



*Certified Public Accountants and Business Consultants*



***Upper Macungie Township***  
*Presentation of Annual Audit for Year Ended*  
*December 31, 2018*

# *Audit Opinion*

- Pages 3 to 5
- Unmodified opinion (“clean opinion”)
  - Audited financial statements in accordance with U.S. Generally Accepted Auditing Standards
  - Present Fairly the respective financial position and changes in financial position and cash flows of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information in accordance with U.S. Generally Accepted Accounting Principles

# *Audit Opinion*

- Required Supplemental Information required by generally accepted accounting principles
  - Management’s Discussion & Analysis (pages 6 to 20)
  - Budgetary Comparison (Budget vs. Actual) (page 59)
  - Pension Schedules (pages 61 to 66)
- Not Audited, but apply limited procedures, including inquiries of management and comparing with the basic financial statements, to determine if presented in accordance with generally accepted accounting principles

# Condensed Statement of Net Position

See Page 11

	Governmental Activities	Business - Type Activities
Current & Other Assets	32,573,065	23,703,272
Capital Assets	<u>40,930,564</u>	<u>9,512,006</u>
Total Assets	73,503,629	33,215,278
Deferred Outflows of Resources	1,476,650	107,069
Liabilities	3,658,929	1,913,112
Deferred Inflows of Resources	<u>1,377,221</u>	<u>22,719</u>
Net Position	<u><u>69,944,129</u></u>	<u><u>31,386,516</u></u>

# Net Position

Governmental Activities	
Year	Amount
2018	69,944,129
2017	65,675,353
2016	60,830,141
2015	59,974,846
2014	15,107,797

Business - Type Activities	
Year	Amount
2018	31,386,516
2017	29,577,727
2016	28,040,652
2015	22,993,981
2014	16,407,769

# Condensed Statement of Activities

See Page 12

	Governmental Activities	Business - Type Activities
Revenues	16,930,339	10,468,509
Expenses	(13,139,562)	(8,334,261)
Transfers	325,459	(325,459)
Gain (Loss) on Disposal	152,540	-
Change in Net Assets	<u>4,268,776</u>	<u>1,808,789</u>

# Change in Net Position

Governmental Activities	
Year	Amount
2018	4,268,776
2017	4,845,211
2016	855,296
2015	6,646,037
2014	1,932,459

Business - Type Activities	
Year	Amount
2018	1,808,789
2017	1,537,075
2016	5,046,671
2015	4,427,549
2014	1,829,424



# Governmental Funds

*See Pages 23 to 26*

- Shows balance sheet and statement of revenues and expenditures for governmental funds (general, capital reserve, & non major)
- General fund is Township's primary operating fund where most township services are reported
- These are reported using a current financial resources focus
  - Do not include capital assets or long – term debt
  - Short – term basis
  - Focus on current cash inflows and outflows

# General Fund Budget Versus Actual

See Page 59

	Final Budget	Actual	Variance
Total Revenues	11,804,040	14,283,059	2,479,019
Total Expenditures	11,159,163	10,593,205	565,958
Other Financing Sources (Uses)	<u>(593,241)</u>	<u>(393,191)</u>	<u>200,050</u>
Net Change in Fund Balance	51,636	3,296,663	3,245,027
Fund Balance, Beginning	<u>14,707,140</u>	<u>14,707,140</u>	<u>-</u>
Fund Balance, Ending	<u><u>14,758,776</u></u>	<u><u>18,003,803</u></u>	<u><u>3,245,027</u></u>

# General Fund Balance – Comparative

Fiscal Year End	General Fund Balance	Increase (Decrease) From Prior Year
2018	18,003,803	3,296,663
2017	14,707,140	4,713,909
2016	9,993,231	555,919
2015	9,437,312	(642,858)
2014	10,080,170	2,174,717

# General Fund Balance

Nonspendable	
Prepaid expenses	239,010
Unassigned	<u>17,764,793</u>
Total Fund Balance	<u><u>18,003,803</u></u>

# *Other Selected Sections of Report*

- Proprietary Funds (Accrual Basis) (pages 27 to 29)
  - Sewer Fund
  - Refuse Fund
  - Sewer Capital Reserve Fund
- Fiduciary Funds (Accrual Basis) (pages 30 and 31)
- Notes to Basic Financial Statements (pages 32 to 58)
- Other Required Supplemental Information and Supplemental Information (page 60 to 72)

# *Required Communications*

- New Accounting Policies Adopted During Year
  - None for 2018
- Significant Accounting Estimates (depreciation, pension liability, fair value of investments)
- Audit adjustments are attached to the letter
- No disagreements with management
- Management Representation letter provided by management



*Driving Growth*

*Discovering Opportunity*

*Delivering Stability*

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