have fulfilled the age and service requirements of the Police Pension Plan as described in the above paragraph. Under the DROP program a participant may elect to defer receipt of normal retirement benefits while continuing employment with the Township for a period of not less than one year not more than three years. Upon entering the DROP program, the member's retirement benefit is frozen and his monthly retirement benefit payments will be deposited into an account that will be credited with interest and paid to the participant in a lump sum at his actual retirement in addition to his monthly pension payments. As of December 31, 2020, the DROP account balances totaling \$168,167 is held by the plan pursuant to a DROP.

Description of Non-Uniform Pension Plan: The plan provides retirement, death, and disability benefits to plan members and their beneficiaries. A member is fully vested after 7 years of service. Cost-of-living allowances are provided at the discretion of the plan. Normal retirement is available upon attainment of age 60. The normal retirement benefit is equal to 2.5% times credit service times by final average salary (FAS), but in no event is the basic benefit greater than 50% of FAS. All benefits are vested after seven years of credited service. Early retirement is voluntary after 20 years of service. For service related disability, a 50% disability benefit is provided to a member who is unable to perform gainful employment regardless of age or service. For non-service related disability, a 30% disability benefit is provided to a member who has at least 10 years of service and who is unable to perform gainful employment. A post retirement adjustment may be awarded based on investment performance (excess interest awards). Benefit provisions are established and amended by Pennsylvania law. Administrative costs of the plan are financed through investment earnings.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

7. Defined Benefit Pension Plans (Continued)

Measurement Focus and Basis of Accounting

Basis of Accounting: Pension Plan financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Employer and member contributions are recognized as when due pursuant to formal commitments, as well as statutory or contractual requirements. Investment income is recognized as revenue when earned. Retirement benefits and refunds are recognized when due and payable in accordance with terms of the plan. Other expenses are recognized when the corresponding liabilities are incurred. The net appreciation/(depreciation) in fair value of investments is recorded as an increase/(decrease) to investment income based on the valuation of investments. The entire expense of plan administration is charged against the earnings of the plan. Investment earnings are reduced for investment management fees, portfolio evaluation, custodial services, and actuarial services, as required by State statutes.

Method Used to Value Investments: Pension Plan investments are reported by the custodian at fair value. Investments that do not have an established market value are reported at estimated fair value.

Contributions

Currently, employees covered under the Police Pension Plan are required to contribute 3.5% of their salaries. Employees covered under the Non-Uniform Pension Plan are required to contribute 3% of their salaries. Administrative costs, including investment manager fees, custodial trustee fees and actuarial fees, are charged to the plans and funded through investment earnings.

The Township is required by statute, principally Pennsylvania Act 205, to contribute the remaining amounts necessary to finance the pensions. Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law. The 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.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

7. Defined Benefit Pension Plans (Continued)

Contributions (continued)

The Township's annual required contribution is equal to its Minimum Municipal Obligation ("MMO") as calculated in accordance with Pennsylvania law (Act 205 of 1984) less state aid and employee contributions deposited in the pension during the year. State law requires that state aid be used first to fund the plan, then employee contribution and finally general Township funds. The Township received state aid, which is recognized as revenue and expenses, in the amount of \$318,414 for the year ended December 31, 2020.

Investments

Investment Policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pennsylvania Municipal Retirement System (PMRS). The policy is to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Rate of Return: For the Measurement Date of December 31, 2019, the annual money-weighted rate of return on Plan investments, net of investment expense was 21.1 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of participating entities for the Measurement Date of December 31, 2019, were as follows:

	<u>Police</u>	<u>Non-Uniform</u>
Total pension liability	\$ 12,220,917	\$ 9,239,451
Plan fiduciary net position	<u>(14,410,037)</u>	<u>(9,584,478)</u>
Net pension liability (asset)	<u>\$ (2,189,120)</u>	<u>\$ (345,027)</u>
Plan fiduciary net position as a percentage of the total pension liability	118%	104%

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

7. Defined Benefit Pension Plans (Continued)

Actuarial Assumptions: The total pension liability in the January 1, 2017 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

	<u>Police</u>	<u>Non-Uniform</u>
Inflation	2.8%	2.8%
Salary Increases	age related with merit and inflation component	
Investment Rate of Return	5.25%	5.25% (including inflation)
Postretirement Cost of Living Increase	2.8%	2.8%

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for males or females. This table does not include projected mortality improvements.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2017 to December 31, 2018.

The net pension liability for Police was measured as of the Measurement Date of December 31, 2019 and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2019.

PMRS has not performed a formal cash flow projection but has applied an alternative method to confirm the sufficiency of the pension plan's projected Net Position. The result would be greater than or equal to the benefit payments projected for each future period. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities		
US Equities	40.0%	4.7%-7.1%
International Equities	25.0%	2.9%-7.6%
Real Estate	20.0%	5.3%
Fixed Income	15.0%	0.0%

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

7. Defined Benefit Pension Plans (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 5.25% for both the Non-Uniformed and Police Pension Plans. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of active and inactive plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer's funding policy requires the full funding of the entry age normal cost plus plan expenses, as well as an amortization of the unfunded liability. The employer has always met the funding requirements of Pennsylvania Law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

For the Measurement Date of December 31, 2019:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<u>Police Pension Plan</u>			
Balance at December 31, 2018	\$ 12,144,579	\$ 12,483,575	\$ (338,996)
Changes for the year:			
Service cost	264,108	-	264,108
Interest	630,258	-	630,258
Change of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Change of assumptions	-	-	-
Contributions - employer	-	105,716	(105,716)
Contributions - employee	-	68,286	(68,286)
Net investment income	-	2,596,416	(2,596,416)
Benefit payments, including refunds of employee contributions	(818,028)	(818,028)	-
Administrative expense	-	(25,928)	25,928
Other changes	-	-	-
Net Changes	76,338	1,926,462	(1,850,124)
Balance at December 31, 2019	\$ 12,220,917	\$ 14,410,037	\$ (2,189,120)

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

7. Defined Benefit Pension Plans (Continued)

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	<u>Liability</u>	<u>Net Position</u>	<u>Liability</u>
<u>Non-Uniform Pension Plan</u>			
Balance at December 31, 2018	\$ 8,691,737	\$ 7,834,998	\$ 856,739
Changes for the year:			
Service cost	243,529	-	243,529
Interest	464,936	-	464,936
Change of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Change of assumptions	-	-	-
Contributions - employer	-	249,100	(249,100)
Contributions - employee	-	61,515	(61,515)
Net investment income	-	1,616,535	(1,616,535)
Benefit payments, including refunds of employee contributions	(160,751)	(160,751)	-
Administrative expense	-	(16,919)	16,919
Other changes	-	-	-
Net Changes	547,714	1,749,480	(1,201,766)
Balance at December 31, 2019	<u>\$ 9,239,451</u>	<u>\$ 9,584,478</u>	<u>\$ (345,027)</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of participating entities calculated using the discount rate of 5.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.25 percent) or 1-percentage-point higher (6.25 percent) than the current rate:

	1%	Current	1%
	Decrease	Discount	Increase
	<u>(4.25%)</u>	<u>Rate (5.25%)</u>	<u>(6.25%)</u>
Net pension liability			
Police	\$ (606,941)	\$ (2,189,120)	\$ (3,519,006)
Non-Uniform	723,374	(345,027)	(1,278,821)

Deferred Outflows and Inflows of Resources: For the year Measurement Date of December 31, 2019, the Township recognized pension expense of -\$283,620 for Police Pension and \$50,802 for Non-Uniformed Pension. At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to pension related to this Measurement Date of December 31, 2019 from the following sources:

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

7. Defined Benefit Pension Plans (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Police Pension</u>		
Differences between expected and actual experience	\$ -	\$ 282,181
Changes in assumptions	171,393	177,496
Net difference between projected and actual earnings on pension plan investments	-	1,285,280
Contributions by employer after measurement date	117,067	-
Total	<u>\$ 288,460</u>	<u>\$ 1,744,957</u>
<u>Non-Uniform Pension</u>		
Differences between expected and actual experience	\$ 36,687	\$ 136,125
Changes in assumptions	134,041	-
Net difference between projected and actual earnings on pension plan investments	-	786,578
Contributions by employer after measurement date	254,332	-
Total	<u>\$ 425,060</u>	<u>\$ 922,703</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Governmental- Activities	Governmental- Activities	Proprietary - Activities	Total
<u>December 31:</u>	<u>Police</u>	<u>Non-Uniform</u>	<u>Non-Uniform</u>	<u>Non-Uniform</u>
2020	\$ (517,396)	\$ (141,200)	\$ (76,031)	\$ (217,231)
2021	(479,004)	(143,764)	(77,412)	(221,176)
2022	(190,892)	(48,655)	(26,199)	(74,854)
2023	(386,272)	(155,164)	(83,550)	(238,714)
2024	-	-	-	-
Thereafter	-	-	-	-
Total	<u>\$ (1,573,564)</u>	<u>\$ (488,783)</u>	<u>\$ (263,192)</u>	<u>\$ (751,975)</u>

Payable to the Pension Plan: For the Measurement Date of December 31, 2019, there was no amount payable for contributions to the pension plan.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

8. Deferred Compensation Plans

The Township offers certain employees the option to participate in deferred compensation plans created in accordance with the Internal Revenue Code Section 457. The plans permit the employees to voluntarily defer a percentage of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust for the exclusive benefits of participants and their beneficiaries. The compensation deferred is managed by outside trustees under various investment options. As a result, the financial statements of the deferred compensation plans are excluded from the accompanying financial statements.

9. Risk Management

The Township is exposed to various risks of loss related to third-party liability claims, damages to and losses of Township-owned property, errors and omissions by public officials and injuries to employees. The Township carries various types of commercial insurance to manage these risks of loss.

There were no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world in the first quarter of 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Township is unable to determine if it will have a material impact to its net position.

10. Contingencies

In the normal course of business, there are various claims and suits pending against the Township. In the opinion of Township Management, the potential loss on all claims and lawsuits will not be significant to the Township's financial statements.

The use of grant monies is subject to compliance audits by governmental agencies. Management of the Township believes the Township is in compliance with substantially all of the significant requirements of such grants.

BUCKINGHAM TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

11. Escrows

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. 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, 2020, \$3,694,358 represents the balance of these monies held in escrow for both the governmental activities and the fiduciary activities.

12. Pending Pronouncements

GASB Codification Section L20, Leases (GASB 87): GASB 87 substantially changes current accounting procedures regarding lease accounting and offers specific accounting guidance for lessees, lessors and sale-leaseback transactions. GASB 87 establishes a right-of-use ("ROU") model that requires lessees to record a ROU asset and lease liability in the statement of financial position for all leases with terms longer than 12 months (the standard may optionally be applied to leases with term of 12 months or less). Leases will be classified as either finance leases or operating leases depending on the characteristics of the lease; consistent with current accounting procedures, the recognition, measurement and presentation of expenses and cash flows arising from the lease will depend on the lease classification. This Statement is expected to have an implementation date for fiscal years beginning after June 15, 2021.

13. Subsequent Events

In April of 2021, the Township settle on General Obligation Bonds, Series A in the aggregate principal amount of \$3,980,000 and General Obligation Bonds, Series B in the aggregate principal amount of \$4,820,000. The proceeds will be use in the repurposing and improvements of existing structures and construction of new structures to serve as the Township's water and sewer operations center and other capital items and to refund a portion of the General Obligations Bonds, Series of 2014 (\$4,870,000). The bonds bear interest at a rate of 1%-4% and mature in 2040.

REQUIRED
SUPPLEMENTARY INFORMATION

BUCKINGHAM TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - POLICE PENSION PLAN

	Measurement Year Ending			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability				
Service cost	\$ 264,108	\$ 255,309	\$ 256,252	\$ 252,957
Interest	630,258	620,000	582,885	562,764
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(211,151)	-	(174,180)
Changes of assumptions	-	-	-	342,785
Benefit payments, including refunds of employee contributions	(818,028)	(145,728)	(117,108)	(117,063)
Net change in total pension liability	76,338	518,430	722,029	867,263
Total pension liability - beginning	12,144,579	11,626,149	10,904,120	10,036,857
Total pension liability - ending (a)	<u>\$ 12,220,917</u>	<u>\$ 12,144,579</u>	<u>\$ 11,626,149</u>	<u>\$ 10,904,120</u>
Plan fiduciary net position				
Contributions - employer	\$ 105,716	\$ 204,933	\$ 199,672	\$ 226,331
Contributions - employee	68,286	58,290	59,086	52,273
Net investment income	2,596,416	(641,098)	1,899,649	793,018
Benefit payments, including refunds of employee contributions	(818,028)	(145,728)	(117,108)	(117,063)
Administrative expense	(25,928)	(28,669)	(27,818)	(29,927)
Other	-	-	-	-
Net change in plan fiduciary net position	1,926,462	(552,272)	2,013,481	924,632
Plan fiduciary net position - beginning	<u>12,483,575</u>	<u>13,035,847</u>	<u>11,022,366</u>	<u>10,097,734</u>
Plan fiduciary net position - ending (b)	<u>\$ 14,410,037</u>	<u>\$ 12,483,575</u>	<u>\$ 13,035,847</u>	<u>\$ 11,022,366</u>
Township's net pension liability - ending (a)-(b)	<u>\$ (2,189,120)</u>	<u>\$ (338,996)</u>	<u>\$ (1,409,698)</u>	<u>\$ (118,246)</u>
Plan fiduciary net position as a percentage of the total pension liability	117.9%	102.8%	112.1%	101.1%
Covered payroll	\$ 2,101,110	\$ 1,943,016	\$ 1,950,193	\$ 2,044,615
Net pension liability as a percentage of covered payroll	-104.2%	-17.4%	-72.3%	-5.8%
Annual money-weighted return, net of investment expenses	21.10%	-4.57%	17.84%	8.23%

Notes to Schedule:

Change in benefit terms: None since 1/1/2019

Investment return assumption for municipal assets decreased from 5.50% to 5.25% in 2016

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

<u>2015</u>	<u>2014</u>
\$ 338,901	\$ 333,918
555,074	528,093
-	-
-	(217,310)
(473,321)	-
<u>(270,676)</u>	<u>(50,524)</u>
149,978	594,177
<u>9,886,879</u>	<u>9,292,702</u>
<u>\$ 10,036,857</u>	<u>\$ 9,886,879</u>

\$ 238,530	\$ 161,580
44,016	44,159
(20,790)	506,594
(270,676)	(50,524)
(24,062)	(20,528)
-	-
<u>(32,982)</u>	<u>641,281</u>

<u>10,130,716</u>	<u>9,489,435</u>
<u>\$ 10,097,734</u>	<u>\$10,130,716</u>

<u>\$ (60,877)</u>	<u>\$ (243,837)</u>
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100.6%	102.5%
\$ 2,142,912	\$ 2,099,042
-2.8%	-11.6%
-0.27%	5.20%

BUCKINGHAM TOWNSHIP

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF CONTRIBUTIONS - POLICE PENSION PLAN

<u>Fiscal Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
2011	\$ 132,177	\$ 132,177	\$ -	\$ 2,048,544	(1) 6.45%
2012	129,664	129,664	-	2,048,544	(1) 6.33%
2013	161,304	161,304	-	2,014,436	(1) 8.01%
2014	156,115	161,580	(5,465)	2,099,042	7.70%
2015	238,530	238,530	-	2,142,912	11.13%
2016	226,331	226,331	-	2,044,615	11.07%
2017	199,632	199,672	(40)	1,950,193	10.24%
2018	204,913	204,933	(20)	1,943,016	10.55%
2019	105,716	105,716	-	1,831,121	5.77%
2020	117,067	117,067	-	2,101,110	5.57%

Notes to Schedule:

Actuarially determined contribution rates are calculated as of January 1, two years to four years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Valuation date	1/1/2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization period	10 years initial liability, 20 years gains and losses, 15 years change in assumption, 20 years changes due to plan provisions, 10 years changes in benefits
Asset valuation method	Based upon the municipal reserves
Inflation	2.8%
Salary increases	age related scale with merit and inflation component
COLA increases	2.8% for those eligible for a COLA
Investment rate of return	5.25%, net of pension plan investment expense, including inflation
Retirement age	Normal Retirement Age
Mortality	RP2000 Table with 1 year set back, Females -RP2000 with 5 year set back. This table does not include projected mortality improvements.

Change in benefit terms: None since 1/1/2019

Investment return assumption for municipal assets decreased from 5.50% to 5.25% in 2016

(1) - covered payroll taken from 1/1/2011 through 1/1/2013 actuarial valuations

BUCKINGHAM TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - NON-UNIFORM PENSION PLAN

	Measurement Year Ending			
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability				
Service cost	\$ 243,529	\$ 233,011	\$ 222,311	\$ 204,244
Interest	464,936	439,687	413,444	407,472
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(48,557)	-	(242,090)
Changes of assumptions	-	-	-	219,051
Benefit payments, including refunds of employee contributions	(160,751)	(146,900)	(146,270)	(134,219)
Net change in total pension liability	547,714	477,241	489,485	454,458
Total pension liability - beginning	8,691,737	8,214,496	7,725,011	7,270,553
Total pension liability - ending (a)	<u>\$ 9,239,451</u>	<u>\$ 8,691,737</u>	<u>\$ 8,214,496</u>	<u>\$ 7,725,011</u>
Plan fiduciary net position				
Contributions - employer	\$ 249,100	\$ 230,673	\$ 227,425	\$ 186,433
Contributions - employee	61,515	59,742	56,999	56,032
Net investment income	1,616,535	(417,074)	1,214,444	537,752
Benefit payments, including refunds of employee contributions	(160,751)	(146,900)	(146,270)	(134,219)
Administrative expense	(16,919)	(19,525)	(18,408)	(19,144)
Other	-	-	-	-
Net change in plan fiduciary net position	1,749,480	(293,084)	1,334,190	626,854
Plan fiduciary net position - beginning	<u>7,834,998</u>	<u>8,128,082</u>	<u>6,793,892</u>	<u>6,167,038</u>
Plan fiduciary net position - ending (b)	<u>\$ 9,584,478</u>	<u>\$ 7,834,998</u>	<u>\$ 8,128,082</u>	<u>\$ 6,793,892</u>
Township's net pension liability - ending (a)-(b)	<u>\$ (345,027)</u>	<u>\$ 856,739</u>	<u>\$ 86,414</u>	<u>\$ 931,119</u>
Plan fiduciary net position as a percentage of the total pension liability	103.7%	90.1%	98.9%	87.9%
Covered payroll	\$ 2,049,899	\$ 1,991,415	\$ 1,899,964	\$ 1,866,808
Net pension liability as a percentage of covered payroll	-16.8%	43.0%	4.5%	49.9%
Annual money-weighted return, net of investment expenses	20.10%	-4.57%	17.84%	8.23%

Notes to Schedule:

Change in benefit terms: None since 1/1/2019

Investment return assumption for municipal assets decreased from 5.50% to 5.25%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

<u>2015</u>	<u>2014</u>
\$ 213,880	\$ 211,879
375,157	337,822
-	-
-	256,821
140,572	-
(130,687)	(128,749)
598,922	677,773
6,671,631	5,993,858
<u>\$ 7,270,553</u>	<u>\$ 6,671,631</u>

\$ 183,206	\$ 131,826
54,673	54,156
7,269	320,836
(130,687)	(128,749)
(15,230)	(12,674)
-	-
99,231	365,395

6,067,807	5,702,412
<u>\$ 6,167,038</u>	<u>\$ 6,067,807</u>

<u>\$ 1,103,515</u>	<u>\$ 603,824</u>
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84.8%	90.9%
\$ 1,823,360	\$ 1,776,405
60.5%	34.0%
-0.27%	5.20%

BUCKINGHAM TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS - NON-UNIFORM PENSION PLAN

<u>Fiscal Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
2011	\$ 127,976	\$ 127,976	\$ -	\$ 1,635,565	(1) 7.82%
2012	132,503	132,503	-	1,635,565	(1) 8.10%
2013	129,053	129,053	-	1,704,803	(1) 7.57%
2014	131,806	131,826	(20)	1,776,405	7.42%
2015	183,186	183,206	(20)	1,823,360	10.05%
2016	186,433	186,433	-	1,866,808	9.99%
2017	227,405	227,425	(20)	1,899,964	11.97%
2018	230,653	230,673	(20)	1,991,415	11.58%
2019	249,040	249,100	(60)	2,049,899	12.15%
2020	117,067	117,067	-	2,040,368	5.74%

Notes to Schedule:

Actuarially determined contribution rates are calculated as of January 1, two years to four years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Valuation date	1/1/2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization period	10 years initial liability, 20 years gains and losses, 15 years change in assumption, 20 years changes due to plan provisions, 10 years changes in benefits
Asset valuation method	Based upon the municipal reserves
Inflation	2.8%
Salary increases	age related scale with merit and inflation component
COLA increases	2.8% for those eligible for a COLA
Investment rate of return	5.25%, net of pension plan investment expense, including inflation
Retirement age	Normal Retirement Age
Mortality	RP2000 Table with 1 year set back, Females -RP2000 with 5 year set back. This table does not include projected mortality improvements.

Change in benefit terms: None since 1/1/2019

Investment return assumption for municipal assets decreased from 5.50% to 5.25% in 2016

(1) - covered payroll taken from 1/1/2011 through 1/1/2013 actuarial valuations

BUCKINGHAM TOWNSHIP

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND
ACTUAL - GENERAL FUND

For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>ACTUAL</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Real estate transfer taxes	\$ 900,000	\$ 1,200,000	\$ 1,266,295	\$ 66,295
Earned income taxes	6,450,000	6,525,000	6,749,070	224,070
Local services taxes	76,750	71,000	72,225	1,225
Licenses, permits, and fees	491,100	481,100	477,465	(3,635)
Interest and rent	103,000	36,500	46,587	10,087
Intergovernmental revenues	319,800	285,350	286,751	1,401
Fines and forfeitures	44,850	44,850	33,012	(11,838)
Charges for services	563,400	670,900	706,243	35,343
Contributions from private sources	-	-	-	-
Miscellaneous	3,600	87,550	101,930	14,380
Total Revenues	<u>8,952,500</u>	<u>9,402,250</u>	<u>9,739,578</u>	<u>337,328</u>
Expenditures				
Current:				
General government	1,761,172	1,810,172	1,633,664	176,508
Public safety	4,893,480	4,893,480	4,307,766	585,714
Public works	1,244,148	1,244,148	1,058,506	185,642
Park and recreation	326,650	326,650	278,765	47,885
Miscellaneous	500	500	5,240	(4,740)
Total Expenditures	<u>8,225,950</u>	<u>8,274,950</u>	<u>7,283,941</u>	<u>991,009</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>726,550</u>	<u>1,127,300</u>	<u>2,455,637</u>	<u>1,328,337</u>
Other Financing Sources (Uses)				
Sale of capital assets	10,000	22,650	22,463	(187)
Transfers in	250,000	250,000	250,000	-
Transfers out	(1,957,450)	(2,457,450)	(2,335,037)	122,413
Total Other Financing Sources (Uses)	<u>(1,697,450)</u>	<u>(2,184,800)</u>	<u>(2,062,574)</u>	<u>122,226</u>
Net Change in Fund Balance	(970,900)	(1,057,500)	393,063	1,450,563
Fund Balance - Beginning	6,231,040	6,231,040	6,231,040	-
Fund Balance - Ending	<u>\$ 5,260,140</u>	<u>\$ 5,173,540</u>	<u>\$ 6,624,103</u>	<u>\$ 1,450,563</u>

BUCKINGHAM TOWNSHIP

NOTES TO SUPPLEMENTARY INFORMATION – BUDGETARY
COMPARISON SCHEDULES

For the Year Ended December 31, 2020

The budgets presented in the required supplementary information are prepared on a basis consistent with generally accepted accounting principles. Annual budgets for the governmental funds are adopted on the modified accrual basis of accounting.

Legal budgetary control is maintained at the Fund level. Budget transfers at the fund level must be approved by the Board of Supervisors.

MAJOR FUNDS

General Fund: The General Fund is a major fund with a legally adopted budget. The General Fund is the general operating fund of the Township. All activities of the Township are accounted for through this fund, except those required to be accounted for in other funds.

Debt Service Fund: The Debt Service Fund is a major debt service fund with a legally adopted budget. The Debt Service Fund is used to accumulate resources for the payment of interest and principal on long-term general obligation debt. The Debt Service Fund includes the General Sinking Fund and the Open Space Sinking Fund.

Capital Reserve Fund: The Capital Reserve Fund is a major capital projects fund with a legally adopted budget. The Capital Reserve Fund is used to account for the continued updating and replacement of Township equipment, which is funded primarily by interfund transfers from the General Fund.

BUCKINGHAM TOWNSHIP

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND
ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2020

	DEBT SERVICE FUND			
	Budgeted Amounts		ACTUAL	Variance with Final Budget
	Original	Final		
Revenues				
Real estate taxes	\$ 1,156,300	\$ 1,156,300	\$ 1,151,360	\$ (4,940)
Interest	5,000	3,750	3,676	(74)
Miscellaneous	-	-	-	-
Total Revenues	<u>1,161,300</u>	<u>1,160,050</u>	<u>1,155,036</u>	<u>(5,014)</u>
Expenditures				
Debt service				
Principal	1,180,000	1,180,000	1,180,000	-
Interest	176,000	176,000	175,965	35
Miscellaneous	<u>2,550</u>	<u>2,550</u>	<u>1,514</u>	<u>1,036</u>
Total Expenditures	<u>1,358,550</u>	<u>1,358,550</u>	<u>1,357,479</u>	<u>1,071</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(197,250)</u>	<u>(198,500)</u>	<u>(202,443)</u>	<u>(3,943)</u>
Other Financing Sources (Uses)				
Transfers in	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Net Change in Fund Balance	(137,250)	(138,500)	(142,443)	(3,943)
Fund Balance - Beginning	<u>477,151</u>	<u>477,151</u>	<u>477,151</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 339,901</u>	<u>\$ 338,651</u>	<u>\$ 334,708</u>	<u>\$ (3,943)</u>

BUCKINGHAM TOWNSHIP

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

CAPITAL RESERVE FUND

For the Year Ended December 31, 2020

	CAPITAL RESERVE FUND			
	<u>Budgeted Amounts</u>		<u>ACTUAL</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 75,000	\$ 40,500	\$ 40,343	\$ (157)
Total Revenues	<u>75,000</u>	<u>40,500</u>	<u>40,343</u>	<u>(157)</u>
Expenditures				
Current				
Capital outlay	<u>750</u>	<u>750</u>	<u>188</u>	<u>562</u>
Total Expenditures	<u>750</u>	<u>750</u>	<u>188</u>	<u>562</u>
Net Change in Fund Balance	74,250	39,750	540,155	500,405
Fund Balance - Beginning	<u>4,483,657</u>	<u>4,483,657</u>	<u>4,483,657</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 4,557,907</u>	<u>\$ 4,523,407</u>	<u>\$ 5,023,812</u>	<u>\$ 500,405</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - Account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the Township.

The *Emergency Service Fund* is used to account for financial resources, which are used to fund local emergency service needs. The revenues are primary derived from tax millage.

The *Fire Protection Fund* is used to account for financial resources, which are used to fund local fire protection needs. The revenues are primary derived from tax millage and state grants.

The *Park and Recreation Fund* is used to account for financial resources, which are used to fund local park and recreation needs. The revenues are primarily derived from interfund transfers from the General fund and contributions from developers.

The *State Highway Fund* is used to account for revenues from the distribution of a portion of the state gasoline tax, which is used to fund allowable highway-related expenditures.

The *Highway Improvement Fund* is used to account for maintenance of the Township's highways, which is funded primarily by interfund transfers from the General Fund and fees in lieu of improvements from developers.

Capital Projects - Account for financial resources intended to be used for the acquisition, construction or reconstruction of Township assets and facilities.

The *General Obligation Bond Fund* accounts for bond proceeds to be used to purchase open space.

The *Capital Projects Fund* accounts for financial resources, which are used for major capital improvements.

BUCKINGHAM TOWNSHIP
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2020

	<u>Special Revenue</u>			
	<u>Emergency Service</u>	<u>Fire Protection</u>	<u>State Highway</u>	<u>Highway Improvement</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 10,873	\$ 23,106	\$ 1,630,767	\$ 604,906
Investments	-	-	-	-
Real estate taxes receivable	1,361	4,082	-	-
Prepaid expenses	-	4,054	-	-
Due from other funds	456	4,073	-	-
Total Assets	<u>\$ 12,690</u>	<u>\$ 35,315</u>	<u>\$ 1,630,767</u>	<u>\$ 604,906</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 10,947	\$ 31,261	\$ -	\$ -
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>10,947</u>	<u>31,261</u>	<u>-</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue - Real Estate Taxes	<u>1,351</u>	<u>4,054</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>1,351</u>	<u>4,054</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>				
Restricted for:				
Public Safety	392	-	-	-
Highways and streets	-	-	1,630,767	604,906
Committed for:				
Park and recreation	-	-	-	-
Land conservation	-	-	-	-
Unassigned	-	-	-	-
Total Fund Equity	<u>392</u>	<u>-</u>	<u>1,630,767</u>	<u>604,906</u>
Total Liabilities and Fund Balances	<u>\$ 12,690</u>	<u>\$ 35,315</u>	<u>\$ 1,630,767</u>	<u>\$ 604,906</u>

Special Revenue		Capital Projects			Total Nonmajor Governmental Funds
Park and Recreation	Total	Capital Projects	General Obligation Bond	Total	
\$ 428,725	\$ 2,698,377	\$ 21,500	\$ 1,211,420	\$ 1,232,920	\$ 3,931,297
-	-	-	-	-	-
-	5,443	-	-	-	5,443
-	4,054	-	-	-	4,054
-	4,529	3,412	5,380	8,792	13,321
<u>\$ 428,725</u>	<u>\$ 2,712,403</u>	<u>\$ 24,912</u>	<u>\$ 1,216,800</u>	<u>\$ 1,241,712</u>	<u>\$ 3,954,115</u>
\$ 110,861	\$ 153,069	\$ 104,426	\$ 207	\$ 104,633	\$ 257,702
-	-	-	-	-	-
5,000	5,000	-	-	-	5,000
<u>115,861</u>	<u>158,069</u>	<u>104,426</u>	<u>207</u>	<u>104,633</u>	<u>262,702</u>
-	5,405	-	-	-	5,405
<u>-</u>	<u>5,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,405</u>
-	392	-	-	-	392
-	2,235,673	-	-	-	2,235,673
312,864	312,864	-	-	-	312,864
-	-	-	1,216,593	1,216,593	1,216,593
-	-	(79,514)	-	(79,514)	(79,514)
<u>312,864</u>	<u>2,548,929</u>	<u>(79,514)</u>	<u>1,216,593</u>	<u>1,137,079</u>	<u>3,686,008</u>
<u>\$ 428,725</u>	<u>\$ 2,712,403</u>	<u>\$ 24,912</u>	<u>\$ 1,216,800</u>	<u>\$ 1,241,712</u>	<u>\$ 3,954,115</u>

BUCKINGHAM TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2020

	<u>Special Revenue</u>			
	<u>Emergency Service</u>	<u>Fire Protection</u>	<u>State Highway</u>	<u>Highway Improvement</u>
Revenues				
Real estate taxes	\$ 96,243	\$ 292,625	\$ -	\$ -
Interest	97	219	9,900	4,100
Intergovernmental revenues	-	198,321	729,998	-
Contributions from private sources	-	-	-	-
Total Revenues	<u>96,340</u>	<u>491,165</u>	<u>739,898</u>	<u>4,100</u>
Expenditures				
Current				
Public safety	96,339	515,165	-	-
Public works	-	-	382,489	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>96,339</u>	<u>515,165</u>	<u>382,489</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1</u>	<u>(24,000)</u>	<u>357,409</u>	<u>4,100</u>
Other Financing Sources (Uses)				
Transfers in	-	24,000	-	-
Transfers out	-	-	(55,219)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>24,000</u>	<u>(55,219)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources (Uses)	<u>1</u>	<u>-</u>	<u>302,190</u>	<u>4,100</u>
Fund Balance - Beginning	<u>391</u>	<u>-</u>	<u>1,328,577</u>	<u>600,806</u>
Fund Balance - Ending	<u>\$ 392</u>	<u>\$ -</u>	<u>\$ 1,630,767</u>	<u>\$ 604,906</u>

Special Revenue		Capital Projects			Total Nonmajor Governmental Funds
Park and Recreation	Total	Capital Projects	General Obligation Bond	Total	
\$ -	\$ 388,868	\$ -	\$ -	\$ -	\$ 388,868
4,762	19,078	122	5,354	5,476	24,554
-	928,319	-	-	-	928,319
8,064	8,064	-	-	-	8,064
12,826	1,344,329	122	5,354	5,476	1,349,805
-	611,504	-	-	-	611,504
-	382,489	-	-	-	382,489
822,001	822,001	-	893,032	893,032	1,715,033
-	-	292,411	-	292,411	292,411
822,001	1,815,994	292,411	893,032	1,185,443	3,001,437
(809,175)	(471,665)	(292,289)	(887,678)	(1,179,967)	(1,651,632)
350,000	374,000	206,256	1,250,000	1,456,256	1,830,256
-	(55,219)	-	-	-	(55,219)
350,000	318,781	206,256	1,250,000	1,456,256	1,775,037
(459,175)	(152,884)	(86,033)	362,322	276,289	123,405
772,039	2,701,813	6,519	854,271	860,790	3,562,603
\$ 312,864	\$2,548,929	\$ (79,514)	\$ 1,216,593	\$ 1,137,079	\$ 3,686,008

BUCKINGHAM TOWNSHIP

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

EMERGENCY SERVICE FUND

For the Year Ended December 31, 2020

	EMERGENCY SERVICE FUND			
	<u>Budgeted Amounts</u>		<u>ACTUAL</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Real estate taxes	\$ 96,300	\$ 96,300	\$ 96,243	\$ (57)
Interest	100	100	97	(3)
Total Revenues	<u>96,400</u>	<u>96,400</u>	<u>96,340</u>	<u>(60)</u>
Expenditures				
Current				
Public safety	96,400	96,400	96,339	61
Total Expenditures	<u>96,400</u>	<u>96,400</u>	<u>96,339</u>	<u>61</u>
Net Change in Fund Balance	-	-	1	1
Fund Balance - Beginning	<u>391</u>	<u>391</u>	<u>391</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 391</u>	<u>\$ 391</u>	<u>\$ 392</u>	<u>\$ 1</u>

BUCKINGHAM TOWNSHIP

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

FIRE PROTECTION FUND

For the Year Ended December 31, 2020

	FIRE PROTECTION FUND			
	<u>Budgeted Amounts</u>		<u>ACTUAL</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Real estate taxes	\$ 290,600	\$ 290,600	\$ 292,625	\$ 2,025
Interest	250	250	219	(31)
Intergovernmental revenues	<u>199,000</u>	<u>199,000</u>	<u>198,321</u>	<u>(679)</u>
Total Revenues	<u>489,850</u>	<u>489,850</u>	<u>491,165</u>	<u>1,315</u>
Expenditures				
Current				
Public safety	<u>514,850</u>	<u>514,850</u>	<u>515,165</u>	<u>(315)</u>
Total Expenditures	<u>514,850</u>	<u>514,850</u>	<u>515,165</u>	<u>(315)</u>
Other Financing Sources (Uses)				
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>24,000</u>	<u>(1,000)</u>
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>25,000</u>	<u>24,000</u>	<u>(1,000)</u>
Net Change in Fund Balance	-	-	-	1,000
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>

BUCKINGHAM TOWNSHIP

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

STATE HIGHWAY FUND

For the Year Ended December 31, 2020

	STATE HIGHWAY FUND			
	Budgeted Amounts		ACTUAL	Variance with Final Budget
	Original	Final		
Revenues				
Interest	\$ 40,000	\$ 10,000	\$ 9,900	\$ (100)
Intergovernmental revenues	711,450	729,950	729,998	48
Total Revenues	<u>751,450</u>	<u>739,950</u>	<u>739,898</u>	<u>(52)</u>
Expenditures				
Current				
Public works	475,000	415,000	382,489	32,511
Total Expenditures	<u>475,000</u>	<u>415,000</u>	<u>382,489</u>	<u>32,511</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>276,450</u>	<u>324,950</u>	<u>357,409</u>	<u>32,459</u>
Other Financing Sources (Uses)				
Transfers out	(355,000)	(355,000)	(55,219)	299,781
Total Other Financing Sources (Uses)	<u>(355,000)</u>	<u>(355,000)</u>	<u>(55,219)</u>	<u>299,781</u>
Net Change in Fund Balance	(78,550)	(30,050)	302,190	332,240
Fund Balance - Beginning	<u>1,328,577</u>	<u>1,328,577</u>	<u>1,328,577</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,250,027</u>	<u>\$ 1,298,527</u>	<u>\$ 1,630,767</u>	<u>\$ 332,240</u>

BUCKINGHAM TOWNSHIP

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

HIGHWAY IMPROVEMENT FUND

For the Year Ended December 31, 2020

	HIGHWAY IMPROVEMENT FUND			
	Budgeted Amounts		ACTUAL	Variance with Final Budget
	Original	Final		
Revenues				
Interest	\$ 17,260	\$ 4,060	\$ 4,100	\$ 40
Contributions	-	-	-	-
Total Revenues	<u>17,260</u>	<u>4,060</u>	<u>4,100</u>	<u>40</u>
Other Financing Sources (Uses)				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance				
Fund Balance - Beginning	17,260	4,060	4,100	40
Fund Balance - Ending	<u>600,806</u>	<u>600,806</u>	<u>600,806</u>	<u>-</u>
	<u>\$ 618,066</u>	<u>\$ 604,866</u>	<u>\$ 604,906</u>	<u>\$ 40</u>

BUCKINGHAM TOWNSHIP

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

PARK AND RECREATION FUND

For the Year Ended December 31, 2020

	PARK AND RECREATION FUND			
	Budgeted Amounts		ACTUAL	Variance with Final Budget
	Original	Final		
Revenues				
Interest	\$ 5,000	\$ 5,000	\$ 4,762	\$ (238)
Intergovernmental revenues	-	-	-	-
Contributions	-	8,050	8,064	14
Total Revenues	<u>5,000</u>	<u>13,050</u>	<u>12,826</u>	<u>(224)</u>
Expenditures				
Current				
Park and recreation	<u>1,303,600</u>	<u>978,600</u>	<u>822,001</u>	<u>156,599</u>
Total Expenditures	<u>1,303,600</u>	<u>978,600</u>	<u>822,001</u>	<u>156,599</u>
Other Financing Sources (Uses)				
Transfers in	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
Net Change in Fund Balance	(948,600)	(615,550)	(459,175)	156,375
Fund Balance - Beginning	<u>772,039</u>	<u>772,039</u>	<u>772,039</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (176,561)</u>	<u>\$ 156,489</u>	<u>\$ 312,864</u>	<u>\$ 156,375</u>

BUCKINGHAM TOWNSHIP

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

GENERAL OBLIGATIONS BOND FUND

For the Year Ended December 31, 2020

	GENERAL OBLIGATION BOND FUND			Variance with Final Budget
	Budgeted Amounts Original	Final	ACTUAL	
Revenues				
Interest	\$ 25,000	\$ 5,500	\$ 5,354	\$ (146)
Miscellaneous	-	-	-	-
Total Revenues	<u>25,000</u>	<u>5,500</u>	<u>5,354</u>	<u>(146)</u>
Expenditures				
Capital outlay	<u>2,089,050</u>	<u>921,750</u>	<u>893,032</u>	<u>28,718</u>
Total Expenditures	<u>2,089,050</u>	<u>921,750</u>	<u>893,032</u>	<u>28,718</u>
Over Expenditures	<u>(2,064,050)</u>	<u>(916,250)</u>	<u>(887,678)</u>	<u>28,572</u>
Transfers In	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>-</u>
Net Change in Fund Balances	(814,050)	333,750	362,322	28,572
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ (814,050)</u>	<u>\$ 333,750</u>	<u>\$ 362,322</u>	<u>\$ 28,572</u>

BUCKINGHAM TOWNSHIP

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

CAPITAL PROJECTS FUND

For the Year Ended December 31, 2020

	CAPITAL PROJECTS FUND			Variance with Final Budget
	Budgeted Amounts Original	Final	ACTUAL	
Revenues				
Interest	\$ 200	\$ 200	\$ 122	\$ (78)
Total Revenues	200	200	122	(78)
Expenditures				
Current				
Capital outlay	627,450	627,450	292,411	335,039
Total Expenditures	627,450	627,450	292,411	335,039
Excess (Deficiency) of Revenues Over Expenditures	(627,250)	(627,250)	(292,289)	334,961
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	-
Transfers in	627,250	627,250	206,256	(420,994)
Total Other Financing Sources (Uses)	627,250	627,250	206,256	(420,994)
Net Change in Fund Balance	-	-	(86,033)	(86,033)
Fund Balance - Beginning	6,519	6,519	6,519	-
Fund Balance - Ending	\$ 6,519	\$ 6,519	\$ (79,514)	\$ (86,033)

STATISTICAL SECTION

BUCKINGHAM TOWNSHIP, PENNSYLVANIA

Net Position by Component

Last Ten Years

(accrual basis of accounting)

	<u>2020(1)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015(2)</u>	<u>2014</u>	<u>2013</u>	<u>2012(3)</u>	<u>2011</u>
Governmental Activities										
Net investment in capital assets	\$ 67,514,584	\$ 66,050,754	\$ 55,990,937	\$ 52,550,675	\$ 51,417,083	\$ 45,138,624	\$ 41,508,862	\$ 39,364,773	\$ 35,648,934	\$ 28,585,663
Restricted	2,592,395	2,406,925	2,373,601	2,256,471	2,030,693	2,336,924	3,500,104	2,926,227	3,276,034	2,566,916
Unrestricted	14,621,520	12,603,618	16,157,867	16,392,838	14,082,585	10,543,794	9,310,298	8,971,975	9,249,337	9,288,729
Total governmental activities net position	<u>\$ 84,728,499</u>	<u>\$ 81,061,297</u>	<u>\$ 74,522,405</u>	<u>\$ 71,199,984</u>	<u>\$ 67,530,361</u>	<u>\$ 58,019,342</u>	<u>\$ 54,319,264</u>	<u>\$ 51,262,975</u>	<u>\$ 48,174,305</u>	<u>\$ 40,441,308</u>
Business-type activities										
Net investment in capital assets	\$ 49,020,171	\$ 46,222,128	\$ 45,877,648	\$ 34,341,407	\$ 34,610,705	\$ 29,928,480	\$ 29,782,478	\$ 29,025,736	\$ 27,131,447	\$ 24,192,725
Unrestricted	9,114,102	10,065,116	9,560,641	10,270,069	9,541,054	9,271,915	8,801,275	9,219,196	8,770,779	9,640,337
Total business-type activities net position	<u>\$ 58,134,273</u>	<u>\$ 56,287,244</u>	<u>\$ 55,438,289</u>	<u>\$ 44,611,476</u>	<u>\$ 44,151,759</u>	<u>\$ 39,200,395</u>	<u>\$ 38,583,753</u>	<u>\$ 38,244,932</u>	<u>\$ 35,902,226</u>	<u>\$ 33,833,062</u>
Primary government										
Net investment in capital assets	\$ 116,534,755	\$ 112,272,882	\$ 101,868,585	\$ 86,892,082	\$ 86,027,788	\$ 75,067,104	\$ 71,291,340	\$ 68,390,509	\$ 62,780,381	\$ 52,778,388
Restricted	2,592,395	2,406,925	2,373,601	2,256,471	2,030,693	2,336,924	3,500,104	2,926,227	3,276,034	2,566,916
Unrestricted	23,735,622	22,668,734	25,718,508	26,662,907	23,623,639	19,815,709	18,111,573	18,191,171	18,020,116	18,929,066
Total primary government net position	<u>\$ 142,862,772</u>	<u>\$ 137,348,541</u>	<u>\$ 129,960,694</u>	<u>\$ 115,811,460</u>	<u>\$ 111,682,120</u>	<u>\$ 97,219,737</u>	<u>\$ 92,903,017</u>	<u>\$ 89,507,907</u>	<u>\$ 84,076,531</u>	<u>\$ 74,274,370</u>

(1) In 2020, Buckingham Township adopted GASB#84.

(2) In 2015, Buckingham Township adopted GASB#68 therefore the beginning balance was restated.

(3) In 2012, Buckingham Township adopted GASB#63 and GASB#65 therefore prior year balances were restated.

BUCKINGHAM TOWNSHIP, PENNSYLVANIA

Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses										
Governmental activities:										
General government	\$ 1,576,912	\$ 1,734,926	\$ 1,524,072	\$ 1,628,835	\$ 1,608,220	\$ 1,418,171	\$ 1,542,461	\$ 1,326,297	\$ 1,489,761	\$ 1,360,925
Public safety	4,610,441	5,404,200	5,051,346	5,266,476	5,102,403	5,000,403	4,843,577	4,591,313	4,425,811	4,545,961
Public works	1,972,655	2,087,672	2,015,242	1,925,788	1,791,306	1,786,638	1,655,467	1,575,566	1,596,210	1,622,112
Parks and recreation	449,416	304,917	283,196	254,768	298,280	267,866	201,520	240,398	242,175	226,283
Conservation and preservation	893,048	14,417	36,531	24,677	20,707	24,453	30,655	77,533	499	26,682
Interest on long-term debt	168,339	190,431	228,032	265,332	299,713	321,243	504,779	503,872	711,640	755,204
Total governmental activities expenses	<u>9,670,811</u>	<u>9,736,563</u>	<u>9,138,419</u>	<u>9,365,876</u>	<u>9,120,629</u>	<u>8,818,774</u>	<u>8,778,459</u>	<u>8,314,979</u>	<u>8,466,096</u>	<u>8,537,167</u>
Business-type activities										
Water	1,433,676	1,394,776	1,273,615	1,258,691	1,345,145	1,235,782	1,179,608	1,080,103	1,059,565	1,043,810
Waste water	2,228,392	2,479,861	2,038,039	1,888,974	1,902,955	1,766,056	1,716,698	1,556,595	1,632,495	1,534,350
Total business-type activities expenses	<u>3,662,068</u>	<u>3,874,637</u>	<u>3,311,654</u>	<u>3,147,665</u>	<u>3,248,100</u>	<u>3,001,838</u>	<u>2,896,306</u>	<u>2,636,698</u>	<u>2,692,060</u>	<u>2,578,160</u>
Total primary government expense:	<u>\$ 13,332,879</u>	<u>\$ 13,611,200</u>	<u>\$ 12,450,073</u>	<u>\$ 12,513,541</u>	<u>\$ 12,368,729</u>	<u>\$ 11,820,612</u>	<u>\$ 11,674,765</u>	<u>\$ 10,951,677</u>	<u>\$ 11,158,156</u>	<u>\$ 11,115,327</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 630,066	\$ 640,287	\$ 685,504	\$ 672,903	\$ 667,670	\$ 651,675	\$ 654,901	\$ 653,347	\$ 551,859	\$ 548,119
Public safety	588,160	525,703	540,040	544,722	476,261	542,318	486,669	659,708	610,649	495,241
Public works	1,116	557	717	718	276	778	906	1,237	548	416
Parks and recreation	10,679	26,251	24,208	22,697	17,675	23,000	16,195	17,315	17,250	13,400
Operating grants and contributions	1,223,134	1,242,649	1,442,318	1,785,160	1,203,630	1,043,769	1,024,140	1,057,812	955,406	1,077,381
Capital grants and contributions	876,355	3,674,515	20,050	130,200	6,278,900	511,231	548,000	-	5,426,306	3,162,043
Total governmental activities program revenues	<u>3,329,510</u>	<u>6,109,962</u>	<u>2,712,837</u>	<u>3,156,400</u>	<u>8,644,412</u>	<u>2,772,771</u>	<u>2,730,711</u>	<u>2,389,419</u>	<u>7,562,018</u>	<u>5,296,600</u>
Business-type activities:										
Charges for services:										
Water	1,380,174	1,325,442	1,289,566	1,275,964	1,324,510	1,359,420	1,262,671	1,250,843	1,275,585	1,267,330
Waste water(1)	2,907,766	2,845,037	2,736,871	2,351,019	2,347,086	2,399,095	2,138,579	1,948,891	1,930,367	1,928,529
Operating grants and contributions	46,084	46,085	42,160	41,294	43,746	87,811	-	32,837	-	-
Capital grants and contributions	1,274,292	491,547	10,078,390	-	4,543,197	-	-	1,906,763	1,722,613	2,142,268
Total business-type activities program revenues	<u>5,608,316</u>	<u>4,708,111</u>	<u>14,146,987</u>	<u>3,668,277</u>	<u>8,258,539</u>	<u>3,846,326</u>	<u>3,401,250</u>	<u>5,139,334</u>	<u>4,928,565</u>	<u>5,338,127</u>
Total primary government program revenue:	<u>\$ 8,937,826</u>	<u>\$ 10,818,073</u>	<u>\$ 16,859,824</u>	<u>\$ 6,824,677</u>	<u>\$ 16,902,951</u>	<u>\$ 6,619,097</u>	<u>\$ 6,131,961</u>	<u>\$ 7,528,753</u>	<u>\$ 12,490,583</u>	<u>\$ 10,634,727</u>
Net (expense)revenue										
Governmental activities	\$ (6,341,301)	\$ (3,626,601)	\$ (6,425,582)	\$ (6,209,476)	\$ (476,217)	\$ (6,046,003)	\$ (6,047,748)	\$ (5,925,560)	\$ (904,078)	\$ (3,240,567)
Business-type activities	1,946,248	833,474	10,835,333	520,612	5,010,439	844,488	504,944	2,502,636	2,236,505	2,759,967
Total primary government net (expense)revenue	<u>\$ (4,395,053)</u>	<u>\$ (2,793,127)</u>	<u>\$ 4,409,751</u>	<u>\$ (5,688,864)</u>	<u>\$ 4,534,222</u>	<u>\$ (5,201,515)</u>	<u>\$ (5,542,804)</u>	<u>\$ (3,422,924)</u>	<u>\$ 1,332,427</u>	<u>\$ (480,600)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Real estate taxes	\$ 1,544,661	\$ 1,537,851	\$ 1,563,992	\$ 1,540,598	\$ 2,097,994	\$ 2,093,741	\$ 2,084,937	\$ 2,075,076	\$ 2,077,683	\$ 2,062,348
Real estate transfer taxes	1,266,295	1,037,284	1,122,995	1,098,998	912,959	935,797	866,129	846,078	779,696	864,638
Earned income taxes	6,649,070	6,810,322	6,510,431	6,770,981	6,552,155	6,386,935	5,933,041	5,762,222	5,330,379	4,338,878
Local services taxes	72,225	81,399	76,183	78,007	82,426	81,726	76,996	79,221	63,240	62,366
Investment earnings	101,859	487,612	248,041	169,015	77,771	47,736	18,277	19,278	10,688	21,152
Miscellaneous	101,930	20	-	-	-	-	17,796	11,688	172,367	-
Gain(loss) on sale of Capital Assets	22,463	11,005	26,361	21,500	63,931	1,595	(99,203)	20,667	3,022	10,798
Transfers	250,000	200,000	200,000	200,000	200,000	200,000	206,064	200,000	200,000	200,000
Total general revenues and transfers	<u>10,008,503</u>	<u>10,165,493</u>	<u>9,748,003</u>	<u>9,879,099</u>	<u>9,987,236</u>	<u>9,747,530</u>	<u>9,104,037</u>	<u>9,014,230</u>	<u>8,637,075</u>	<u>7,560,180</u>
Business-type activities:										
Investment earnings	65,689	109,075	70,070	52,306	32,937	19,966	19,857	17,991	7,852	19,592
Miscellaneous	85,092	106,406	78,401	86,799	107,988	35,448	20,084	22,079	24,807	-
Gain(loss) on sale of Capital Assets	-	-	43,009	-	-	10,002	-	-	-	-
Transfers	(250,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(206,064)	(200,000)	(200,000)	(200,000)
Total business-type activities	<u>(99,219)</u>	<u>15,481</u>	<u>(8,520)</u>	<u>(60,895)</u>	<u>(59,075)</u>	<u>(134,584)</u>	<u>(166,123)</u>	<u>(159,930)</u>	<u>(167,341)</u>	<u>(180,408)</u>
Total primary government	<u>\$ 9,909,284</u>	<u>\$ 10,180,974</u>	<u>\$ 9,739,483</u>	<u>\$ 9,818,204</u>	<u>\$ 9,928,161</u>	<u>\$ 9,612,946</u>	<u>\$ 8,937,914</u>	<u>\$ 8,854,300</u>	<u>\$ 8,469,734</u>	<u>\$ 7,379,772</u>
Changes in Net Position										
Governmental activities	\$ 3,667,202	\$ 6,538,892	\$ 3,322,421	\$ 3,669,623	\$ 9,511,019	\$ 3,701,527	\$ 3,056,289	\$ 3,088,670	\$ 7,732,997	\$ 4,319,613
Business-type activities	1,847,029	848,955	10,826,813	459,717	4,951,364	709,904	338,821	2,342,706	2,069,164	2,579,559
Total primary government change in net position	<u>\$ 5,514,231</u>	<u>\$ 7,387,847</u>	<u>\$ 14,149,234</u>	<u>\$ 4,129,340</u>	<u>\$ 14,462,383</u>	<u>\$ 4,411,431</u>	<u>\$ 3,395,110</u>	<u>\$ 5,431,376</u>	<u>\$ 9,802,161</u>	<u>\$ 6,899,172</u>

(1) In 2017, Buckingham Township Real Estate tax millage was reduced from 5.5 to 4 mils.

BUCKINGHAM TOWNSHIP, PENNSYLVANIA

Program Revenues by Function/Program

Last Ten Years

(accrual basis of accounting)

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
General government	\$ 750,117	\$ 763,988	\$ 791,642	\$ 785,750	\$ 768,691	\$ 697,249	\$ 781,394	\$ 781,687	\$ 689,875	\$ 738,251
Public safety	953,181	888,828	885,661	916,304	934,158	974,448	876,128	1,070,600	960,150	1,021,318
Public works	1,607,469	4,419,280	748,358	824,094	6,921,368	1,061,911	508,994	495,417	5,894,743	3,022,706
Parks and recreation	18,743	37,866	287,176	630,252	20,195	39,163	16,195	41,715	17,250	13,400
Conservation and preservation	-	-	-	-	-	-	548,000	-	-	500,925
Subtotal governmental activities	3,329,510	6,109,962	2,712,837	3,156,400	8,644,412	2,772,771	2,730,711	2,389,419	7,562,018	5,296,600
Business-type activities:										
Water Fund	1,859,734	1,702,125	3,348,017	1,298,905	3,517,095	1,379,024	1,262,671	2,809,442	2,259,222	1,788,594
Waste Water Fund	3,748,582	3,005,986	10,798,970	2,369,372	4,741,444	2,467,302	2,138,579	2,329,892	2,669,343	3,549,533
Subtotal business-type activities	5,608,316	4,708,111	14,146,987	3,668,277	8,258,539	3,846,326	3,401,250	5,139,334	4,928,565	5,338,127
Total Primary Government	<u>\$ 8,937,826</u>	<u>\$ 10,818,073</u>	<u>\$ 16,859,824</u>	<u>\$ 6,824,677</u>	<u>\$ 16,902,951</u>	<u>\$ 6,619,097</u>	<u>\$ 6,131,961</u>	<u>\$ 7,528,753</u>	<u>\$ 12,490,583</u>	<u>\$ 10,634,727</u>

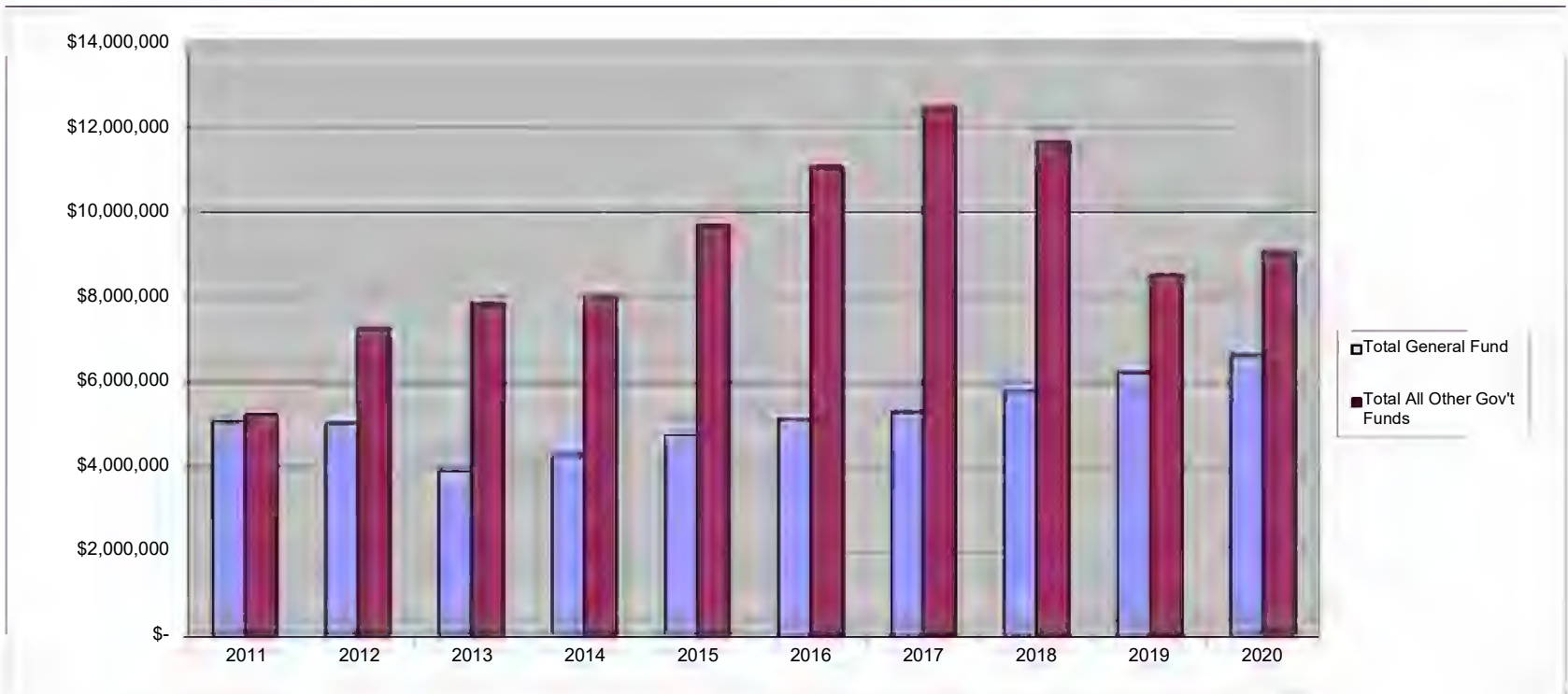
BUCKINGHAM TOWNSHIP, PENNSYLVANIA

Fund Balances of Governmental Funds

Last Ten Years

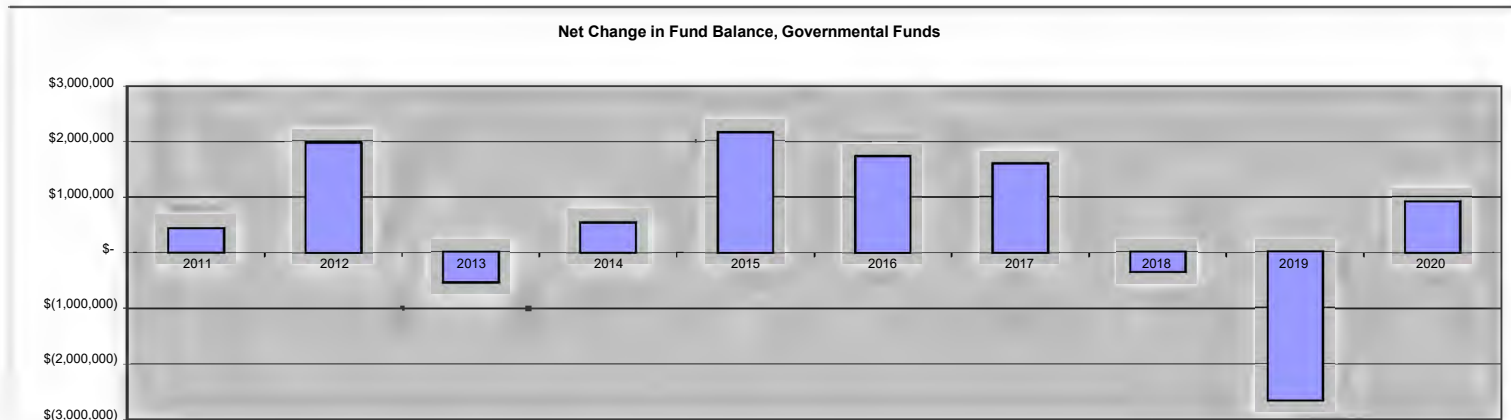
(modified accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund										
Nonspendable	\$ 157,504	\$ 163,567	\$ 149,721	\$ 151,845	\$ 141,399	\$ 133,325	\$ 135,220	\$ 26,742	\$ 108,818	\$ 106,347
Unassigned	6,466,599	6,067,473	5,628,664	5,147,238	4,970,935	4,616,634	4,163,020	3,875,950	4,919,663	4,974,502
Total general fund	<u>\$ 6,624,103</u>	<u>\$ 6,231,040</u>	<u>\$ 5,778,385</u>	<u>\$ 5,299,083</u>	<u>\$ 5,112,334</u>	<u>\$ 4,749,959</u>	<u>\$ 4,298,240</u>	<u>\$ 3,902,692</u>	<u>\$ 5,028,481</u>	<u>\$ 5,080,849</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	2,570,773	2,406,925	2,373,601	2,256,471	2,030,693	2,336,924	3,500,104	2,926,227	3,276,034	2,566,916
Committed	6,553,269	6,116,486	9,261,683	10,215,429	9,037,200	7,361,009	4,500,158	4,941,498	3,993,590	2,678,147
Unassigned	(79,514)	-	-	-	-	-	-	(10,319)	(54)	-
Total all other governmental funds	<u>\$ 9,044,528</u>	<u>\$ 8,523,411</u>	<u>\$ 11,635,284</u>	<u>\$ 12,471,900</u>	<u>\$ 11,067,893</u>	<u>\$ 9,697,933</u>	<u>\$ 8,000,262</u>	<u>\$ 7,857,406</u>	<u>\$ 7,269,570</u>	<u>\$ 5,245,063</u>



BUCKINGHAM TOWNSHIP, PENNSYLVANIA
Changes in Fund Balances of Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Taxes	\$ 9,627,818	\$ 9,369,042	\$ 9,404,224	\$ 9,488,584	\$ 9,595,534	\$ 9,498,199	\$ 9,111,103	\$ 8,762,597	\$ 8,475,998	\$ 7,758,194
Licenses, permits and fees	477,465	490,751	514,524	521,468	515,807	500,404	480,522	451,359	419,750	398,844
Fines	33,012	29,764	47,585	44,062	42,043	47,062	60,856	66,505	68,785	68,900
Interest and rent	115,160	517,685	276,046	194,407	98,943	74,008	37,969	38,668	31,277	43,940
Intergovernmental	1,215,070	1,231,038	1,429,350	1,214,668	1,200,950	1,027,400	1,572,008	1,057,730	955,244	1,156,151
Charges for services	706,243	592,017	645,998	637,552	537,368	602,536	575,221	758,770	627,459	492,405
Contributions from private sources	8,064	11,615	33,018	607,605	24,680	16,369	7,548	11,770	485,746	560,118
Miscellaneous	101,930	50,209	14,357	12,566	45,492	41,497	32,660	35,583	43,723	46,239
Total revenues	12,284,762	12,292,121	12,365,102	12,720,912	12,060,817	11,807,475	11,877,887	11,182,982	11,107,982	10,524,791
Expenditures										
Current:										
General government	1,633,664	1,606,505	1,464,600	1,492,269	1,419,147	1,364,404	1,343,867	1,240,031	1,274,622	1,275,664
Public safety	4,919,270	5,262,200	5,325,404	5,106,696	5,002,578	5,053,821	4,849,160	4,601,747	4,436,697	4,488,178
Public works	1,440,995	1,600,685	1,573,519	1,512,647	1,438,132	1,480,071	1,315,869	1,254,542	1,281,643	1,354,796
Parks and recreation	1,993,798	4,650,136	258,494	546,873	417,395	312,059	503,323	213,750	261,427	197,101
Conservation and Preservation	-	-	-	-	-	-	-	-	-	-
Miscellaneous	6,942	3,698	14,095	5,147	5,919	7,700	7,512	2,886	8,541	98,786
Capital Outlays	292,411	273,955	2,552,800	920,759	638,114	290,758	138,047	779,659	801,518	1,265,765
Debt service:										
Principal	1,180,000	1,555,000	1,515,000	1,480,000	1,354,400	1,015,700	3,048,300	3,336,900	695,229	891,273
Interest	175,965	210,165	249,465	287,265	316,728	335,167	359,319	512,087	587,379	729,647
Bond issuance costs	-	-	-	-	-	-	97,347	-	131,569	-
Total expenditures	11,643,045	15,162,344	12,953,377	11,351,656	10,592,413	9,859,680	11,662,744	11,941,602	9,478,625	10,301,210
Excess (deficiency) of revenues over expenditures	641,717	(2,870,223)	(588,275)	1,369,256	1,468,404	1,947,795	215,143	(758,620)	1,629,357	223,581
Other financing sources (uses)										
Proceeds from issuance of bonds, net	-	-	-	-	-	-	7,638,837	-	9,009,312	-
Proceeds from issuance of notes, net	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	(7,532,356)	-	(8,869,552)	-
Sale of capital assets	22,463	11,005	30,961	21,500	63,931	1,595	10,716	20,667	3,022	7,246
Transfers in	2,640,256	2,004,096	1,902,541	2,846,935	2,385,259	1,935,812	1,864,387	3,882,235	2,818,171	1,276,010
Transfers out	(2,390,256)	(1,804,096)	(1,702,541)	(2,646,935)	(2,185,259)	(1,735,812)	(1,658,323)	(3,682,235)	(2,618,171)	(1,076,010)
Total other financing sources (uses)	272,463	211,005	230,961	221,500	263,931	201,595	323,261	220,667	342,782	207,246
Net change in fund balance	\$ 914,180	\$ (2,659,218)	\$ (357,314)	\$ 1,590,756	\$ 1,732,335	\$ 2,149,390	\$ 538,404	\$ (537,953)	\$ 1,972,139	\$ 430,827
Debt service as a percentage of noncapital expenditures	14.14%	25.94%	17.14%	17.61%	48.33%	15.08%	30.54%	34.60%	37.58%	25.15%



BUCKINGHAM TOWNSHIP, PENNSYLVANIA
Tax Revenues by Source, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

<u>Year</u>	<u>Real Estate</u>	<u>Real Estate Transfer</u>	<u>Earned Income</u>	<u>Local Services</u>	<u>Total</u>
2020	\$ 1,540,228	\$ 1,266,295	\$ 6,749,070	\$ 72,225	\$ 9,627,818
2019	1,540,037	1,037,284	6,710,322	81,399	9,369,042
2018	1,544,615	1,122,995	6,660,431	76,183	9,404,224
2017(1)	1,540,598	1,098,998	6,770,981	78,007	9,488,584
2016	2,097,994	912,959	6,502,155	82,426	9,595,534
2015	2,093,741	935,797	6,386,935	81,726	9,498,199
2014	2,084,937	866,129	6,083,041	76,996	9,111,103
2013	2,075,076	846,078	5,762,222	79,221	8,762,597
2012	2,077,684	779,696	5,555,379	63,240	8,476,000
2011	2,068,828	675,394	4,952,651	61,321	7,758,194

(1) In 2017 the millage for Open Space was decreased from 4.5 mils to 3.0 mils.

BUCKINGHAM TOWNSHIP, PENNSYLVANIA
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

<u>Year</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Millage Rate</u>	<u>Estimated Actual Taxable Values of Real Property</u>	<u>Taxable Assessed Value as a Percentage of Actual Value</u>
2020	\$ 392,774,540	4.00	\$ 3,691,490,038	10.64%
2019	391,183,240	4.00	4,066,353,846	9.62%
2018	390,472,500	4.00	4,258,151,581	9.17%
2017(1)	387,908,460	4.00	4,305,310,322	9.01%
2016	386,987,650	5.50	4,372,741,808	8.85%
2015	386,093,520	5.50	4,169,476,458	9.26%
2014	383,515,420	5.50	4,219,091,529	9.09%
2013	383,189,200	5.50	4,138,112,311	9.26%
2012	383,273,410	5.50	4,330,772,994	8.85%
2011	382,912,400	5.50	4,175,707,743	9.17%

Source: Market values are estimated based on the common-level ratio provided by the Pennsylvania State Tax Equalization Board (STEB) for Bucks County.

NOTE: Bucks County Board of Assessment records do not provide revenue base information by major component.

BUCKINGHAM TOWNSHIP, PENNSYLVANIA
Property Tax Rates - Direct and Overlapping Governments
Last Ten Years

<u>Year</u>	<u>Direct Rates</u>					<u>Overlapping Rates</u>						<u>Total Direct and Overlapping Millage</u>
	<u>General Fund Millage</u>	<u>Fire Millage</u>	<u>Buckingham Township Emergency Service Millage(1)</u>	<u>Open Space Millage</u>	<u>Total Township Millage</u>	<u>General Millage</u>	<u>Community College Millage</u>	<u>Bucks County Debt Service and Lease Millage</u>	<u>Parks & Recreation Millage</u>	<u>Total County Millage</u>	<u>Central Bucks Total School District Millage</u>	
2020	-	0.75	0.25	3.00	4.00	18.42170	1.08300	5.34560	0.59970	25.45000	124.10	153.55000
2019	-	0.75	0.25	3.00	4.00	17.44300	1.08360	5.36040	0.56300	24.45000	124.10	152.55000
2018	-	0.75	0.25	3.00	4.00	17.84220	1.09850	4.91850	0.59080	24.45000	124.10	152.55000
2017	-	0.75	0.25	3.00	4.00	17.22120	1.05370	4.30910	0.61600	23.20000	124.10	151.30000
2016	-	0.75	0.25	4.50	5.50	17.22120	1.05370	4.30910	0.61600	23.20000	124.10	152.80000
2015	-	0.75	0.25	4.50	5.50	17.22120	1.05370	4.30910	0.61600	23.20000	124.10	152.80000
2014	-	0.75	0.25	4.50	5.50	17.22120	1.05370	4.30910	0.61600	23.20000	124.10	152.80000
2013	-	0.75	0.25	4.50	5.50	17.22120	1.05370	4.30910	0.61600	23.20000	122.80	151.50000
2012	-	0.75	0.25	4.50	5.50	17.22120	1.05370	4.30910	0.61600	23.20000	122.80	151.50000
2011	-	0.75	0.25	4.50	5.50	15.97123	1.05964	4.35341	0.55783	21.94211	120.80	148.24211

Source: Bucks County Board of Assessment

Note: Overlapping rates are all real estate tax rates that apply to property owners within Buckingham Township.

BUCKINGHAM TOWNSHIP, PENNSYLVANIA
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	December 31, 2020			December 31, 2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Buckingham Village LTD.	\$ 2,123,080	1	0.54%	\$ 2,123,080	1	0.55%
Peddler's Village Lahaska Inc.	1,803,600	2	0.46%	1,798,600	2	0.47%
Peruto, Jim LTD Partnership	998,430	3	0.25%			
Heritage Business Center LLP	977,780	4	0.25%			
JCLP LTD Partnership	739,090	5	0.19%			
Buckingham Green I LP	699,640	6	0.18%	699,640	6	0.18%
Buckingham Green II LP	691,070	7	0.18%	691,070	7	0.18%
Lookaway Partners	562,590	8	0.14%	533,800	8	0.14%
Stonehaven at Penns Purchase, LLC	555,000	9	0.14%			
820(Eight) Durham Road LLC	457,440	10	0.12%	840,200	5	0.22%
Penn's Market II, LLC				1,539,450	3	0.40%
4259 Swamp Rd. Assoc LP				1,059,080	4	0.28%
Buckingham Point LLC				455,800	9	0.12%
VRI Heritage CT				372,360	10	0.10%
TOTAL	\$ 392,774,540		2.45%	\$ 382,912,400		2.64%

Source: Buckingham Township Tax Collector

BUCKINGHAM TOWNSHIP, PENNSYLVANIA
Property Tax Levies and Collections
Last Ten Years

<u>Year</u>	<u>Tax Rate (Mills)</u>	<u>Total Tax Levy for the Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
			<u>Amount Collected</u>	<u>Percentage of Levy</u>		<u>Amount Collected</u>	<u>Percentage of Levy</u>
2020	4.00	\$ 1,564,012	\$ 1,525,725	97.55%	\$ 0	\$ 1,525,725	97.55%
2019	4.00	1,557,621	1,520,790	97.64%	5,662	1,526,452	98.00%
2018	4.00	1,561,890	1,511,720	96.79%	14,599	1,526,319	97.72%
2017	4.00	1,551,634	1,503,821	96.92%	17,916	1,521,737	98.07%
2016	5.50	2,128,432	2,059,552	96.76%	29,223	2,088,775	98.14%
2015	5.50	2,123,514	2,052,248	96.64%	28,193	2,080,442	97.97%
2014	5.50	2,109,335	2,036,032	96.52%	39,183	2,075,215	98.38%
2013	5.50	2,107,541	2,028,397	96.24%	39,709	2,068,105	98.13%
2012	5.50	2,108,004	2,032,121	96.40%	38,820	2,070,941	98.24%
2011	5.50	2,106,018	2,030,414	96.41%	39,163	2,069,576	98.27%

Source: Buckingham Township Tax Collector and County of Bucks, Tax Claim Bureau

NOTE: In 2006, the Board of Supervisors passed a resolution freezing the millage for preserved properties. This will result in reduced collections in the future since most preserved properties are being taxed at the 2007, 2008 and 2009 rates which are significantly lower than the current millage rates.

BUCKINGHAM TOWNSHIP, PENNSYLVANIA
Municipal Earned Income Tax
Revenue Base and Collections
Last Ten Years

<u>Year</u>	<u>Tax Rate</u>	<u>Total Earned Income Tax Collected</u>	<u>Refunds</u>	<u>Net Earned Income Tax Collected</u>
2020	0.5%	\$ 6,837,158	\$ (88,088)	\$ 6,749,070
2019	0.5%	6,836,419	(126,097)	6,710,322
2018	0.5%	6,762,568	(102,137)	6,660,431
2017	0.5%	6,847,615	(76,634)	6,770,981
2016	0.5%	6,581,760	(79,606)	6,502,155
2015	0.5%	6,462,068	(75,133)	6,386,935
2014	0.5%	6,149,927	(66,886)	6,083,041
2013	0.5%	5,817,448	(55,226)	5,762,222
2012	0.5%	5,585,528	(30,149)	5,555,379
2011	0.5%	5,005,261	(52,610)	4,952,651

Source: Buckingham Township Earned Income Tax Collector

BUCKINGHAM TOWNSHIP, PENNSYLVANIA
Income Tax Statistics
Last Ten Years

Income Range	Number of tax filers									
	<u>2020(1)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
> \$1,000,000		85	67	83	76	78	84	58	60	34
\$500,000 - \$999,999		238	237	224	219	224	216	178	151	131
\$100,000 - \$499,999		3150	3109	3065	2933	2895	2767	2587	2563	2250
\$50,000 - \$99,999		2518	2505	2534	2605	2507	2527	1894	1858	1782
< \$50,000		<u>5561</u>	<u>5931</u>	<u>5938</u>	<u>5774</u>	<u>6118</u>	<u>6051</u>	<u>5681</u>	<u>5698</u>	<u>6015</u>
Total		<u><u>11,552</u></u>	<u><u>11,849</u></u>	<u><u>11,844</u></u>	<u><u>11,607</u></u>	<u><u>11,822</u></u>	<u><u>11,645</u></u>	<u><u>10,398</u></u>	<u><u>10,330</u></u>	<u><u>10,212</u></u>
% of total earned income paid										
> \$1,000,000		16.02%	19.45%	19.94%	17.61%	15.55%	18.62%	47.00%	15.41%	9.04%
\$500,000 - \$999,999		12.56	12.54	11.84	12.48	13.02	12.51	7.42	10.39	11.36
\$100,000 - \$499,999		53.09	50.00	49.86	50.29	51.53	48.92	32.09	51.95	54.13
\$50,000 - \$99,999		13.96	13.42	13.78	14.86	14.95	15.05	8.67	13.71	16.46
< \$50,000		<u>4.37</u>	<u>4.59</u>	<u>4.58</u>	<u>4.76</u>	<u>4.95</u>	<u>4.90</u>	<u>4.82</u>	<u>8.54</u>	<u>9.01</u>
Total		<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>

(1) Data for 2020 will not be available until October 2021.

BUCKINGHAM TOWNSHIP, PENNSYLVANIA
Ratio of Outstanding Debt by Type
Last Ten Years

Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income (4)	Debt Per Capita (4)
	Electoral General Obligation Bonds	Non-electoral General Obligation Bonds(1)	Non-electoral General Obligation Notes(2)	Non-electoral General Obligation Bonds	Guaranteed Revenue Note(3)			
2020	\$ 6,380,683	\$ -	\$ -	\$ -	\$ -	\$ 6,380,683	0.49%	318
2019	7,574,403	-	-	-	-	7,574,403	0.59%	374
2018	9,152,329	-	-	-	-	9,152,329	0.74%	451
2017	10,690,254	-	-	-	-	10,690,254	0.90%	526
2016	12,193,179	-	-	-	-	12,193,179	1.04%	604
2015	13,336,008	234,496	-	82,391	-	13,652,895	1.18%	676
2014	14,143,835	465,294	-	163,482	-	14,772,611	1.28%	733
2013	14,394,578	799,692	2,144,000	280,973	-	17,619,243	1.65%	875
2012	14,921,025	1,126,690	4,639,000	395,864	-	21,082,579	1.97%	1,048
2011	14,745,909	1,563,936	4,735,000	674,833	1,198,000	22,917,678	2.15%	1,140

(1) In 2016, the General Obligation Bond 2012B was paid in full. All other debt remaining is electoral.

(2) In 2014, General Obligation Note 2008A was paid in full. In 2013, the General Obligation Note 2008B was paid in full.

(3) In 2012, the Guaranteed Revenue Note was paid in full.

(4) See Demographic and Economic Statistics schedule on page 99 for personal income and population data.

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

BUCKINGHAM TOWNSHIP, PENNSYLVANIA
Ratio of General Bonded Debt Outstanding
Last Ten Years

<u>Year</u>	<u>Electoral General Obligation Bonds</u>	<u>Non-electoral General Obligation Bonds(1)</u>	<u>Non-electoral General Obligation Notes(2)</u>	<u>Guaranteed Revenue Notes(3)</u>	<u>Total Primary Government</u>	<u>Percentage of Assessed Valuation</u>	<u>Debt Per Capita</u>
2020	\$ 6,380,683	-	-	-	\$ 6,380,683	1.62%	318
2019	7,574,403	-	-	-	7,574,403	1.94%	374
2018	9,152,329	-	-	-	9,152,329	2.34%	451
2017	10,690,254	-	-	-	10,690,254	2.76%	526
2016	12,193,179	-	-	-	12,193,179	3.15%	604
2015	13,336,008	316,887	-	-	13,652,895	3.54%	676
2014	14,143,835	628,776	-	-	14,772,611	3.85%	733
2013	14,394,578	1,080,665	2,144,000	-	17,619,243	4.60%	875
2012	14,921,025	1,522,554	4,639,000	-	21,082,579	5.50%	1,048
2011	14,745,909	2,238,769	4,735,000	1,198,000	22,917,678	5.99%	1,140

(1) In 2016, the General Obligation Bond 2012B was paid in full. All other debt remaining is electoral.

(2) In 2014, General Obligation Note 2008A was paid in full. In 2013, the General Obligation Note 2008B was paid in full.

(3) In 2012, the Guaranteed Revenue Note was paid in full.

(4) See Assessed Value and Estimated Value of Taxable Property schedule on page 89 for assessed values.

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

BUCKINGHAM TOWNSHIP, PENNSYLVANIA
Computation of Direct and Overlapping Debt
As of December 31, 2020

<u>Jurisdiction</u>	<u>Total Debt Outstanding</u>	<u>Percentage Applicable to Buckingham</u>	<u>Amount Applicable to Buckingham</u>
Direct			
Buckingham (1)	\$ 6,380,683	100.00%	\$ 6,380,683
Overlapping			
Central Bucks School District (2) \$	18,320,000	20.93%	3,834,738
County of Bucks (2)	239,830,600	4.69%	11,237,758
Total Overlapping Debt	258,150,600		15,072,496
Total Debt	\$ 264,531,283		\$ 21,453,179

Sources: Municipal, Central Bucks School District and County of Bucks financial statements.

Note: Central Bucks School District financial information is for the year ending June 30, 2020.

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Township. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Buckingham Township.

(2) Proportional share of existing debt as of December 31, 2020 is based on the ratio of Buckingham's assessed value to other municipalities in Central Bucks School District and Bucks County's 2020 total assessed value, respectively.

BUCKINGHAM TOWNSHIP, PENNSYLVANIA
Legal Debt Margin Information
Last Ten Years

<u>Year</u>	<u>Three Year Average Revenue (borrowing base) (1)</u>		<u>Legal Debt Limit (2)</u>	<u>Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Legal Debt Margin %</u>
2020	\$	17,735,902	\$ 44,339,756	\$ -	\$ 44,339,756	100.00%
2019		16,775,392	41,938,482	-	41,938,482	100.00%
2018		16,342,516	40,856,291	-	40,856,291	100.00%
2017		16,022,027	40,055,069	-	40,055,069	100.00%
2016		15,436,289	38,590,722	316,887	38,273,835	99.18%
2015		14,949,135	37,372,838	628,776	36,744,062	98.32%
2014		14,524,431	36,311,078	1,080,665	35,230,413	97.02%
2013		14,191,735	35,479,338	1,522,554	33,956,784	95.71%
2012		13,698,231	34,245,577	2,238,769	32,006,808	93.46%
2011		12,608,770	31,521,926	3,027,141	28,494,785	90.40%

(1) The local Governmental Unit Debt act (Act 53 of 1978), reenacted and amended Act 185 of 1972 prescribes debt limits, net revenues and the calculation of the borrowing base for all local units in Pennsylvania. The "Debt act" is administered by the Pennsylvania Department of Economic Development.

(2) 250% of borrowing base

BUCKINGHAM TOWNSHIP, PENNSYLVANIA

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population (2)</u>	<u>Total Personal Income</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>Educational Attainment: Bachelor's Degree or higher (1)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2020	20,075	\$ 1,307,705,575	\$ 65,141	\$ 138,789	44.8	60.50%	3,570	6.6%
2019	20,240	1,277,899,500	63,075	138,789	44.8	59.00%	3,428	3.5%
2018	20,286	1,228,662,162	60,567	128,833	44.8	59.00%	3,568	3.6%
2017	20,306	1,182,276,238	58,223	122,500	43.6	57.40%	3,629	3.7%
2016	20,197	1,175,929,931	58,223	122,500	43.6	57.40%	3,215	4.1%
2015	20,185	1,154,440,705	57,193	119,620	43.6	57.40%	3,215	3.4%
2014	20,161	1,153,068,073	57,193	119,620	43.6	57.40%	3,251	4.3%
2013	20,146	1,068,664,716	53,046	111,207	42.9	54.50%	3,327	5.3%
2012	20,124	1,067,497,704	53,046	111,207	42.9	54.50%	3,360	6.7%
2011	20,099	1,066,171,554	53,046	111,207	42.9	54.50%	3,345	6.7%

(1) Source: U.S. Census Bureau Quickfacts

(2) Source: U.S. Census for 2010. All other years are estimated

figures from the Delaware Valley Regional Planning Commission or the Bucks County Planning Commission.

(3) Source: Central Bucks School District - reflects enrollment at school located in the district.

(4) Source: Home Facts for Buckingham, Pennsylvania

BUCKINGHAM TOWNSHIP, PENNSYLVANIA

10 Principal Employers Current Year and Nine Years Ago

<u>Business Name</u>	<u>2020</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Township Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Township Employment</u>
Central Bucks School District	498	1	6.89%	564	1	9.54%
County of Bucks	206	2	2.85%			
Cock N Bull Partnership	111	3	1.54%			
Keenan Motors LTD	108	4	1.49%			
Anthony & Sylvan Pools Co.	107	5	1.48%			
Lookaway Partners	100	6	1.38%	84	10	1.42%
None Such Farms Inc.	95	7	1.31%	122	7	2.06%
Historic Bucks County Inn Inc.	92	8	1.27%	139	4	2.35%
Johnson & Johnson Services Inc.	80	9	1.08%			
Dishes, Inc.	78	10	1.08%	124	6	2.10%
Coach Inc.				309	2	5.22%
Stonebridge Bank				152	3	2.57%
Sicom Systems Inc.				130	5	2.20%
Buckingham Family Medicine				94	8	1.59%
First Student Management LLC				86	9	1.45%
	<u>1,475</u>		<u>20.38%</u>	<u>1,804</u>		<u>30.50%</u>
Total Employees	<u>7,229</u>			<u>5,914</u>		

Source: Buckingham Township Earned Income Tax Collector.

BUCKINGHAM TOWNSHIP, PENNSYLVANIA
Full-Time Equivalent Municipal Employees by Function/Program
Last Ten Years

<u>Function/Program</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Government										
Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Finance	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Tax	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Public Safety										
Police										
Police Officers	20.0	21.0	21.0	21.0	20.0	20.0	21.0	21.0	21.0	21.0
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Safety and Code Enforcement	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Public Works										
Facilities & Roads	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Water	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Waste Water	5.0	5.0	5.0	4.0	4.0	5.0	4.0	4.0	4.0	4.0
Recreation										
Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Totals:	<u>50.5</u>	<u>51.5</u>	<u>51.5</u>	<u>50.5</u>	<u>49.5</u>	<u>50.5</u>	<u>50.5</u>	<u>50.5</u>	<u>50.5</u>	<u>50.5</u>

Source: Buckingham Township financial and employment records

Method: Using 1.0 for each full-time employee, and .5 for each part-time and seasonal employee.

BUCKINGHAM TOWNSHIP, PENNSYLVANIA
Operating Indicators by Function/Program
Last Ten Years

<u>Function/Program</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Government										
Board of Supervisors meetings	13	13	13	15	15	17	17	17	22	22
Public Safety										
Police (1)										
Traffic citations	633	850	839	1,055	726	1,048	1,212	1,681	1,581	1,696
Adult arrests	107	95	76	83	89	110	123	113	154	209
Traffic accidents	368	576	555	578	559	613	689	667	618	720
Juvenile arrests	16	10	11	40	36	32	27	15	48	33
Complaints	14,975	17,535	13,219	11,877	10,650	12,859	12,006	11,975	12,720	11,895
Safety and Codes Enforcement										
Building Permits Issued	299	365	253	233	313	245	252	276	277	284
New homes	37	38	25	23	12	14	15	45	33	43
All other	262	278	228	210	301	231	237	231	244	241
Building inspections performed	2,770	2,936	2,896	2,870	2,870	2,438	2,545	3,182	3,039	3,225
Number of Planning Commission agenda items	1	4	7	11	6	4	9	6	5	9
Number of Zoning Hearing Board hearings	18	11	18	23	20	14	18	21	15	13
Public Works										
Roads and Facilities										
Road paved in feet	20,112	23,760	17,794	17,794	22,390	17,225	17,310	19,695	17,001	29,040
Drainage pipe replaced per foot	150	450	380	380	360	340	380	420	320	520
Dead trees removed	42	85	65	65	70	65	72	55	108	35
Storm sewer inlet repair	15	35	46	46	42	34	38	32	28	18
Salt used per ton	1,100	300	900	900	950	1,200	1,400	1,250	800	1,500
Miles of road gutters cleaned	17	21	21	21	18	15	12	10	8	6
Parks and Recreation										
Total number of program attendees	NA/COVID	7,000	7,200	6,825	6,250	6,250	6,150	6,000	5,900	5,850
Number of people using playing fields	NA/COVID	2,700	2,500	2,000	1,800	1,800	1,800	1,725	1,700	1,650
Water										
Number of customers	3,384	3,329	3,310	3,271	3,252	3,240	3,208	3,161	3,144	3,111
Gallons of water supplied (in thousands)	225,489	216,329	210,587	213,670	239,045	252,075	241,030	232,838	237,174	230,495
Concerns addressed	286	283	83	83	127	98	74	97	92	76
Waste water										
Number of customers	3,351	3,283	3,278	3,265	3,243	3,235	3,190	3,121	3,088	3,050
Gallons of waste water treated (in thousands)	209,510	211,530	228,256	211,030	214,839	214,679	225,826	214,839	211,915	238,946
Concerns addressed	<10	<10	<10	<20	<10	<10	<10	<5	<9	<10

Source: Buckingham Township financial and internal reporting records

BUCKINGHAM TOWNSHIP, PENNSYLVANIA
Capital Asset Statistics by Function/Program
Last Ten Years

<u>Function/Program</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Government										
Square Footage Occupied	5,050	5,050	5,050	5,050	5,050	5,050	5,050	5,050	5,050	5,050
Vehicles	-	-	-	-	-	-	-	-	-	-
Public Safety										
Police (1)										
Square Footage Occupied	6,190	6,190	6,190	6,190	6,190	6,190	6,190	6,190	6,190	6,190
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	19	19	24	24	24	24	23	25	24	23
Safety and Codes Enforcement										
Square Footage Occupied	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Inspection Vehicles	1	1	1	1	1	1	1	1	2	2
Fire Vehicles	1	1	1	1	1	1	1	1	1	1
Volunteer Fire Companies	3	3	3	3	3	3	3	3	3	3
Public Works										
Square Footage Occupied	12,250	12,250	12,250	12,250	12,250	12,250	12,250	12,250	12,250	12,250
Streets/roads in miles	103.58	102.11	102.11	102.11	102.11	95.18	95.18	95.08	93.78	91.89
Bridges	9	9	9	9	9	9	9	9	9	9
Storm sewers in miles	49.3	49.3	49.2	48.5	48.1	48.1	47.5	47.5	47.5	47.5
Traffic signals	12 3/4	12 3/4	12 3/4	12 3/4	12 3/4	12 3/4	12 3/4	12 3/4	12 3/4	12 3/4
Street Lights	243	243	243	226	204	204	204	204	204	204
Vehicles	17	16	16	17	16	17	15	14	16	16
Parks and Recreation										
Parks	3	3	3	3	3	3	3	3	3	3
Park Acreage	153	153	153	153	133	133	133	129	129	129
Water										
Pump and distribution facilities	7	7	7	8	8	9	9	8	8	8
Wells in service	15	15	15	15	15	19	19	15	15	15
Water storage tanks	8	8	8	10	10	10	10	9	9	9
Miles of pipe in service	52	52	52	52	52	52	52	51	51	51
Vehicles	5	5	5	7	5	6	5	6	5	5
Waste Water										
Pumping stations	18	18	18	18	18	18	18	16	16	16
Sprayfield acreage in service	228	228	228	228	228	228	218	218	218	218
Future or Reserve acreage for sprayfields	54	54	54	54	54	54	54	47	47	47
Lagoons	18	18	18	18	18	18	18	15	15	15
Miles of pipe in service	56	56	56	56	56	56	56	54	54	54
Vehicles	6	6	7	5	6	6	6	5	4	4
Waste water treatment plants	6	6	6	6	6	6	6	5	5	5

Source: Buckingham Township financial and internal reporting records