



## INDEPENDENT AUDITORS' REPORT

Members of Council  
Borough of Upland  
Upland, PA 19015

### **Opinion**

We have audited the accompanying financial statements included in the Municipal Annual Audit and Financial Report (DCED-CLGS-30), a prescribed form, of the Borough of Upland as of December 31, 2022 and for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the Borough of Upland, as of December 31, 2022, and the revenues it received and expenditures it paid for the year then ended, in accordance with the financial reporting provisions of the PA Department of Community and Economic Development.

### **Basis for Opinion**

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

### **Emphasis of Matter - Basis of Accounting**

The Borough of Upland's policy is to prepare its financial statements for inclusion in the Municipal Annual Audit and Financial Report (DCED-CLGS-30), a prescribed form, on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and budget laws of the Department of Community and Economic Development, which is a special purpose framework other than accounting principles generally accepted in the United States of America. As permitted by DCED, the Borough of Upland prepares its annual audit and financial report on the modified cash basis of accounting; consequently, certain revenue and related assets are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the liability is incurred. Additionally, in accordance with the prescribed accounting practices permitted by DCED, the Borough of Upland does not include footnote disclosures. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the PA Department of Community and Economic Development. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2024, on our consideration of the Borough of Upland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Upland's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Upland's internal control over financial reporting and compliance.

**Restriction on Use**

This report is intended solely for the information and use management and the Supervisors of the Borough of Upland and for filing with the Department of Community and Economic Development and the Office of the Prothonotary and should not be used by anyone other than these specified parties.

*John R. Hanna & Sons LLC*

Media, Pennsylvania  
May 22, 2024

**2022 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**231353 UPLAND BORO, DELAWARE COUNTY**



# BALANCE SHEET

DCED-CLGS-30 (09-09)

## UPLAND BORO, DELAWARE County

### BALANCE SHEET

December 31, 2022

	Governmental Funds					Fid. Fund	Account Groups		Total	
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise		Internal Service	Trust and Agency		General Fixed Assets
<b>Assets and Other Debits</b>										
100-120 Cash and investments	467,005	1,183,556	683,910	1,780	44,878					2,381,129
140-144 Tax Receivable										
121-129, 145-149 Accounts Receivable (excluding taxes)										
130.00 Due From Other Funds	12,269	15,529	259,083		50,932					286,881
131-139, 150-159 Other Current Assets	38,469									89,401
160-169 Fixed Assets									936,308	936,308
180-189 Other Debits									936,308	936,308
<b>Total Assets and Other Debits</b>	517,743	1,199,085	942,993	1,780	95,810				936,308	3,693,719

<b>Liabilities and Other Credits</b>	
210-229 Payroll Taxes and Other Payroll Withholdings	56,900
200-209, 231-239 All Other Current Liabilities	44,349
230.00 Due To Other Funds	274,612
	51,617
	12,269
	286,881
	56,900
	95,966
	286,881

**UPLAND BORO, DELAWARE County**  
**BALANCE SHEET**  
 December 31, 2022

	Governmental Funds					Proprietary Funds		Fid. Fund	Account Groups		Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency		General Fixed Assets	General Long Term Debt	
<b>Liabilities and Other Credits</b>											
260-269 Long-Term-Liabilities									838,060		838,060
240-259 Current Portion of Long-Term Debt and Other Credits									98,248		98,248
<b>Total Liabilities and Other Credits</b>	375,861				63,886				936,308		1,376,055
<b>Fund and Account Group Equity</b>											
281-284 Contributed Capital											
290.00 Investment in General Fixed Assets											
270-289 Fund Balance / Retained Earnings on 12/31	141,882	1,199,085	942,993	1,780	31,924						2,317,664
291-299 Other Equity											
<b>Total Fund and Account Group Equity</b>	141,882	1,199,085	942,993	1,780	31,924						2,317,664

<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>	<b>3,693,719</b>
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**UPLAND BORO, DELAWARE County**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2022

General Fund	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service			

**REVENUES**

Interest, Rents and Royalties		5,921	17,483	9,903				33,307
341.00	Interest Earnings							
342.00	Rents and Royalties	13,500			935,369			948,869
<b>Total Interest, Rents and Royalties</b>		19,421	17,483	9,903	935,369			982,176

**Federal**

351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants							
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements	174,615						174,615
353.00	Federal Payments in Lieu of Taxes							
<b>Total Federal</b>		174,615						174,615

**State**

354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101							
354.00	All Other State Capital and Operating Grants	79,951						79,951
355.01	Public Utility Realty Tax (PURTA)							
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		83,161					83,161
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	124,331						124,331
355.07	Foreign Fire Insurance Tax Distribution	17,100						17,100
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution							





**UPLAND BORO, DELAWARE County**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2022

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		

**REVENUES**

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	4,982	94					5,076
	<b>Total Other Financing Sources</b>	413,730	94	122,887				536,711

<b>TOTAL REVENUES</b>	4,840,024	130,127	9,903	122,887	935,369			6,038,310
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**EXPENDITURES**

General Government								
400.00	Legislative (Governing) Body	19,132						19,132
401.00	Executive (Manager or Mayor)	58,185						58,185
402.00	Auditing Services / Financial Administration	47,385						47,385
403.00	Tax Collection	9,308						9,308
404.00	Solicitor / Legal Services	86,191						86,191
405.00	Secretary / Clerk	67,804						67,804
406.00	Other General Government Administration	322,104	3					322,107
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	134,024						134,024
409.00	General Government Buildings and Plant	246,470						246,470
	<b>Total General Government</b>	990,603	3					990,606

**Public Safety**

410.00	Police	1,628,941						1,628,941
411.00	Fire	74,939						74,939
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	395,752						395,752

**UPLAND BORO, DELAWARE County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2022

General Fund	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service			

**EXPENDITURES**

<b>Public Safety</b>	
414.00	Planning and Zoning
415.00	Emergency Management and Communications
416.00	Militia and Armories
417.00	Examination of Licensed Occupations
418.00	Public Scales (weights and measures)
419.00	Other Public Safety
	<b>Total Public Safety</b>
	2,099,632

<b>Health and Human Services</b>	
420.00-425.00	Health and Human Services
	250
	<b>Total Health and Human Services</b>
	250

<b>Public Works - Sanitation</b>	
426.00	Recycling Collection and Disposal
427.00	Solid Waste Collection and Disposal (garbage)
428.00	Weed Control
429.00	Wastewater / Sewage Treatment and Collection
	<b>Total Public Works - Sanitation</b>
	578,320

<b>Public Works - Highways and Streets</b>	
430.00	General Services - Administration
431.00	Cleaning of Streets and Gutters
432.00	Winter Maintenance - Snow Removal
433.00	Traffic Control Devices
434.00	Street Lighting
	252,383
	47,678
	47,678





**UPLAND BORO, DELAWARE County  
STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2022

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		

**EXPENDITURES**

**Employer Paid Benefits and Withholding Items**

484.00	Worker Compensation Insurance	144,484							144,484
487.00	Other Group Insurance Benefits	200,890							200,890
	<b>Total Employer Paid Benefits and Withholding Items</b>	498,779			14,043				512,822

**Insurance**

486.00	Insurance, Casualty, and Surety	519,299				43,287			562,586
	<b>Total Insurance</b>	519,299				43,287			562,586

**Unclassified Operating Expenditures**

488.00	Fiduciary Fund Benefits and Refunds Paid								
489.00	All Other Unclassified Expenditures								
	<b>Total Unclassified Operating Expenditures</b>								

**Other Financing Uses**

491.00	Refund of Prior Year Revenues								
492.00	Interfund Operating Transfers	122,887	250,000			158,748			531,635
493.00	All Other Financing Uses								
	<b>Total Other Financing Uses</b>	122,887	250,000			158,748			531,635

**TOTAL EXPENDITURES**

		5,164,552	268,348		122,887	1,161,513			6,717,300
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**EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES**

		-324,528	-138,221	9,903		-226,144			-678,990
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**UPLAND BORO**  
December 31, 2022

**DEBT STATEMENT**

**OUTSTANDING BONDS AND NOTES**

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (YYYY)	Maturity Year (YYYY)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
<b>General Obligation Bonds and Notes</b>											
Note A-2	Note	2012	2032	652,000	604,000		49,000		555,000		555,000
Note	Note	2009	2029	850,000	428,311		47,003		381,308		381,308
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
<b>Other</b>											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

Capitalized lease obligations

Net debt

936,308

0

936,308

**UPLAND BORO, DELAWARE County  
STATEMENT OF CAPITAL EXPENDITURES  
December 31, 2022**

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	2,725	147,820	150,545
Health			
Housing	76,006		76,006
Libraries			
Mass Transit			
Parks	3,050		3,050
Police	60,470		60,470
Recreation			
Sewer			
Solid Waste			
Streets / Highways	84,056	60,292	144,348
Water			
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>226,307</b>	<b>208,112</b>	<b>434,419</b>

**EMPLOYEE COMPENSATION**

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)

1,898,136

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Independent Public Accountant/Certified Public Accountant Submission Page  
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**SIGNATURE AND VERIFICATION**

Signed: JOHN R HANNA III Appointed Auditor/CPA

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December 31, 2022

**NOTES / COMMENTS**

Balance sheet includes the following amount in credit card liability: \$5,880 reported as "All Other Current Liability".

Balance sheet includes the following amounts in escrow funds: \$38,469 in the General Fund reported as "Other Current Asset" and "All Other Current Liability". \$50,932 in the Enterprise Fund reported as "Other Current Asset" and "All Other Current Liability".

Balance sheet includes the following amounts in Due From General Fund: \$15,529 in the Special Revenue Fund reported as "Due From Other Funds". \$259,083 in the Capital Projects Fund reported as "Due From Other Funds".

Balance sheet includes the following amount in Due from Enterprise Fund: \$12,269 in the General Fund reported as "Due From Other Funds".

December 31, 2022

**NOTES / COMMENTS**

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Balance sheet includes the following amount in Due from Enterprise Fund: \$12,269 in the General Fund reported as "Due From Other Funds".



John R. Hanna & Sons LLC  
Accounting, Audit, and Tax Services

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

Members of Council  
Borough of Upland  
Upland, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements included in the Municipal Annual Audit and Financial Report (DCED-CLGS-30), a prescribed form, of the Borough of Upland, Pennsylvania, as of and for the year ended December 31, 2022, which comprises the Borough of Upland, Pennsylvania's basic financial statements, and have issued our report thereon dated May 22, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Borough of Upland, Pennsylvania's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Upland, Pennsylvania's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Upland, Pennsylvania's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented,

or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Upland, Pennsylvania's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*John R. Hanna & Sons LLC*

Media, Pennsylvania  
May 22, 2024