

LIMERICK TOWNSHIP

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY
INFORMATION**

Year Ended December 31, 2023

INTRODUCTORY SECTION

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FINANCIAL SECTION



Zelenkofske Axelrod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Independent Auditor's Report

To the Board of Supervisors
Limerick Township
Limerick, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Limerick Township as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Limerick Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Limerick Township as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Limerick Township's ability to continue as a going concern for one year after the financial statement date.



Zelenkofske Axelrod LLC
CERTIFIED PUBLIC ACCOUNTANTS
 EXPERIENCE | EXPERTISE | ACCOUNTABILITY

To the Board of Supervisors
 Limerick Township
 Limerick, Pennsylvania

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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



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CERTIFIED PUBLIC ACCOUNTANTS
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To the Board of Supervisors
 Limerick Township
 Limerick, Pennsylvania

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 7 through 20, budgetary comparison information on pages 52 through 53 and pension and OPEB plans information on pages 54 through 60 be presented to supplement the basic financial statements. Such information is the responsibility of management, and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Limerick Township's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Zelenkofske Axelrod LLC

Jamison, Pennsylvania
 May 30, 2024

LIMERICK TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2023

As management of Limerick Township, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of Limerick Township for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with the Township's financial statements, which begin with the statement of net position on page 21.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Township's 2023 financial statements. The Township's 2023 financial statements comprise five components: (1) independent auditor's report, (2) management's discussion and analysis, (3) government-wide financial statements, (4) fund financial statements and (5) notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Independent Auditor's Report

The *independent auditor's report* briefly describes the audit engagement and also rendered opinions as to the material components of the Township's financial position and results of operations.

Management's Discussion and Analysis (MD&A)

Management's discussion and analysis, prepared by Township management, provides a narrative introduction and overview that users of the financial statements need to interpret the basic financial statements. The MD&A also provides analysis of some key data that is presented in the basic financial statements. It also addresses any other currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances in a manner similar to a private-sector business. The government-wide financial statements include the *statement of net position* found on page 21 and *the statement of activities* found on page 22 of this report.

The government-wide financial statements have one type of activity:

Governmental Activities - Functions of the Township that are principally supported by taxes and intergovernmental revenues. The *governmental activities* of the Township include general government, public safety (police, fire emergency management and code enforcement), public works, highways and streets, planning and land development and culture and recreation.

The *statement of net position* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

LIMERICK TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2023

The *statement of activities* presents information showing how the Township's net position changed during the most recent fiscal year. All changes in 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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

Fund Financial Statements

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. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into two categories: Governmental Funds and Fiduciary Funds.

Governmental Funds - Governmental Funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, Governmental Funds 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 is useful in evaluating 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, readers may better understand the long-term impact of the Township's near-term financing decisions. Both the Governmental Funds balance sheet and the Governmental Funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *Governmental Funds* and *governmental activities*.

The Township maintains eight individual Governmental Funds. Information is presented separately in the Governmental Funds balance sheet and in the Governmental Funds statement of revenues, expenditures and changes in fund balances for the General Fund, Capital Reserve Funds (includes the Capital Equipment Fund and Park Capital Fund), and Road Improvement Fund, which are all considered to be major funds. The remaining three funds are aggregated into one column and are labeled "Other Governmental Funds." ("Other Governmental Funds" are detailed on pages 62 and 63 in the Supplementary Information Section of this report.)

The basic Governmental Funds financial statements can be found on pages 23 through 26 of this report.

Fiduciary Funds - Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Township's own programs. The Township's Fiduciary Funds include two Pension Trust Funds (the Police Pension Fund and the Non-Uniform Pension Fund) and two Custodial Funds.

The Fiduciary Funds financial statements can be found on pages 27 and 28 of this report.

LIMERICK TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2023

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 through 50 of this report.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain *required supplementary information* for the Township. The Township's budget policy and budgetary comparison statement for the General Fund can be found under required supplementary information. The budgetary comparison statement for the General Fund demonstrates compliance with the budget. This information also includes required information pertaining to the Township's Police and Non-Uniform Pension Plans, as well as the Township's Other Postemployment Benefit Plan.

Required supplementary information can be found on pages 52 through 60 of this report. Additional information that management has determined useful for the readers of this report can be found in the Supplementary Information Section found on pages 62 through 65.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the summary of net position (as shown on the next page) may serve over time as a useful indicator of the Township's financial position. The Township's total net position was \$112,391,770 at the close of December 31, 2023, which represents an increase of \$839,999 from the previous year. Current and other assets increased by \$1,345,817 primarily due to the gains and appreciation of the Capital Reserve investments as a result of the positive returns in the markets in 2023.

Capital assets, net, increased by \$255,001, due to acceptance of three roads and major equipment purchases, during the year, offset by annual depreciation.

The Township's net investment in capital assets, \$42,208,144 or 38% of total net position, reflects the current book value (cost less accumulated depreciation) of land, buildings, machinery and equipment and infrastructure, less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

The other portion of the Township's net position, \$67,935,235 or 60% is unrestricted net position and may be used to meet the Township's ongoing obligations to citizens and creditors. Most of these assets have been earmarked for future capital improvements. The net proceeds from the sewer sale after paying off all debt in 2018 were in excess of \$58 million. These assets have been invested for future capital projects as outlined in resolution 2018-37. The Board determines the amounts designated for capital improvements through the budget process. They may at any time, through a process outlined in the Second-Class Township Code, reclassify these assets for other uses.

The final portion of the Township's net position, \$2,248,391 or 2% represents resources that are subject to external restrictions on how they may be used. This includes the net positions of the Liquid Fuels Fund and Fire Protection Fund as well as Act 209 fees received in the Roadway Improvement Fund.

LIMERICK TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2023

Summary of Net Position

	Governmental Activities		Total Percentage Change
	2023	2022	2023-2022
ASSETS			
Current and other assets	\$ 77,161,634	\$ 75,815,817	1.78%
Capital assets	42,208,144	41,953,143	0.61%
TOTAL ASSETS	<u>119,369,778</u>	<u>117,768,960</u>	1.36%
 DEFFERED OUTFLOWS OF RESOURCES	 <u>2,338,226</u>	 <u>3,295,690</u>	 -29.05%
LIABILITIES			
Other liabilities	2,222,866	2,722,520	-18.35%
Long-term liabilities	6,401,022	5,538,159	15.58%
TOTAL LIABILITIES	<u>8,623,888</u>	<u>8,260,679</u>	4.40%
 DEFFERED INFLOWS OF RESOURCES	 <u>692,346</u>	 <u>1,252,200</u>	 -44.71%
NET POSITION			
Net investment in capital assets	42,208,144	41,953,143	0.61%
Restricted	2,248,391	2,955,682	-23.93%
Unrestricted	<u>67,935,235</u>	<u>66,642,946</u>	1.94%
 TOTAL NET POSITION	 <u><u>\$ 112,391,770</u></u>	 <u><u>\$ 111,551,771</u></u>	 0.75%

The Township's statement of activities shows how the net position changed during the fiscal year 2023. The statement of activities can be found on page 22 of this report (*also see table below*). The table below helps to explain the changes in net position from January 1, 2023, to December 31, 2023, and from January 1, 2022 to December 31, 2022.

LIMERICK TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2023

Changes in Net Position

	Governmental Activities		Total Percentage Change
	2023	2022	2023-2022
REVENUES			
Program Revenues			
Charges for services	\$ 1,649,224	\$ 1,569,061	5.11%
Operating grants and contributions	582,848	1,974,647	-70.48%
Capital Grants and contributions	1,532,336	238,192	543.32%
General Revenues			
Taxes, levied for general purposes	11,394,992	11,692,399	-2.54%
Gain on sale of assets	340,704	23,788	1332.25%
Other	6,123,531	2,374,319	157.91%
TOTAL REVENUES	21,623,635	17,872,406	20.99%
EXPENSES			
General government	3,526,587	3,083,373	14.37%
Public Safety	9,807,708	8,399,391	16.77%
Public Works	4,160,839	3,311,333	25.65%
Culture and recreation	2,860,447	1,310,500	118.27%
Miscellaneous	428,055	3,270,386	-86.91%
TOTAL EXPENSES	20,783,636	19,374,983	7.27%
CHANGES IN NET POSITION	839,999	(1,502,577)	155.90%
NET POSITION AT BEGINNING OF YEAR	111,551,771	113,054,348	-1.33%
NET POSITION AT END OF YEAR	\$ 112,391,770	\$111,551,771	0.75%

As shown, the Township's net position increased by \$839,999 from January 1, 2023, and decreased by \$1,502,577 from January 1, 2022.

LIMERICK TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2023

Governmental Activities

To understand how the net position changed in the governmental activities, you must look at the "Statement of Revenues, Expenditures and Changes in Fund Balances" (page 25) along with the "Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities" (page 26).

On page 25, the Governmental Funds are broken down individually to show the "Net Change in Fund Balances" for each fund. The total of these individual changes is \$1,851,585, an increase to the fund balances from January 1, 2023 to December 31, 2023. The total fund balances on December 31, 2022, \$74,929,427.

The reconciliation on page 24 explains how the Township arrived at the governmental activities net position of \$112,391,770 from the fund balance in the governmental funds of \$74,929,427.

Below is a table showing the percent of program revenues to expenditures for all the governmental activities.

Expenses and Program Revenues

	2023			2022		
	Expenses	Program Revenues	% of Program Revenues to Expenses	Expenses	Program Revenues	% of Program Revenues to Expenses
General government	\$ 3,526,587	\$ 508,434	14%	\$ 3,083,373	\$ 1,857,862	60%
Public safety	8,849,316	949,655	11%	8,399,391	1,082,912	13%
Public works	5,119,231	1,356,144	26%	3,311,333	237,342	7%
Culture and recreation	2,860,447	950,175	33%	1,310,500	603,784	46%
Miscellaneous	428,055	-	0%	3,270,386	-	0%
	<u>\$ 20,783,636</u>	<u>\$ 3,764,408</u>	18%	<u>\$ 19,374,983</u>	<u>\$ 3,781,900</u>	20%

The Township's governmental activities program revenues (charges for services, grants and contributions) for each governmental department cover 18% or \$3,764,408 of the expenses in 2023, a decrease of \$17,492 from 2022 primarily due to the level of grants received in 2022.

LIMERICK TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

The original 2023 budget was adopted in December 2022. That budget was amended three times during the year, in May (Resolution 2023-09), September (Resolution 2023-18) and again in December (Resolution 2023-25). These amendments resulted in budgeted General Fund revenues and other financing sources exceeding expenditures and other financing uses by \$24,564 as compared to the original budgeted deficit of \$1,989,737 funded by a \$789,737 use of cash reserves and transfer from the General Capital Reserves of \$1,200,000. As of year-end, revenues exceeded the amended budget by \$136,248 and expenditures were less than the amended budget estimates by \$99,729. A comparison of the budget to actual numbers for the General Fund can be found on page 52 in the Required Supplementary Information Section of this report.

In general, the Township has taken a conservative budgeting approach, which entails estimating revenues on the low side and expenses on the high side of acceptable ranges. It would not be cost-effective to hire experts that can predict more accurately the amount of revenues the Township will collect. By budgeting conservatively, the Township can better manage unexpected events that may arise, such as a sudden drop in the housing market or a catastrophic weather event. Surpluses remaining at the end of the year are either held in a cash reserve to be considered part of subsequent budgets or transferred to a capital reserve account for future capital purchases.

Significant budgetary variances between budget and actual results are as follows:

Revenues

- **Taxes:** The tax line item consists of Real Estate Taxes, Real Estate Transfer Taxes, Earned Income Taxes and Local Services Taxes. Overall, taxes collected exceeded the original amount budgeted by \$477,745 and \$96,745 more than the amended budget. The largest portion of the Township's real estate tax is accounted for by the General Fund. There was no tax increase in 2023, the General Fund millage remains at 2.089. Property Taxes received were \$3,273,559 in line with the budgeted amount. Although the Township's assessed value continues to gradually increase (2.05% and 1.54% in 2023 and 2022, respectively), that increase does not provide a significant increase in taxes. The last overall tax millage rate increase was in 2016.

The Township collected \$942,989 in Real Estate Transfer Taxes, about \$100,000 more than the budgeted amount and about \$43,000 more than the original budget. Real Estate Transfer Taxes are based on the dollar volume of real estate sales transacted during the year, which varies greatly from year to year. The current economy has had a great impact on real estate sales. Revenues earned from this tax averaged \$854,000 over the last ten years and \$1,146,000 over the last three years. This increase is reflective of the increase in residential units being constructed within the Township over the past several years. There were 314 residential transfers resulting in \$758,813 in 2023 as compared to 413 units and \$907,600 in 2022. This reduction in units and taxes is the result of the decrease in the new home inventory as well as the increase in mortgage interest rates. The average tax per residential home was \$2,417 and \$2,198 for 2023 and 2022, respectively. The commercial real estate market is hard to predict on a small scale (Township vs. county wide). Sales of large commercial tracts of land, developed or undeveloped, dramatically impact transfer taxes and many times are not known in advance. For these reasons, the Township has taken the approach to budget this line item conservatively. Eleven commercial properties were sold in 2023 resulting in approximately \$184,177 in transfer taxes as compared to sixteen properties for \$498,312 in 2022.

LIMERICK TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2023

Earned Income Tax is levied at 1% for residents and is shared with the Spring-Ford Area School District. From the onset of COVID in 2020, it was anticipated that EIT revenues would decrease by approximately 10%. However, actual collections continue to grow, one assumption is that many of the wage earners in Limerick Township were able to continue working from home, and annual wage increases continue. EIT collections in 2023 were \$5,777,752 about \$377,000 more than the original budget and about 1.71% more than collected in 2022. In keeping with the policy of conservative budgeting, the Township utilizes annual budget estimates from Berkheimer Associates and receives periodic updates used for future budget amendments.

The Local Services Tax is a flat rate of \$52 charged to all persons working in Limerick who earn in excess of \$12,000 annually. Collections in 2023 were \$624,967 about \$44,000 higher than the budgeted amount and were approximately 8% more than the 2022 collections. Annual collections have continued to increase since the large reduction in 2020.

Fees, Licenses and Permits: This category includes Cable Franchise fees and licenses, fees and permits related to construction. The 2023 original budget was \$1,059,880, the amended budget was \$1,440,731, an increase of about \$380,000 and actual revenues were \$1,466,165. Commercial building permits were originally budgeted at \$201,000 but actual receipts were about \$342,135. New construction permits were issued for Kia Motors as well as many large alterations permits. Residential permit revenue of \$424,911 exceeded the original budget of \$123,000. New residential building permits included 76 permits for new construction at the Ironwood and North Gate developments.

Expenses

- **General Government:** The General Government category includes Township Administration, Tax Collection, Legal, Engineering, Technology and Facilities Management. Total expenses were \$2,396,424, about \$99,000 less than the final budget. A reduction in legal fees and building maintenance costs attributed to the savings.
- **Public Safety:** The Public Safety category includes Police, Code Enforcement, Emergency Services and Planning & Zoning account groups. This category accounts for 55% of the General Fund budget. Combined expenses in these groups were \$7,866,857 in 2023 about \$144,000 less than the original budget and \$68,000 more than amended budget. The original budget was based on a full complement of 30 officers. Three officers terminated and one was hired in 2023. Overtime costs, vehicle maintenance and ammunitions costs were all up for the year. The department was staffed at 26 full-time officers by the end of the year.
- **Public Works:** The work accounted for in the Public Works Department includes snow removal, recycling, traffic signal maintenance, electricity for streetlights, repairs and maintenance to trucks and equipment, highway reconstruction and maintenance and repair of roads. These expenses account for about 21% of the general fund budget. Overall, public works expenditures of \$2,480,075 were about \$387,000 less than the 2023 original budget and \$33,000 less than the amended budget because of reduced personnel costs due to several disabilities as well a reduction in winter maintenance costs and related overtime due to a mild winter season.
- **Miscellaneous:** Miscellaneous expenditures include Property and Liability Insurances and Contributions. 2023 expenses of \$195,269 were about \$37,000 less than budgeted amounts. The annual budget includes a contribution to the post-retirement reserve of \$50,000 however this is not an expenditure for GAAP purposes, so not reflected in the actual amounts.

LIMERICK TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Township's capital assets as of December 31, 2023, were \$42,208,144 (net of accumulated depreciation), an increase of \$255,000 from 2022. This includes land, buildings and improvements, furniture and equipment, automobiles and trucks, land improvements and infrastructure. Infrastructure includes roads, and traffic signals.

Current Year Major Additions

Land & Improvements -

In 2023, Land and Improvements was reduced by \$244,781 as a result of the sale of a portion of the 1206 Main Street property purchased in 2022. The buildings were carved out and sold to the Limerick Historical Society.

Construction in Progress –

The Limerick Community Park Phase 1 project continued into 2023 and will be completed in 2024. An additional \$375,787 of expenses were capitalized.

Machinery and Equipment

The total additions for machinery and equipment were \$703,298 and included:

- Public Works – replacement Dump (ordered in 2022)\$215,750
- Replacement – Police – Chevy Tahoe's (2)\$129,654
- Parks Maint. – Replacement of Ford F550.....\$121,600
- EM – Ford F250 Pickup -replace Explorer\$85,069
- EM – Chevy Tahoe – replace Explorer\$73,719
- Admin - 2023 Ford Escape.....\$33,324
- Park Maint. – replacement mower.....\$21,148
- Police – miscellaneous equipment.....\$12,088
- Public Works – miscellaneous equipment.....\$10,946

Infrastructure

The Township took dedication of three roads, Mango Way, Jameson Drive and Ellsworth Way at a value of \$758,009. Improvements to the traffic signal at 10th & Main included an audible signal and ADA ramps at cost of \$46,338, the majority of which was covered by an ARLE Grant. Lastly, two sets of school flashers were upgraded at local elementary schools.

The Finance Department maintains a detailed listing of all capital assets and depreciation schedules.

Long-Term Debt

The Township has no outstanding debt.

LIMERICK TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Economic Factors

The Township services an area of 22.39 square miles and a community of 20,458 residents. The Township is located in the southwestern part of Montgomery County, approximately 30 miles from Philadelphia. Two main road arteries, Route 422 and Ridge Pike, run through Limerick Township, making the Township a desirable and convenient place to reside.

Next Year's Budget

Beginning in September, the Township Manager and Finance Director began discussions with each department to map out specific budget requirements. A primary objective is to build on the successes achieved during 2023 and continue to ensure the Township can meet the challenges of the future.

Budget discussions were held with the Board during regularly scheduled meetings on October 3rd, 17th, and November 14th. Based on the extent of issues to review, the Board also held a Special Budget Meeting on Saturday, October 14th. During these meetings, the Board was offered a review of all reserve accounts and the impact all capital and unfunded requests would have on each fund. The final review of the full Budget was presented on November 21st, at which time, the Board approved the advertisement of the 2024 Budget for inspection and review by the public. The 2024 Budget was adopted on December 19, 2023, and is balanced across revenues and expenses at \$23,951,202.

During public discussions, the Board was briefed on the following Assumptions and Objectives that would be the basis of the Budget.

- Inflation and the increase of federal interest rates will impact all departments and require additional funding to maintain the same level services as provided in 2023.
- Year-end departmental cost savings of the past few years due to ongoing staffing shortages, are not anticipated for 2024 as staffing levels are expected to return to approved budget levels.
- Likewise, year-end surpluses that have been realized due to high level construction permit activity and real estate sales, are not anticipated due to a projected nationwide recession.
- The reliance on interest earnings from township reserve funds, as an alternate non-tax funding stream to the General Fund, will be prioritized.
- The third of a four-year plan to utilize ARPA funds will be included in the budget to offset the increasing cost of general operations.
- Succession planning for a significant number of staff and management level retirements in the next several years will occur in the 2024 budget.
- Capital planning and projects will be focused on existing projects such as the Community Park and roadway improvement grants to include the \$14 million RACP allocation Limerick has been provided in the statewide program.

These goals and objectives are based on year-end 2023 economic forecasts which predict inflation related cost increases will remain for the foreseeable future even though actual inflation rates were down to 2.5%, from earlier year highs of 7-8%. This is due to consumer spending, which remains strong and is keeping demand for products high. A primary concern of the Board that was expressed often throughout the budget review process was the increased costs of operations and the potential impact on revenues if a projected recession were to occur. The Board was not willing to expand any scope of the Township operations unless it was deemed necessary to maintain the same level of service from 2023.

LIMERICK TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2023

Discussion also took place on the expected return to full staffing in several departments which have been understaffed due to attrition and related personnel departures. As stated previously in this report, discussion has been ongoing for several years on the need for higher level support for both the fire and EMS services within the Township. The additional funding that was identified to provide stability to both services was analyzed repeatedly against other funding requests to limit the burden on existing taxpayers.

Based on these guidelines, the following items are highlights of the issues incorporated into the Preliminary Budget presented to the Board for approval at their November 21st meeting.

Taxes

The projected assessed value of the Township is anticipated to realize General Fund real estate tax receipts of \$3,307,000 which is a slight \$10,000 increase from the final 2023 Budget amendment. Act 511 revenues are projected to decrease by \$436,000 to \$6,790,000. The reduction is mostly due to the continued decline of Real Estate Transfer Taxes from the high mark of 2022 when \$1,405,900 was received. Only \$500,000 is projected for 2024 based on the ongoing impacts of inflation and high interest rates.

To support the volunteer fire department, an increase of Real Estate Fire Taxes was approved from .421 mils to .721 mils. This is projected to generate an additional \$454,000 for fire department operations. To better account for the ongoing costs of fire hydrants, a separate Hydrant Fund was established, and the \$160,000 of fire tax revenue used to maintain all township hydrants, which equates to .10 mils, will now be shifted into this new fund.

Interest Income

General Fund interest earnings are projected to be \$430,200 which is a \$161,000 decrease from 2023. This conservation projection is based on economic reports that the Federal Reserve will begin to lower interest rates in 2024 if signs of a recession come to fruition. The General Fund Balance is estimated to be \$7,658,155 at the end of 2024.

Capital Reserve Funds interest earnings on the PFM Investments are budgeted at \$1,550,000, which could fluctuate based on what transpires with interest rates. The Capital Reserve Fund holds the net proceeds from the 2018 sale of the sewer system and the business strategy of utilizing the investment earnings of these funds, to offset the need for additional taxes, continues to provide benefits. The planned transfer of \$1,200,000 of interest earnings into the General Fund represents 26% of the Real Estate tax burden required to balance this fund. As School District and County property taxes continue to rise due to inflation, the Township can turn to these investment earnings, as another source of revenue, to offset rising costs instead of enacting additional taxes. If the sale of the sewer system did not occur, it is safe to assume that Limerick Township real estate taxes would be at a minimum, 30% higher. This does not include costs the Township would be incurring for Township debt, which was eliminated with the sale proceeds, or financing costs which for the new municipal and fire company buildings, and capital projects completed to date with the sewer monies.

General Fund Deficit and Capital Reserve Transfer

Discussion ensued on the use of General Fund Reserves to bridge an operating deficit. For 2024, the deficit is projected to be \$753,831. This is after a transfer of \$1.2 million from the Capital Reserves Fund which, per the approved 2018 Investment Strategy, is interest funding available to offset the need for additional General Fund taxes. The Board was reminded that this transfer of \$1.2 million, along with the projected deficit, represents an operational funding shortfall above recurrent revenue stream. The Township's ability to offset 61% of this \$1,953,831 shortfall with interest earnings, as opposed to increased taxes, is another example of the benefits of the business strategy behind the sale of the sewer system. The Board was also reminded that when the sale took place in 2018, projections showed that

LIMERICK TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2023

annual interest earnings could hold taxes level for a five-year period. 2024 will be the sixth year of this projection. Past year-end budgets have ended in lower operating costs along with higher revenue streams which have eliminated the required transfer of \$1,200,000 of interest from the Capital Reserve account. Additionally, and over these past five years, a significant portion of the annual \$1,200,000 interest transfer has not been required and has remained in the Capital Reserve account to compound interest earnings. As noted previously in this report, the 2023-year end surplus of approximately \$25,000 is the lowest of the past five years since the sewer sale has been completed. This is an indicator that 2024 and future year budgets will begin to rely more heavily on the interest transfer to balance operations. The Administration believes that the 2024 year-end budget numbers will provide a practical analysis of how long interest earnings from Capital Reserves can support future budgets without a need for additional taxes.

As has been the practice of past years, the \$753,831 deficit will be funded by the General Fund reserves. The Administration will maintain positive budget management to try and reduce this deficit. However, and in conjunction with the Capital Reserve interest earnings discussion above, it is expected that the use of these reserve funds to cover the operating deficit will likely be required for 2024. Any discussion on future tax increases to stabilize the General Fund, will need to include this deficit that has been part of many past year budgets so General Fund Reserves do not fall below the recommended \$5 million level as stated by the appointed Township Auditor.

Planning, Zoning, and Code Revenues

Recession related impacts are expected to affect these departments and decrease revenue from 2023 levels. Subdivision and Land Development fees are projected to be \$30,000, which is a \$77,000 decrease from year end 2023. The Code Department year end reports for 2023 show 996 total permits were issued which is a decrease from the 1022 permits approved for 2022. Based on the size of the township, revenue from a routine influx of 900 permits should be expected annually. Development projects will push these numbers higher and as noted previously in this report, based on the status of projects within the approval process, permit activity from these projects should not be expected until 2025. As such, a decrease of \$185,000 from the 2023 year-end amount of \$540,279, across all construct permit revenue is projected.

Succession Planning and Personnel

Since the onset of the Pandemic, all departments have experienced staffing vacancies due to attrition and personnel who have left for other opportunities. Hiring qualified individuals has become challenging since the Covid crisis, for many reasons impacting the labor market. Wage rates have also risen as employers seek to attract workers from a dwindling supply of interested job seekers. 2023 saw the return of full staffing for all departments except the police who were four sworn officer positions short by the close of 2024. Discussion with the Board continued during the budget process on how best to maintain the current workforce. Toward this effort, the Board agreed to again match for all non-uniform personnel, the 4.5% wage increase afforded to the police force.

In early 2024, the Board will review the results of the personnel study. In addition to job descriptions which will be created for the positions that need to be filled, the study is expected to recommend changes to work procedures and job duties that were ascertained from interviews with key personnel. Additionally, and to retain key personnel, the Board agreed to again allow management flexibility with adjustments to individuals found to be below the average wage rate of other Montgomery County municipalities.

The hiring of new personnel to fill the pending retirements is expected to begin in early 2024 so all positions can be filled ahead of the expected June vacancies. The approved 2024 Budget properly accounts for all personnel related expenses noted in this section.

LIMERICK TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2023

Interfund Transfers

In addition to the proposed transfer of Capital Reserve Funds into the General Fund, the following transfers are also incorporated into the 2024 Budget.

Capital Equipment - For many years, the Capital Equipment Fund has not had a funding source, other than sale of assets and interest, and relies on transfers from the General Fund. Unlike previous years, there was no significant 2023 budget surplus funding available that the Board had at times in the past, reserved for the Capital Equipment Fund. As such, to cover the approved 2024 expenditures of \$989,245, a transfer of Capital Reserve funding in the amount of \$771,245 is set for 2024. This will supplement the expected \$218,000 of revenue from the sale of equipment to be replaced.

Park & Recreation Fund - The recreation programs offered by the department result in revenues sufficient to cover the cost of the programs and a portion of the administrative costs. With the increase of the Township's parks, trails, and open space system, the real estate taxes received are not sufficient, so larger transfers are needed from the General Fund to cover ongoing maintenance costs. For 2024, the required transfer is \$814,102 which is a \$180,402 increase from the original 2023 projected transfer. When future discussion takes place on any need to increase taxes for general operations, these talks should analyze the low real estate tax rates currently allocated to this Park Fund. Any increase of Park Fund millage will reduce the burden of the General Fund support of park related operations. The Board will need to review if additional tax support to either the General Fund or the Park Fund would be a better option for the community.

Fire Protection Fund - The 2024 Budget maintains support for the Fire Departments Volunteer Incentive Program that began in 2013, with a General Fund transfer of \$112,000, which is the same level of funding provided in 2023. \$100,00 of this transfer is for the Fire Department volunteers and an additional \$12,000 accounts for the stipend provided by them to township employees who participate in the Day Time Firefighter program.

An additional transfer of \$384,000 is allocated from Capital Reserves to cover the mortgage payment on the Linfield Fire Station, and loan payments for vehicles approved within the 15-year replacement plan reviewed by the Board annually during the budget process.

The increase of Real Estate Fire Tax millage noted in this report will support all general operations of the department. If the increase of tax rates did not take place, it was expected that a General Fund transfer may have been required for 2024 and future budget years.

Capital and Grant Projects

While recognizing the need to balance ongoing operations, the Board also reviewed the status of long-term projects needed to accommodate the growth of the community. The focus of all larger-scale projects is to seek outside agency funding and grants to offset project costs, as best as possible. The following is a review of the items under discussion:

- **Lightcap Road** - Since the opening of the Philadelphia Premium Outlet Mall in 2007, a need to upgrade the portion of this road between Possum Hollow and Airport Road has been under discussion. Current estimates now place the project at \$6 million, including right-of-way acquisitions. A \$3 million CFA Grant application was submitted in 2022, to begin to acquire funding to offset these costs however, an award of only \$250,000 came to fruition. Noted in the Budget is the use of \$150,000 of this funding for right-of-way acquisitions required for this road project. While this funding will assist with design and right-of-way, discussion on options for further funding took place throughout the year. This project is part of the \$14 million Redevelopment Assistance Capital Program (RACP) funding allocated to Limerick, as part of the

LIMERICK TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED DECEMBER 31, 2023

PA 2022 Capital Budget. In late December 2023, the Governor announced the opening of a new grant round, and the Board approved an application at their January 2024 Reorganization meeting. It was discussed that this program requires a 50% match, and efforts would continue throughout 2024 to reduce this obligation. The reconstruction of Lightcap Road remains the top roadway improvement priority of the Board.

- **East-Bound Off-Ramp Sanatoga Interchange** - The project remains conceptual, pending acquisition of required right-of-way by Lower Pottsgrove Township. No funding for 2024 was allocated for this project but could change if the required right-of-way is obtained. This estimated \$4.5 million project is also included in the Township's RACP allocation. This remains as the second-tier project for funding after Lightcap Road.
- **Royersford Road & Linfield Trappe Road Intersection** - The Board expressed their commitment to ensure this becomes shovel-ready as soon as possible. There is no funding approved beyond the design and permitting that is ongoing for this estimated \$5.5 million project. The focus of 2024 will be to finalize design and outside agency approvals, and all funding for this stage will come from existing Traffic Impact Fees. A majority of Board members stated that they would not approve the use of Township monies to fund the construction of this realignment project. As they have stated in the past once the project is shovel-ready then grants and alternate outside funding should be identified to cover all construction costs.
- **Community Park Phase 1 Upgrades** – It is expected that the construction phase of this project will conclude by August and the project should remain on budget at \$1,350,000. Several DCNR grants totaling \$675,000 have been obtained and the Township contribution will be an even match of \$675,000. Once this project is completed, additional discussion with the Board will be undertaken on whether the administration should begin to seek additional grant funding for subsequent improvements.
- **Manderach Playground** - Under discussion for several years is the need to replace the 25-year-old wooden structure. A \$1 million DCED Local Share Account (LSA) Grant application was submitted in 2022 but unfortunately, the Township did not receive any funding. A new LSA grant round was opened in the third quarter of 2023 and the Board approved a new application for the full \$1million that could be provided. An award notice is expected by the second quarter and once this is known, further discussion with the Board will take place on the scope of the project and if any township funding will be allocated toward the project.
- **Pottstown Health and Wellness Grant**- As noted in the 2023 section of this report, the Board approved a \$30,000 grant from this agency to be used specifically for the Manderach playground. Once an award from the LSA program is known, a further discussion will take place with the Board on the scope of the project to be undertaken with this grant funding. Per Board direction, the approximately \$25,000 of 2023 year-end surplus funding will be reserved toward the required \$30,000 match.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to show the Township's accountability for the funds it receives and disburses. If you have questions about this report or request additional financial information, please contact the Chief Financial Officer at the Limerick Township Municipal Building, 646 West Ridge Pike or by phone at 610-495-6432, extension 113.

LIMERICK TOWNSHIP
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 7,058,709
Investments	69,033,973
Receivables, taxes and other	820,391
Prepaid Expenses and Other Assets	248,561
Capital Assets - Not Being depreciated	
Land and Improvements	8,540,223
Construction in Progress	528,779
Capital Assets - Net of Depreciation:	
Buildings and Improvements	11,543,230
Machinery and Equipment	2,598,609
Infrastructure	18,997,303
Total Assets	<u>119,369,778</u>
Deferred Outflows of Resources	
Related to Pension	1,694,188
Related to OPEB	<u>644,038</u>
Total Deferred Outflows of Resources	<u>2,338,226</u>
Liabilities	
Accounts Payable and Accrued Expenses	1,144,675
Unearned Revenue	1,078,191
Long Term Debt - Due Beyond One Year	
Total OPEB Liability	3,050,927
Compensated Absences	141,436
Net Pension Liability	<u>3,208,659</u>
Total Liabilities	<u>8,623,888</u>
Deferred Inflows of Resources	
Related to Pension	115,256
Related to OPEB	<u>577,090</u>
Total Deferred Inflows of Resources	<u>692,346</u>
Net Position	
Net Investment in Capital Assets	42,208,144
Restricted for	
Road and Street Improvements and Liquid Fuels	1,980,304
Fire Protection	268,087
Unrestricted	<u>67,935,235</u>
Total Net Position	<u>\$ 112,391,770</u>

The accompanying notes are integral to the financial statements as a whole.

LIMERICK TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities					
General Government	\$ 3,526,587	\$ -	\$ 508,434	\$ -	\$ (3,018,153)
Public Safety	9,807,708	881,195	22,125	46,335	(8,858,053)
Public Works	4,160,839	163,144	52,289	1,140,711	(2,804,695)
Culture and Recreation	2,860,447	604,885	-	345,290	(1,910,272)
Miscellaneous	428,055	-	-	-	(428,055)
Total Governmental Activities	<u>\$ 20,783,636</u>	<u>\$ 1,649,224</u>	<u>\$ 582,848</u>	<u>\$ 1,532,336</u>	(17,019,228)
General Revenues:					
					4,049,284
					5,777,752
					624,967
					942,989
					1,389,643
					625,428
					3,751,980
					46,387
					340,704
					<u>310,093</u>
					17,859,227
Total General Revenues and Other Items					
					839,999
Change in Net Position					
					111,551,771
					<u>\$ 112,391,770</u>

The accompanying notes are integral to the financial statements as a whole.

LIMERICK TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Major Funds			Other	Total
	General	Capital Reserve Funds	Road Improvement Fund	Governmental Funds	Governmental Funds
<u>Assets</u>					
Cash and Cash Equivalents	\$ 2,190,254	\$ 4,193,894	\$ 26,930	\$ 647,631	\$ 7,058,709
Investments	8,464,633	59,288,749	1,280,591	-	69,033,973
Receivables, Taxes and Other	240,637	182,591	389,767	7,396	820,391
Due from Other Funds	-	-	-	140,012	140,012
Prepaid Expenses	121,912	-	-	126,649	248,561
Total Assets	<u>\$ 11,017,436</u>	<u>\$ 63,665,234</u>	<u>\$ 1,697,288</u>	<u>\$ 921,688</u>	<u>\$ 77,301,646</u>
<u>Liabilities, Deferred Inflows and Fund Balances</u>					
Liabilities					
Accounts Payable and Accrued Expenses	555,165	219,197	161,707	208,606	\$ 1,144,675
Due to Other Funds	107,500	32,512	-	-	140,012
Unearned Revenue	1,078,191	-	-	-	1,078,191
Total Liabilities	<u>1,740,856</u>	<u>251,709</u>	<u>161,707</u>	<u>208,606</u>	<u>2,362,878</u>
Deferred Inflows of Resources					
Unavailable Revenues, Property Taxes	9,341	-	-	-	9,341
Fund Balances					
Nonspendable					
Restricted for:	121,912	-	-	126,649	248,561
Road and Street Improvements and Liquid Fuels	-	-	1,535,581	444,723	1,980,304
Fire Protection	-	-	-	145,459	145,459
Committed					
Post Retirement Health Reserve	523,512	-	-	-	523,512
Assigned to:					
Capital Projects	-	63,413,525	-	-	63,413,525
Unassigned	8,621,815	-	-	(3,749)	8,618,066
Total Fund Balances	<u>9,267,239</u>	<u>63,413,525</u>	<u>1,535,581</u>	<u>713,082</u>	<u>74,929,427</u>
Total Liabilities and Fund Balances	<u>\$ 11,017,436</u>	<u>\$ 63,665,234</u>	<u>\$ 1,697,288</u>	<u>\$ 921,688</u>	<u>\$ 77,301,646</u>

The accompanying notes are integral to the financial statements as a whole.

LIMERICK TOWNSHIP
RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

Fund Balances - Total Governmental Funds	\$ 74,929,427
Amounts reported for governmental activities in the statement of net position are different because:	
Net Pension Liability and Deferrals are not financial resources and, therefore are not reported in the governmental funds	(1,629,727)
Net OPEB Liability and Deferrals are not financial resources and, therefore are not reported in the governmental funds	(2,983,979)
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	42,208,144
Long term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Compensated Absences	(141,436)
Some of the Township's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	<u>9,341</u>
Net Position of Governmental Activities	<u><u>\$ 112,391,770</u></u>

The accompanying notes are integral to the financial statements as a whole.

LIMERICK TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	Major Funds			Other	Total
	General	Capital Reserve Funds	Road Improvement Fund	Governmental Funds	Governmental Funds
Revenues					
Taxes	\$ 10,634,695	\$ -	\$ -	\$ 781,832	\$ 11,416,527
Fees, Licenses and Permits	1,466,165	-	-	-	1,466,165
Interest and Rents	593,032	2,929,964	82,248	146,736	3,751,980
Intergovernmental Revenues	634,333	-	-	825,818	1,460,151
Fines, Forfeits, and Costs	46,387	-	-	-	46,387
Grants	629,183	345,290	1,140,711	-	2,115,184
Program Revenues	-	-	287,587	604,885	892,472
Other	80,690	358,791	40,086	1,316	480,883
Total Revenues	14,084,485	3,634,045	1,550,632	2,360,587	21,629,749
Expenditures					
General Government	2,396,424	69,464	-	862	2,466,750
Public Safety	7,866,857	-	-	1,441,116	9,307,973
Public Works	2,480,075	-	-	1,130,407	3,610,482
Culture and Recreation	16,000	1,088,974	-	1,332,123	2,437,097
Miscellaneous	179,269	-	-	-	179,269
Capital Projects	-	-	1,776,593	-	1,776,593
Total Expenditures	12,938,625	1,158,438	1,776,593	3,904,508	19,778,164
Excess (Deficit) of Revenues Over Expenditures	1,145,860	2,475,607	(225,961)	(1,543,921)	1,851,585
Other Financing Sources (Uses)					
Operating Transfers In	-	208,320	-	1,044,489	1,252,809
Operating Transfers Out	(863,727)	(389,082)	-	-	(1,252,809)
Total Other Financing Sources (Uses)	(863,727)	(180,762)	-	1,044,489	-
Net Change in Fund Balances	282,133	2,294,845	(225,961)	(499,432)	1,851,585
Fund Balances - Beginning of Year	8,985,106	61,118,680	1,761,542	1,212,514	73,077,842
Fund Balances - End of Year	\$ 9,267,239	\$ 63,413,525	\$ 1,535,581	\$ 713,082	\$ 74,929,427

The accompanying notes are integral to the financial statements as a whole.

LIMERICK TOWNSHIP
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 1,851,585
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay 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	
Expenditures less disposals for general capital assets, infrastructure, and other related capital assets adjustments	1,666,171
Current year depreciation	(1,411,170)
The change in Net Pension Liability and Deferrals are reported in the Statement of Activities but are not reported in the Governmental Funds.	(1,074,532)
In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amount of the financial resource used.	
Compensated Absences	6,984
Other postemployment benefits do not require the use of current financial resources, therefore, are not reported as expenditures in Governmental Funds as follows:	
Change in postemployment benefits	(192,925)
Some of the Township's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. The change in those amounts for the year were:	
	<u>(6,114)</u>
Change in Net Position of Governmental Activities	<u>\$ 839,999</u>

The accompanying notes are integral to the financial statements as a whole.

LIMERICK TOWNSHIP
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023

	Pension Trust Funds	Custodial Funds
Assets		
Cash, Restricted	\$ 155,096	\$ 588,387
Investments, Restricted	17,876,333	-
Due from Developers	<u>-</u>	<u>192,909</u>
Total Assets	<u>\$ 18,031,429</u>	<u>\$ 781,296</u>
Liabilities		
Accounts Payable	\$ -	\$ 408,146
Net Position		
Restricted for Pensions	18,031,429	-
Restricted for Custodial Purposes	<u>-</u>	<u>373,150</u>
Total Net Position	<u>\$ 18,031,429</u>	<u>\$ 373,150</u>

The accompanying notes are integral to the financial statements as a whole.

LIMERICK TOWNSHIP**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION****FIDUCIARY FUNDS****YEAR ENDED DECEMBER 31, 2023**

	Pension Trust Funds	Custodial Funds
Additions		
Contributions:		
Employer	\$ 219,440	\$ -
Employee	88,131	-
State Allocation	384,641	-
Developers	-	642,291
	<u>692,212</u>	<u>642,291</u>
Total Contributions		
	<u>692,212</u>	<u>642,291</u>
Investment Earnings:		
Net Appreciation in Fair Value of Investments	2,489,966	-
Net Investment Income	-	11,753
	<u>2,489,966</u>	<u>11,753</u>
Total Investment Earnings		
	<u>2,489,966</u>	<u>11,753</u>
Less Investment Expense	(53,559)	-
	<u>2,436,407</u>	<u>11,753</u>
Net Investment Earnings		
	<u>2,436,407</u>	<u>11,753</u>
Total Additions		
	<u>3,128,619</u>	<u>654,044</u>
Deductions		
Benefits	600,284	-
Escrow Payments	-	649,408
	<u>600,284</u>	<u>649,408</u>
Total Deductions		
	<u>600,284</u>	<u>649,408</u>
Change in Net Position	2,528,335	4,636
Net Position Held in Trust for Pension Benefits		
Net Position - Beginning of Year	<u>15,503,094</u>	<u>368,514</u>
Net Position - End of Year	<u>\$ 18,031,429</u>	<u>\$ 373,150</u>

The accompanying notes are integral to the financial statements as a whole.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Limerick Township (the “Township”) is governed by an elected five-member board. The financial statements of the Township include the departments and other organizational units over which the Board of Supervisors exercises oversight responsibility, including general government, public safety, parks and recreation and public works.

In reviewing the criteria for inclusion in the financial statements, the Township considered the following:

- One fire department receives a contribution from the Township. However, the department is organized under a separate charter and operates under the direction of a separate independent board not appointed by the Supervisors and, therefore, are not included in the financial statements.
- The Police Pension Plan is a single employer defined benefit pension plan that provides pensions for all regular, full-time sworn police officers. Although the plan is a separate legal entity, it is reported as if it is a part of the government as it is governed by a board comprised of members appointed by the Board of the Township and the Township is responsible for funding the plan. The plan is a Fiduciary component unit and is reported as a fiduciary fund and does not issue separate financial statements.
- The Non-Uniform Pension Plan is a single employer defined benefit pension plan that provides pensions for all full-time non-uniform employees hired prior to January 1, 2009. Although the plan is a separate legal entity, it is reported as if it is a part of the government as it is governed by a board comprised of members appointed by the Board of the Township and the Township is responsible for funding the plan. The plan is a Fiduciary component unit and is reported as a fiduciary fund and does not issue separate financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Basis of Financial Statement Presentation – The basic financial of the Township have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*.

Government-Wide Financial Statements – The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for Fiduciary Funds. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Separate financial statements are provided for Governmental Funds and Fiduciary Funds, even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds are reported as separate columns in the fund financial statements.

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

Fund Financial Statements – Fund financial statements report detailed information about the Township. The focus of Governmental Funds financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Other nonmajor Governmental Funds are aggregated and presented in a single column (Other Governmental Funds).

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for 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 fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences, and claims and judgments are recorded only when payment is due. The financial statements for Governmental Funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports the following major Governmental Funds:

General Fund – The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund. The principal activities accounted for in the General Fund are general government, public safety, public services and recreation. Those activities are funded principally by property taxes, Act 511 taxes, state shared taxes and grants from other governmental units.

Capital Reserve Funds – The Capital Reserve Funds are used to account for the proceeds of the sewer sale that have been reserved for future capital projects, the Capital Equipment Fund is used to purchase major capital equipment, and the Park Capital Fund used to fund park specific capital projects or open space acquisition.

Road Improvement Fund – The Road Improvement Fund is used to account for specific revenues and expenditures related to road and street improvements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Funds – The Township also reports the following Fiduciary Funds:

Police Pension and Non-Uniform Pension Trust Funds – The Pension Trust Funds accumulate money for the retirement of Township employees.

Custodial Funds – Custodial Funds include the Escrow Fund, which holds monies received for developers to ensure payment of legal and engineering expenses.

Budgets and Budgetary Accounting

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A preliminary budget is presented to the Board of Supervisors in October.
2. During October and November, the Township holds budget workshops for the purpose of receiving oral and written comments from interested parties in regards to the proposed budget for the following year.
3. During November, the Township makes available to the public its proposed operating budget for all funds. The operating budget includes proposed expenditures and the means of financing them.
4. Prior to December 31, the Township holds a public hearing to obtain taxpayer comments, after which the budget is legally adopted through motion of the Board of Supervisors.
5. All budget revisions require the approval of the Township Board of Supervisors.
6. Formal budgetary integration is employed as a management control device during the year. Budgetary control is maintained at the object level.
7. Budgets are adopted on the modified accrual basis of accounting. All appropriations lapse at year-end.

Real Estate Tax

Real estate property taxes attach as an enforceable lien on property on January 1. Taxes are billed March 1 and payable under the following terms: a 2% discount March 1 through April 30; face amount May 1 through June 30; and a 10% penalty after July 1. The Township employs an elected tax collector to collect the property tax levied. The tax collector remits Township taxes at least monthly and is paid on a commission basis. During the COVID-19 pandemic, the Township did not issue any penalties for late payment.

For 2023, tax was levied on the assessed value of real estate at a total of 2.593 mills.

The taxable assessed valuation of property as of January 1, 2023 was \$1,581,507,212.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Transfers

Operating transfers between Governmental funds are reported as other financing sources (uses) within those funds.

Short-Term Interfund Receivables/Payables

During the course of operations, transactions may occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the Governmental Funds balance sheet. Short-term interfund loans are classified as “interfund receivables/payables”. These amounts are eliminated in the statement of net position.

Deposits and Investments

The Township’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition with no restrictions on withdrawal.

The Township has adopted GASB Statements No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, No. 72, *Fair Value Measurement and Application* and No. 79 *Certain External Investment Pools and Pool Participants*. In accordance with these Statements, investments in marketable securities with readily determinable fair value and all investments in debt securities are reported at their fair values. Investments in qualifying external investment pools are reported at amortized cost basis.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. The Township defines capital assets as assets with an initial, individual cost equal to or greater than \$2,000 and/or an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant and equipment of the Township are depreciated using the straight-line method over the following estimated useful lives.

	Years
Buildings	20-40
Building improvements	15-40
System infrastructure	7-50
Vehicles	3-10
Office equipment	5-10
Computer equipment	3-5

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Township is a Phase III Government under the implementation guidance in GASB Statement No. 34 and, as such, elected not to capitalize all infrastructure assets retroactively. Therefore, these financial statements do not report the cost of roads, bridges and streetlights prior to 2002.

Compensated Absences

Unused sick benefits lapse at year-end for all employees with the exception of police officers hired prior to January 1, 2015. Accordingly, the accumulated sick leave of police officers is recorded in the government-wide statements.

Long-Term Obligations

In the government-wide financial statements, other long-term obligations are reported as liabilities in the governmental activities statement of net position.

Accounts Receivable

All accounts receivable are shown net of an allowance for uncollectibles, as applicable. Accounts receivable are evaluated for collectability, and an allowance is established, as deemed necessary, based on the best information available and in an amount management believes is adequate. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 two items that qualify for reporting in this category. The deferred outflow of resources related to pensions is reported in the government-wide statement of net position and are the result of changes in plan assumptions, and the difference between expected and actual experience. The deferred outflow of resources related to OPEB is reported in the government-wide statement of net position and is the result of differences between expected and actual experience of the Plan.

In addition to liabilities, the statement of net 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 Township has two items that qualify for reporting in this category. Unavailable revenue is reported only in the Governmental Funds balance sheet. The Governmental Funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The deferred inflow of resources related to pension and OPEB are reported in the government-wide statement of net position and are the result of differences between expected and actual experience of the Plans.

Fund Balance

The following fund balance classifications describe the relative strength of the spending constraints:

- ***Nonspendable Fund Balance*** includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints. Fund balance types of this category are prepaid expenses and inventory.
- ***Restricted Fund Balance*** includes fund balance amounts that can be spent only for specific purposes stipulated by external resource providers or through enabling legislation. Fund balance types of this category include amounts for debt service, recreation activities, road and street improvements and water hydrant maintenance.
- ***Committed Fund Balance*** includes fund balance amount that are constrained for specific purposes that are internally imposed by the Township through formal action of the Limerick Township Board of Supervisors. To be reported as committed, amounts cannot be used for any other purpose unless the Limerick Township Supervisors take the same highest level action to remove or change the constraint.
- ***Assigned Fund Balance*** includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balances may be assigned by the Township Board of Supervisors or by an official or body to which the Township Board delegates the authority. The Board of Supervisors give the authority to the Township Manager and Assistant Township Manager to assign the fund balance.
- ***Unassigned Fund Balance*** – Amounts available for any purpose. Positive amounts are reported only in the General Fund.

The Township will typically use restricted fund balances first, followed by committed resources and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

NOTE B – DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. The Township follows state statute as it relates to custodial credit risk. Deposits in each bank are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000. As of December 31, 2023, \$780,187 was insured by the FDIC and \$6,794,070 of the Township's bank balance of \$7,574,257 was exposed to custodial credit risk as follows:

NOTE B – DEPOSITS AND INVESTMENTS (Continued)

Insured by FDIC	\$ 780,187
Uninsured and Collateral Held by the Pledging Bank's Trust Department not in the Government's Name	<u>6,794,070</u>
Total	<u><u>\$ 7,574,257</u></u>

Investments

As of December 31, 2023, the Township's governmental activities had the following investments:

Investment Type	Valuation Input Level	Fair Value/ Amortized Cost	Investment Maturities	
			Less Than One Year	1 to 5 Years
Money Markets	Level 2	\$ 318,642	\$ -	\$ 318,642
U.S. Government Notes, Agency	Level 1	49,660,085	-	49,660,085
Corporate Bonds	Level 1	759,608	612,593	147,015
Foreign Issues	Level 2	2,679,017	-	2,679,017
State Investment Pools	Level 3	-	15,616,621	-
		<u>\$ 53,417,352</u>	<u>\$ 16,229,214</u>	<u>\$ 52,804,759</u>

Fair Value Measurement – The Township categorizes its fair value measurements within the fair value 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 market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Township's corporate bonds are considered to be Level 2 investments and all other investments are considered to be Level 1 and were value based on quoted market prices.

A portion of the Township's investments are in the PLGIT program, of which are funds similar to mutual funds. GASB Statement No. 3, Paragraph 69, provides that certain types of cash and investments, such as investments in a State Treasurer's investment pool or mutual fund, cannot be assigned a credit risk category because the government does not own specific securities. Therefore, the PLGIT investments included in these statements will not be assigned a credit risk category. The carrying amount of these investments at December 31, 2023, is \$15,616,621. These assets maintain a stable net asset value of \$1 per share. All investments are monitored weekly by Standard & Poor's and are subject to an independent audit on an annual basis. As of December 31, 2023, the Township's investments in the state investment pool was rated AAAM by Standard & Poor's.

Investments held with qualifying external state investment pools are valued at amortized cost in accordance with GASB Statement No. 79. The Township had \$15,616,621 invested in a PLGIT/PRIME account which limits redemptions or exchanges to two per calendar month.

NOTE B – DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk – The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – With the exception of Pension Trust Funds, state law limits investments in obligations of (1) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (2) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (3) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision. The law also allows for the Township to invest in certificates of deposit of banks, savings and loans and savings banks both within and outside the Commonwealth of Pennsylvania, provided such amounts are insured by the Federal Deposit Insurance Corporation (FDIC) or other like insurance and that deposits in excess of such insurance are collateralized by the depository.

The Township's investment policy does not further limit its investment choices.

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

Pension Trust Funds

Pension Trust Fund investments are comprised of the following:

	Valuation Input Level	Police Pension Plan		Non-Uniform Plan	
		Cost	Fair Value	Cost	Fair Value
Mutual funds/ETFs	Level 1	\$ 12,569,764	\$ 12,723,897	\$ 4,579,506	\$ 5,152,436

NOTE C – RECEIVABLES

Receivables, which consist primarily of taxes and grants, are as follows:

GOVERNMENTAL FUNDS	
General Fund	\$ 240,637
Recreation Fund	3,336
Road Improvement	389,767
Fire Protection Fund	4,060
Capital Reserve Funds	182,591
	<u>\$ 820,391</u>

NOTE D – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers were as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 863,727
Capital Reserve Fund	208,320	389,082
Recreation Fund	540,407	-
Fire Protection Fund	504,082	-
	<u>\$ 1,252,809</u>	<u>\$ 1,252,809</u>

Interfund receivable and payable balances as of December 31, 2023, were as follows:

	Receivable Fund	Payable Fund
General Fund	\$ -	\$ 107,500
Capital Reserve Fund	-	32,512
Fire Protection Fund	140,012	-
	<u>\$ 140,012</u>	<u>\$ 140,012</u>

NOTE E – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Township has reported all capital assets, including infrastructure, in the government-wide statement of net position. All capital assets, including other infrastructure systems, were reported using the basic approach, whereby accumulated depreciation and depreciation expense have been recorded. The following presents summary information on capital assets.

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land and Improvements	\$ 8,785,004	-	\$ 244,781	\$ 8,540,223
Construction in Progress	152,992	375,787	-	528,779
Total Capital Assets, Not Being Depreciated	<u>8,937,996</u>	<u>375,787</u>	<u>244,781</u>	<u>9,069,002</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	15,720,394	2,650	-	15,723,044
Machinery, Vehicles, Furniture and Equipment	6,279,764	703,298	261,576	6,721,486
Infrastructure	26,862,743	833,222	-	27,695,965
Total Capital Assets, Being Depreciated	<u>48,862,901</u>	<u>1,539,170</u>	<u>261,576</u>	<u>50,140,495</u>
Accumulated Depreciation for:				
Buildings and Improvements	3,773,094	406,720	-	4,179,814
Machinery, Vehicles, Furniture and Equipment	3,965,939	414,509	257,571	4,122,877
Infrastructure	8,108,721	589,941	-	8,698,662
Total Accumulated Depreciation	<u>15,847,754</u>	<u>1,411,170</u>	<u>257,571</u>	<u>17,001,353</u>
Total Capital Assets, Being Depreciated, Net	<u>33,015,147</u>	<u>128,000</u>	<u>4,005</u>	<u>33,139,142</u>
Governmental Activities Capital Assets, Net	<u>\$ 41,953,143</u>	<u>\$ 503,787</u>	<u>\$ 248,786</u>	<u>\$ 42,208,144</u>

NOTE E – CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs as follows:

GOVERNMENTAL ACTIVITIES	
General government	\$ 155,228
Police, health and public safety	282,235
Public works	550,357
Culture and recreation	423,350
	<u>\$ 1,411,170</u>

NOTE F – CHANGES IN LONG-TERM LIABILITIES

During the year ended December 31, 2023, the following changes in long-term liabilities occurred:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Total OPEB Liability	\$ 2,427,483	\$ 623,444	\$ -	\$ 3,050,927	\$ -
Net Pension Liability	2,962,256	246,403	-	3,208,659	-
Compensated Absences	148,420	-	6,984	141,436	-
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 5,538,159</u>	<u>\$ 869,847</u>	<u>\$ 6,984</u>	<u>\$ 6,401,022</u>	<u>\$ -</u>

NOTE G – DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)

Summary of Significant Accounting Policies

Method Used to Value Investments – Police Pension Plan investments are carried at fair value as reported by the investment managers. Short-term investments are reported at cost, which approximates fair value.

Plan Description

Plan Administration – The Township administers the Police Pension Plan – a single-employer defined benefit pension plan that provides pensions for all regular, full-time sworn police officers.

Management of the plan is vested in the Pension Committee, which consists of five members appointed by the Township Board of Supervisor. The Pension Committee is responsible for managing, investing and monitoring the Township's Police Pension Fund.

Plan Membership – At December 31, 2023, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	7
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	<u>26</u>
	<u>38</u>

NOTE G – DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)

Benefits Provided – The plan provides retirement, disability and death benefits. A member is eligible for normal retirement after attainment of age 50 and completion of 25 years of vesting service. The normal retirement pension is payable monthly during the member's lifetime, with payments continuing after the member's death to the surviving spouse, equal to 50% of the amount payable to the member at the time of the member's death. The amount of monthly pension is equal to 50% of average monthly compensation, plus a service increment equal to \$100 per month per year of benefit services completed in excess of 25 years, up to a maximum of \$500 additional per month. Average compensation is based upon the last 36 months of employment. If a member continues working after his normal retirement date, his pension does not start until he actually retires. If an active member suffers a service related disability, they are eligible for disability retirement. The disability retirement is payable monthly equal to 50% of the member's monthly salary at the time of disability, reduced by any Social Security disability benefits received by the member for the same injuries.

The benefit provisions of the plan are established by Township ordinances.

Contributions – The Township's police employees are required to contribute a percentage of their monthly salaries to the plan. The Township is required to contribute the remaining amounts necessary to fund the plan using the actuarial basis specified by state statute. The state also provides funds (distribution of foreign casualty insurance premium taxes) to the Township, which are used by the Township in making its regular contributions to the plan.

Pennsylvania Act 205 of 1984 (as amended) requires that annual contributions be based on the plan's biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds, which must be used for pension funding. A financial requirement established by the MMO, which exceeds state and member contributions, must be funded by the employer. In accordance with Act 2015, the Township was required to contribute \$496,416 to the plan for the year 2023.

Per the collective bargaining agreement, employees are required to contribute 2.50% of covered payroll. This contribution is governed by the plan's governing ordinances and collective bargaining agreements. Administrative costs, which may include, but are not limited to, investment management fees and actuarial services are charged to the plan and funded through the MMO and/or plan earnings. On-behalf payments of fringe benefits and salaries for the government's employees were recognized as revenues and expenditures during the year.

Investments

Investment Policy – The plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee by a majority vote of its members. It is the policy of the Pension Committee to pursue an investment strategy that reduces the risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The 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.

NOTE G – DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)

The following was the Board's adopted asset allocation policy as of December 31, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>
Equity Management	
Value Style	0-25%
Growth	0-25%
Small-Mid Cap	
Value	0-20%
Growth	0-20%
International Equity Management	0-15%
Exchange Traded Funds	0-100%
Fixed Income Management	35-65%
Real Estate	0-5%
Commodities	0-5%

Concentrations – No more than 5% of the Township's investments are invested in any one investment.

Rates of Return – For the year ended December 31, 2023, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 14.53%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Township

The components of the net pension liability of the Township at December 31, 2023, were as follows:

	<u>Police Pension Plan</u>
Total Pension Liability	\$ 14,755,794
Plan Fiduciary Net Position	<u>(12,808,849)</u>
Net Pension Liability	<u>\$ 1,946,945</u>

Plan fiduciary net pension liability as a percentage of total pension liability was 86.80 %.

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

NOTE G – DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Inflation	3%
Salary increases	4.50%, average, including inflation
Investment rate of return	6.75%
Retirement age	Age 52 with 27 years of service
Mortality	2010 Public Safety Mortality Table with MP-2020
Remaining Amortization Period	8 years
Retirement Age	Age 52 with 27 years of service
Asset Valuation Method	Market Value

The long-term expected rate of return on plan investments was determined using building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2023, (see the plan's investment policy), are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity Management	
Value Style	6.75%
Growth	6.75%
Small-Mid Cap	
Value	6.75%
Growth	6.75%
International Equity Management	6.75%
Exchange Traded Funds	6.75%
Fixed Income Management	6.75%
Real Estate	6.75%
Commodities	6.75%

Discount Rate – The discount rate is based on the long-term expected rate of return on plan investments that are expected to be used to finance the payments of benefits. The plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the plan assets are expected to be invested using a strategy to achieve that return. 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 to ultimately achieve a 100% funded status.

Due to the size of the plan, there has been no experience studies used to determine plan assumptions.

NOTE G – DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)

Changes in Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balances at 12/31/22	\$ 13,246,368	\$ 10,964,084	\$ 2,282,284
Changes for the Year			
Service Cost	437,563	-	437,563
Interest on Total Pension Liability	907,891	-	907,891
Changes in benefits	89,555	-	89,555
Difference between expected and actual experience	433,790	-	433,790
Changes in assumptions	108,016	-	108,016
Employer Contributions	-	496,416	(496,416)
Employee Contributions	-	88,131	(88,131)
Net investment income (loss)	-	1,762,964	(1,762,964)
Benefit payments, including employee refunds	(467,389)	(467,389)	-
Administrative expense	-	(35,357)	35,357
Other changes	-	-	-
Net Changes	<u>1,509,426</u>	<u>1,844,765</u>	<u>(335,339)</u>
Balances at 12/31/23	\$ <u>14,755,794</u>	\$ <u>12,808,849</u>	\$ <u>1,946,945</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Township, calculated using the discount rate of 6.75%, as well as what the Township's net pension would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net pension (asset) liability	\$ 4,196,493	\$ 1,946,945	\$ 108,441

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended December 31, 2023, the Township recognized pension expense of \$569,799 for the Police Pension Plan. At December 31, 2023, the Township reported deferred outflows and resources and deferred inflows of resources related to the Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ 586,584	\$ -
Differences in assumptions	697,430	-
Differences in experience	-	71,184
	<u>\$ 1,284,014</u>	<u>\$ 71,184</u>

NOTE G – DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (Continued)

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

2024	\$	218,384
2025		348,107
2026		545,213
2027		(95,187)
2028		101,589
Thereafter		94,724
	\$	<u>1,212,830</u>

NOTE H – DEFINED BENEFIT PENSION PLAN (NON-UNIFORM PENSION PLAN)

Summary of Significant Accounting Policies

Method Used to Value Investments – Non-Uniform Pension Plan investments are carried at fair value as reported by the investment managers. Short-term investments are reported at cost, which approximates fair value.

Plan Description

Plan Administration – The Township administers the Non-Uniform Pension Plan – a single-employer defined benefit pension plan that provides pensions for all full-time non-uniform employees hired prior to January 1, 2009.

Management of the plan is vested in the Pension Committee, which consists of five members appointed by the Township Board of Supervisors. The Pension Committee is responsible for managing, investing and monitoring the Township's Non-Uniform Pension Fund.

Plan Membership – At December 31, 2023, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	15
Inactive plan members entitled to but not yet receiving benefits	11
Active plan members	<u>12</u>
	<u>38</u>

Benefits Provided – The plan provides retirement, disability and death benefits. A member is eligible for normal retirement after attainment of age 62 and completion of one year of vesting service. The normal retirement pension is payable monthly during the member's lifetime, with payments continuing after the member's death to the surviving spouse, based upon the annuity option in effect. The amount of monthly pension is equal to 2% of average monthly compensation, multiplied by the number of years of credited service, up to maximum of 25 years. Average compensation is based upon the last 60 months of employment. Employees are eligible for early retirement starting at age 55 with benefits reduced by 6.67% for each year from 60 to 62 and by 3.335% from ages 55 to 60.

The benefit provisions of the plan are established by Township ordinances.

NOTE H – DEFINED BENEFIT PENSION PLAN (NON-UNIFORM PENSION PLAN) (Continued)

Contributions – The Township is required to contribute the amounts necessary to fund the plan using the actuarial basis specified by state statute. The state also provides funds (distribution of foreign casualty insurance premium taxes) to the Township, which are used by the Township in making its regular contributions to the plan.

Pennsylvania Act 205 of 1984 (as amended) requires that annual contributions be based upon the minimum municipal obligation (MMO), which is based on the plan's biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds, which must be used for pension funding. A financial requirement established by the MMO, which exceeds state and member contributions, must be funded by the employer. In accordance with Act 205, the Township was required to contribute \$107,665 to the plan for the year 2023.

Investments

Investment Policy - The plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee by a majority vote of its members. It is the policy of the Pension Committee to pursue an investment strategy that reduces the risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The 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. The following was the Board's adopted asset allocation policy as of December 31, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>
Equity Management	
Value Style	0-25%
Growth	0-25%
Small-Mid Cap	
Value	0-20%
Growth	0-20%
International Equity Management	0-15%
Exchange Traded Funds	0-100%
Fixed Income Management	35-65%
Real Estate	0-5%
Commodities	0-5%

Concentrations – No more than 5% of the Township's investments are invested in any one investment.

Rate of Return – For the year ended December 31, 2023, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 14.52%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE H – DEFINED BENEFIT PENSION PLAN (NON-UNIFORM PENSION PLAN) (Continued)

Net Pension (Asset) Liability of the Township

The components of the net pension (asset) liability of the Township at December 31, 2023, were as follows:

	Non-Uniform Pension Plan
Total Pension Liability	\$ 6,484,294
Plan Fiduciary Net Position	(5,222,580)
Net Pension Liability (Asset)	<u>\$ 1,261,714</u>

Plan fiduciary net position as a percentage of the total pension liability was 80.54%.

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Inflation	3%
Salary increases	4.00%, average, including inflation
Investment rate of return	6.75%
Retirement age	Age 52 with 27 years of service
Mortality	2010 General Employees Mortality Table with MP-2020
Remaining Amortization Period	7 years
Retirement Age	Normal retirement age
Asset Valuation Method	Market Value

Due to the size of the plan, there has been no experience studies used to determine plan assumptions.

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2023 (see the plan's investment policy), are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity Management	
Value Style	6.75%
Growth	6.75%
Small-Mid Cap	
Value	6.75%
Growth	6.75%
International Equity Management	6.75%
Exchange Traded Funds	6.75%
Fixed Income Management	6.75%
Real Estate	6.75%
Commodities	6.75%

NOTE H – DEFINED BENEFIT PENSION PLAN (NON-UNIFORM PENSION PLAN) (Continued)

Discount Rate – The discount rate is based on the long-term expected rate of return on plan investments that expected to be used to finance the payments of benefits. The plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the plan assets are expected to be invested using a strategy to achieve that return. 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 to ultimately achieve a 100% funded status.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at 12/31/22	\$ 5,218,982	\$ 4,539,010	\$ 679,972
Changes for the Year			
Service Cost	104,395	-	104,395
Interest on Total Pension Liability	354,843	-	354,843
Changes in benefits	744,751	-	744,751
Difference between expected and actual experience	(68,939)	-	(68,939)
Changes in assumptions	-	-	-
Employer Contributions	263,156	107,665	155,491
Employee Contributions	-	-	-
Net investment income (loss)	-	727,001	(727,001)
Benefit payments, including employee refunds	(132,894)	(132,894)	-
Administrative expense	-	(18,202)	18,202
Other changes	-	-	-
Net Changes	1,265,312	683,570	581,742
Balances at 12/31/23	\$ 6,484,294	\$ 5,222,580	\$ 1,261,714

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate – The following presents the net pension (asset) liability of the Township, calculated using the discount rate of 6.75%, as well as what the Township's net pension would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Decrease (7.75%)
Net pension (asset) liability	\$ 2,050,566	\$ 1,261,714	\$ 599,531

NOTE H – DEFINED BENEFIT PENSION PLAN (NON-UNIFORM PENSION PLAN) (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended December 31, 2023, the Township recognized pension expense of \$1,019,256 for the Non-Uniform Pension Plan. At December 31, 2023, the Township reported deferred outflows and resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 255,913	\$ -
Differences in assumptions	154,261	-
Differences in experience	-	44,072
	<u>\$ 410,174</u>	<u>\$ 44,072</u>

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

2024	\$ 164,638
2025	109,682
2026	176,198
2027	(84,416)
2028	-
Thereafter	-
	<u>\$ 366,102</u>

NOTE I – OTHER PENSION PLANS

Defined Contribution Plan

The Township also provides a defined contribution plan to any non-uniform employee hired on or after January 1, 2009. Pension expense for the year ended December 31, 2023, was \$152,334.

Deferred Compensation Plan

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The contributions are invested with an outside agent. Participants may borrow on their accounts.

NOTE J – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – POLICE

Plan Description

The Township provides medical, prescription and dental insurance benefits to eligible retired officers and spouses. The benefits, benefits level, employee contribution and employer contribution are administered by the Township Supervisors and can be amended by the Township through its union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a stand-alone financial report. The activity of the plan is reported in the Township's General Fund.

NOTE J – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – POLICE (Continued)

Funding Policy

The Township negotiates the contribution percentage between the Township and employees through a union contract and its personnel policy. The required contribution rates of the employer and the members vary depending on the applicable agreement. The Township currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the plan are paid by the Township.

Employees covered by benefit terms – At December 31, 2023, the following employees were covered by the benefit terms:

Active plan members	26
Retired member	1
	<u>27</u>

Total OPEB Liability

The Township's total OPEB liability of \$3,050,927 was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2023.

Actuarial assumptions and other inputs – The total OPEB liability in the December 31, 2023 actuarial report was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Medical inflation rate	6.5% increase in the first year, decreasing by 0.5% per year to ultimate rate of 5%
Inflation	3.00%
Wage inflation	3.50%
Salary increases	4.75%, average, including inflation
Long-term Investment rate of return	3.26% (12/31/2023 Bond Buyer Municipal Bond Index AA) 3.72% (12/31/2022 Bond Buyer Municipal Bond Index AA) 2.06% (12/31/2021 Bond Buyer Municipal Bond Index AA)
Retirement age	Age 54 and 29 years of service
Turnover Rate	Sarason T-1 Turnover rates
Entry Age	Normal cost method expressed as a percentage of pay

Mortality rates were based on the RP-2000 Mortality Table (Blue Collar) with Scale AA.

Changes in the Total OPEB Liability of the Township

	Total OPEB Liability	Increase (Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balances at 12/31/22	\$ 2,427,483	\$ -	\$ 2,427,483
Changes for the Year			
Service Cost	140,393	-	140,393
Interest on Total Pension Liability	94,896	-	94,896
Changes in benefits	-	-	-
Difference between expected and actual experience	421,967	-	421,967
Changes in assumptions	-	-	-
Employer Contributions	-	33,812	(33,812)
Net investment income	-	-	-
Benefit payments, including employee refunds	(33,812)	(33,812)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net Changes	623,444	-	623,444
Balances at 12/31/23	\$ 3,050,927	\$ -	\$ 3,050,927

NOTE J – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) – POLICE (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate – The following represents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.72%) or 1-percentage point higher (4.72%) than the current discount rate:

	1% Decrease <u>(2.26%)</u>	Current Discount Rate <u>(3.26%)</u>	1% Increase <u>(4.26%)</u>
Total OPEB Liability	\$ 3,343,977	\$ 3,050,927	\$ 2,784,692

Sensitivity of the total OPEB liability to changes in the medical inflation rate – The following represents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease <u></u>	Current Medical Inflation Rate <u></u>	1% Increase <u></u>
Total OPEB Liability	\$ 2,824,704	\$ 3,050,927	\$ 3,305,621

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended December 31, 2023, the Township recognized OPEB expense of \$236,771. At December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Outflows of Resources <u></u>	Inflows of Resources <u></u>
Difference between expected and actual experience	\$ 644,038	\$ 577,090

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

Year Ending <u>December 31,</u>	
2023	\$ 1,482
2024	1,482
2025	1,482
2026	1,482
2027	1,482
Thereafter	59,538
	<u>\$ 66,948</u>

NOTE K – CONTINGENCIES

Contingent Liabilities

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

The Township is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Township's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Township.

NOTE L – RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the Township to purchase commercial insurance for the risks of loss to which it is exposed, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risk have not exceeded commercial insurance coverage in any of the past three years.

NOTE M – SUBSEQUENT EVENTS

The Township's management has evaluated subsequent events to determine if events or transactions occurring through May 30, 2024, the date which the financial statements were available for issuance, require potential adjustment to, or disclosures in, the accompanying financial statements. Based upon the evaluation, the Township's management did not identify any subsequent events that require adjustment or disclosure in the financial statements.

Required Supplementary Information

LIMERICK TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

	Original	Final	Actual	Variance with Final Budget Pos (Neg)
Revenues				
Taxes	\$ 10,156,950	\$ 10,537,950	\$ 10,634,695	\$ 96,745
Fees, Licenses and Permits	1,059,880	1,440,731	1,466,165	25,434
Interests and Rents	156,000	591,000	593,032	2,032
Intergovernmental Revenues	1,158,148	1,259,556	1,263,516	3,960
Fines, Forfeits, and Costs	45,000	46,900	46,387	(513)
Other	56,329	72,100	80,690	8,590
Total Revenues	<u>12,632,307</u>	<u>13,948,237</u>	<u>14,084,485</u>	<u>136,248</u>
Expenditures				
General Government	2,390,763	2,494,952	2,396,424	98,528
Public Safety	8,010,813	7,799,170	7,866,857	(67,687)
Public Works	2,867,300	2,512,816	2,480,075	32,741
Miscellaneous	219,703	231,416	195,269	36,147
Total Expenditures	<u>13,488,579</u>	<u>13,038,354</u>	<u>12,938,625</u>	<u>99,729</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(856,272)</u>	<u>909,883</u>	<u>1,145,860</u>	<u>235,977</u>
Other Financing Sources (Uses)				
Operating Transfers In	1,200,000	-	-	-
Operating Transfers Out	(1,133,465)	(885,319)	(863,727)	21,592
Total Other Financing Sources (Uses)	<u>66,535</u>	<u>(885,319)</u>	<u>(863,727)</u>	<u>21,592</u>
Net Change in Fund Balances	<u>\$ (789,737)</u>	<u>\$ 24,564</u>	<u>282,133</u>	<u>\$ 257,569</u>
Fund Balances - Beginning of Year			<u>8,985,106</u>	
Fund Balances - End of Year			<u>\$ 9,267,239</u>	

See accompanying notes to the budgetary comparison schedule.

LIMERICK TOWNSHIP
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

NOTE A - BUDGET POLICY

The Board of Supervisors annually adopts the budget for the General Fund of the Township. Management may not amend the budget without approval of the governing body. Uncommitted appropriations lapse at year-end. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

NOTE B – EXCESS OF EXPENDITURES OVER APPROPRIATION

The excess Public Safety expenditures (\$67,687) were funded by the Township's available fund balance.

LIMERICK TOWNSHIP
SCHEDULE OF CHANGES IN THE NET POLICE PENSION
PLAN LIABILITY AND RELATED RATIOS
YEAR ENDED DECEMBER 31, 2023

	Police									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 437,563	\$ 424,366	\$ 386,361	\$ 360,492	\$ 373,083	\$ 329,797	\$ 327,521	\$ 246,047	\$ 243,761	\$ 236,746
Interest	907,891	853,444	818,788	758,482	693,317	636,041	524,006	502,435	459,281	408,015
Changes of Benefit Terms	89,555	-	-	-	-	-	-	-	-	-
Differences Between Actual and Expected Experience, if any	433,790	(164,904)	(391,468)	(187,502)	-	-	527,043	-	142,297	-
Assumptions Changes	108,016	-	651,219	-	(116,816)	(87,344)	(77,521)	(77,521)	(77,521)	(67,939)
Benefit Payments, Including Refunds of Employee Contributions	(467,389)	(171,568)	(134,266)	(116,816)	(38,159)	(117,027)	246,892	(7,796)	(213,278)	7,390
Net change in Total Pension Liability	1,509,426	941,338	1,330,634	814,656	911,425	761,467	1,547,941	663,165	554,540	584,212
Total Pension Liability - Beginning	13,246,368	12,305,030	10,974,396	10,159,740	9,248,315	8,486,848	6,938,907	6,275,742	5,721,202	5,136,990
Total Pension Liability - Ending (a)	14,755,794	13,246,368	12,305,030	10,974,396	10,159,740	9,248,315	8,486,848	6,938,907	6,275,742	5,721,202
Plan Fiduciary Net Position										
Contributions - Employer and State Aid	496,416	507,730	601,826	606,688	519,135	487,259	359,685	358,489	345,036	327,874
Contributions - Member	88,131	75,354	68,704	65,970	66,388	63,964	58,478	41,450	23,850	21,729
Contributions - Other	-	-	-	-	-	-	-	-	-	-
Net Investment Income (Loss)	1,762,964	(2,163,782)	1,537,199	1,278,129	1,510,879	(465,745)	903,106	355,286	(12,005)	215,890
Benefit Payments	(467,389)	(171,568)	(134,266)	(116,816)	(116,816)	(87,344)	(77,521)	(77,521)	(77,521)	(67,939)
Administrative Expense	(35,357)	(33,852)	(35,818)	(27,819)	(26,067)	(24,569)	(24,757)	(21,207)	(19,167)	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Position	1,844,765	(1,786,118)	2,037,645	1,806,152	1,953,519	(26,435)	1,218,991	656,497	260,193	497,554
Plan Fiduciary Net Position - Beginning	10,964,084	12,750,202	10,712,557	8,906,405	6,952,886	6,979,321	5,760,330	5,103,833	4,843,640	4,346,086
Plan Fiduciary Net Position - Ending (b)	12,808,849	10,964,084	12,750,202	10,712,557	8,906,405	6,952,886	6,979,321	5,760,330	5,103,833	4,843,640
Net Pension Liability (a) - (b)	\$ 1,946,945	\$ 2,282,284	\$ (445,172)	\$ 261,839	\$ 1,253,335	\$ 2,295,429	\$ 1,507,527	\$ 1,178,577	\$ 1,171,909	\$ 877,562
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.81%	82.77%	103.62%	97.61%	87.66%	75.18%	82.24%	83.01%	81.33%	84.66%
Covered Payroll	\$ 3,452,464	\$ 3,256,004	\$ 3,267,714	\$ 3,340,422	\$ 3,110,791	\$ 3,215,481	\$ 2,867,795	\$ 2,685,827	\$ 2,248,910	\$ 2,259,199
Net Pension Liability as a Percentage of Covered Payroll	56.39%	70.09%	-13.62%	7.84%	40.29%	71.39%	52.57%	43.88%	52.11%	38.84%

LIMERICK TOWNSHIP
SCHEDULE OF POLICE PENSION PLAN CONTRIBUTIONS
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 496,416	\$ 507,730	\$ 601,826	\$ 606,688	\$ 519,135	\$ 487,259	\$ 359,685	\$ 358,489	\$ 345,036	\$ 327,874
Contribution in Relation to the Actuarially Determined Contribution	496,416	507,730	601,826	606,688	519,135	487,259	359,685	358,489	345,036	327,874
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 3,452,464	\$ 3,256,004	\$ 3,267,714	\$ 3,340,422	\$ 3,110,791	\$ 3,215,481	\$ 2,867,795	\$ 2,685,827	\$ 2,248,910	\$ 2,259,199
Contributions as a Percentage of Covered Payroll	14.38%	15.59%	18.42%	18.16%	16.69%	15.15%	12.54%	13.35%	15.34%	14.51%

Notes to Schedule:

Valuation Date:

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

Methods and assumptions used to determine contribution rates:

	1/1/2023	1/1/2021	1/1/2019	1/1/2017	1/1/2015	1/1/2013
Actuarial Valuation Date	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Cost Method	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed
Amortization Method	8 Years	7 Years	13 Years	12 Years	12 Years	12 Years
Amortization Period	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Asset Valuation Method	3%	3%	3%	3%	3%	3%
Inflation	4.50% average annual increase	4.50% average annual increase	4.75% average annual increase	4.75% average annual increase	4.75% average annual increase	4.75% average annual increase
Salary Increases	6.75%	6.75%	7.25%	7.25%	7.75%	7.75%
Investment Rate of Return	Age 52 with 27 years of service	Age 52 with 27 years of service	Age 52 with 27 years of service	Age 52 with 27 years of service	Age 52 with 27 years of service	Age 52 with 27 years of service
Retirement Age	2010 Public Safety Mortality Table	RP-2000 Mortality Table	RP-2000 Mortality Table	RP-2000 Mortality Table	RP-2000 Mortality Table	RP-2000 Mortality Table
Mortality	with MPO-2020	(Blue Collar) Scale with AA	(Blue Collar) Scale with AA	(Blue Collar) Scale with AA	(Blue Collar) Scale with AA	(Blue Collar) Scale with AA

LIMERICK TOWNSHIP**SCHEDULE OF POLICE PENSION PLAN INVESTMENT RETURNS****LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-weighted Rate of Return, Net of Investment Expense	14.53%	-16.44%	14.00%	13.56%	21.19%	-6.69%	15.28%	6.99%	-0.52%	5.82%

LIMERICK TOWNSHIP**SCHEDULE OF CHANGES IN THE NET NON-UNIFORM PENSION****PLAN LIABILITY AND RELATED RATIOS****LAST TEN FISCAL YEARS**

	Non-Uniform									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 104,395	\$ 107,738	\$ 97,000	\$ 94,195	\$ 91,939	\$ 91,111	\$ 92,977	\$ 99,798	\$ 97,018	\$ 98,606
Interest	354,843	336,064	323,918	305,112	288,423	272,056	258,909	257,849	233,848	215,189
Changes of Benefit Terms	744,751	-	-	-	-	-	-	-	-	-
Differences Between Actual and Expected Experience, if any	(68,939)	(32,981)	(43,540)	(27,050)	-	-	163,695	-	68,457	-
Assumptions Changes	263,156	-	243,919	-	(114,683)	(117,780)	(76,423)	(66,276)	(58,150)	(52,750)
Benefit Payments, Including Refunds of Employee Contributions	(132,894)	(125,644)	(116,660)	(114,683)	(37,742)	(22,002)	(235,283)	(35,402)	(30,191)	(30,030)
Net change in Total Pension Liability	1,265,312	285,177	504,637	257,574	227,937	223,385	203,875	255,969	310,982	231,015
Total Pension Liability - Beginning	5,218,982	4,933,805	4,429,168	4,171,594	3,943,657	3,720,272	3,516,397	3,260,428	2,949,446	2,718,431
Total Pension Liability - Ending (a)	6,484,294	5,218,982	4,933,805	4,429,168	4,171,594	3,943,657	3,720,272	3,516,397	3,260,428	2,949,446
Plan Fiduciary Net Position										
Contributions - Employer and State Aid	107,665	113,618	165,941	171,078	143,176	142,413	124,859	135,286	147,141	133,479
Contributions - Member	-	-	-	-	-	-	-	-	-	-
Contributions - Other	-	-	-	-	-	-	-	-	-	-
Net Investment Income	727,001	(932,738)	681,019	580,047	743,340	(231,417)	484,197	200,910	(5,830)	141,082
Benefit Payments	(132,894)	(125,644)	(116,660)	(114,683)	(114,683)	(117,780)	(76,423)	(66,276)	(58,150)	(52,750)
Administrative Expense	(18,202)	(17,464)	(20,940)	(15,628)	(15,264)	(15,025)	(16,640)	(14,417)	(13,070)	(16,536)
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Position	683,570	(962,228)	709,360	620,814	756,569	(221,809)	515,993	255,503	70,091	205,275
Plan Fiduciary Net Position - Beginning	4,539,010	5,501,238	4,791,878	4,171,064	3,414,495	3,636,304	3,120,311	2,864,808	2,794,717	2,589,442
Plan Fiduciary Net Position - Ending (b)	5,222,580	4,539,010	5,501,238	4,791,878	4,171,064	3,414,495	3,636,304	3,120,311	2,864,808	2,794,717
Net Pension Liability (a) - (b)	\$ 1,261,714	\$ 679,972	\$ (567,433)	\$ (362,710)	\$ 530	\$ 529,162	\$ 83,968	\$ 396,086	\$ 395,620	\$ 154,729
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.54%	86.97%	111.50%	108.19%	99.99%	86.58%	97.74%	88.74%	87.87%	94.75%
Covered Payroll	\$ 1,089,493	\$ 1,047,726	\$ 1,163,647	\$ 1,096,377	\$ 1,100,685	\$ 1,127,059	\$ 1,147,860	\$ 1,101,065	\$ 1,363,192	\$ 1,326,883
Net Pension Liability as a Percentage of Covered Payroll	115.81%	64.90%	-48.76%	-33.08%	0.05%	46.95%	7.32%	35.97%	29.02%	11.66%

Notes to schedule

Assumption changes: For the January 1, 2015 valuation, the interest rate was lowered from 8.0% to 7.75%. For the January 1, 2017 valuation, the interest rate used was decreased from 7.75% to 7.25%. For the January 1, 2019 valuation, the interest rate used was increased from 7.25% to 7.75%. For the January 1, 2021 valuation, the interest rate used was decreased from 7.75% to 6.75%.

LIMERICK TOWNSHIP
SCHEDULE OF NON-UNIFORM PENSION PLAN CONTRIBUTIONS
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 107,665	\$ 113,618	\$ 165,941	\$ 171,078	\$ 143,176	\$ 142,413	\$ 124,859	\$ 135,286	\$ 147,141	\$ 133,479
Contribution in Relation to the Actuarially Determined Contribution	107,665	113,618	165,941	171,078	143,176	142,413	124,859	135,286	147,141	133,479
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,089,493	\$ 1,047,726	\$ 1,163,647	\$ 1,096,377	\$ 1,100,685	\$ 1,127,059	\$ 1,147,860	\$ 1,101,065	\$ 1,363,192	\$ 1,326,883
Contributions as a Percentage of Covered Payroll	9.88%	10.84%	14.26%	15.60%	13.01%	12.64%	10.88%	12.29%	10.79%	10.06%

Notes to Schedule:

Valuation Date:

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

Methods and assumptions used to determine contribution rates:

	1/1/2023	1/1/2021	1/1/2019	1/1/2017	1/1/2015	1/1/2013
Actuarial Valuation Date	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Cost Method	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed
Amortization Method	0 Years	0 Years	14 Years	13 Years	13 Years	13 Years
Remaining Amortization Period	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Asset Valuation Method	3%	3%	3%	3%	3%	3%
Inflation	4.00% average annual increase	4.50% average annual increase	4.75% average annual increase	4.75% average annual increase	4.75% average annual increase	4.75% average annual increase
Salary Increases	6.75%	6.75%	7.25%	7.25%	7.75%	7.75%
Investment Rate of Return	Age 52 with 27 years of service	Age 52 with 27 years of service	Age 52 with 27 years of service	Age 52 with 27 years of service	Age 52 with 27 years of service	Age 52 with 27 years of service
Retirement Age	General Employees Mortality Table	RP-2000 Mortality Table	RP-2000 Mortality Table	RP-2000 Mortality Table	RP-2000 Mortality Table	RP-2000 Mortality Table
Mortality	with MP-2020	(Blue Collar) Scale with AA	(Blue Collar) Scale with AA	(Blue Collar) Scale with AA	(Blue Collar) Scale with AA	(Blue Collar) Scale with AA

LIMERICK TOWNSHIP**SCHEDULE OF NON-UNIFORM PENSION PLAN INVESTMENT RETURNS****LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-weighted Rate of Return, Net of Investment Expense	14.52%	-17.27%	14.10%	13.94%	21.20%	-6.78%	15.38%	7.04%	-0.52%	5.58%

LIMERICK TOWNSHIP

**SCHEDULE OF CHANGES IN THE TOTAL OTHER POSTEMPLOYMENT
BENEFIT PLAN LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS**

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 140,393	\$ 138,475	\$ 143,845	\$ 144,604	\$ 109,445	\$ 124,756
Interest	94,896	59,382	53,265	65,680	83,200	68,124
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	421,967	(514,539)	180,183	(89,030)	150,503	(119,919)
Changes of Assumptions	-	-	-	-	-	-
Benefit Payments	(33,812)	-	(3,584)	(6,559)	(14,424)	(3,057)
Net Change in Total OPEB Liability	623,444	(316,682)	373,709	114,695	328,724	69,904
Total OPEB Liability - Beginning	2,427,483	2,744,165	2,370,456	2,255,761	1,927,037	1,857,133
Total OPEB Liability - Ending	<u>\$ 3,050,927</u>	<u>\$ 2,427,483</u>	<u>\$ 2,744,165</u>	<u>\$ 2,370,456</u>	<u>\$ 2,255,761</u>	<u>\$ 1,927,037</u>
Covered Payroll	<u>\$ 3,140,364</u>	<u>\$ 3,417,244</u>	<u>\$ 3,335,575</u>	<u>\$ 3,340,422</u>	<u>\$ 2,748,895</u>	<u>\$ 2,896,398</u>
Total OPEB Liability as a Percentage of Covered Payroll	<u>97.15%</u>	<u>71.04%</u>	<u>82.27%</u>	<u>70.96%</u>	<u>82.06%</u>	<u>66.53%</u>

Supplementary Information Section

LIMERICK TOWNSHIP
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
DECEMBER 31, 2023

		Nonmajor Special Revenue Funds			Total Nonmajor Funds
		Fire Protection Fund	Liquid Fuels Fund	Recreation Fund	
<u>Assets</u>					
Cash and Cash Equivalents		\$ 141,535	\$ 444,723	\$ 61,373	\$ 647,631
Receivables, Taxes and Other		4,060	-	3,336	7,396
Due From Other Funds		140,012	-	-	140,012
Prepaid Expenses		122,628	-	4,021	126,649
Total Assets		<u>\$ 408,235</u>	<u>\$ 444,723</u>	<u>\$ 68,730</u>	<u>\$ 921,688</u>
<u>Liabilities and Fund Balance</u>					
Liabilities					
Accounts Payable and Accrued Expenses		\$ 140,148	\$ -	\$ 68,458	\$ 208,606
Total Liabilities		<u>140,148</u>	<u>-</u>	<u>68,458</u>	<u>208,606</u>
Fund Balances					
Nonspendable		122,628	-	4,021	126,649
Restricted for:					
Road and Street Improvements		-	444,723	-	444,723
Fire Protection		145,459	-	-	145,459
Unassigned (Deficit)		-	-	(3,749)	(3,749)
Total Fund Balances		<u>268,087</u>	<u>444,723</u>	<u>272</u>	<u>713,082</u>
Total Liabilities and Fund Balances		<u>\$ 408,235</u>	<u>\$ 444,723</u>	<u>\$ 68,730</u>	<u>\$ 921,688</u>

LIMERICK TOWNSHIP
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2023**

	Nonmajor Special Revenue Funds			
	Fire Protection Fund	Liquid Fuels Fund	Recreation Fund	Total Nonmajor Funds
Revenues				
Taxes	\$ 667,405	\$ -	\$ 114,427	\$ 781,832
Interest and Rents	15,429	58,481	72,826	146,736
Intergovernmental Revenues	178,973	646,845	-	825,818
Program Revenues	-	-	604,885	604,885
Other	-	602	714	1,316
Total Revenues	<u>861,807</u>	<u>705,928</u>	<u>792,852</u>	<u>2,360,587</u>
Expenditures				
General Government	-	-	862	862
Public Safety	1,441,116	-	-	1,441,116
Public Works	-	1,130,407	-	1,130,407
Culture and Recreation	-	-	1,332,123	1,332,123
Total Expenditures	<u>1,441,116</u>	<u>1,130,407</u>	<u>1,332,985</u>	<u>3,904,508</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(579,309)</u>	<u>(424,479)</u>	<u>(540,133)</u>	<u>(1,543,921)</u>
Other Financing Sources (Uses)				
Transfers In (Out)	504,082	-	540,407	1,044,489
Total Other Financing Sources (Uses)	<u>504,082</u>	<u>-</u>	<u>540,407</u>	<u>1,044,489</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(75,227)</u>	<u>(424,479)</u>	<u>274</u>	<u>(499,432)</u>
Fund Balances - Beginning of Year	<u>343,314</u>	<u>869,202</u>	<u>(2)</u>	<u>1,212,514</u>
Fund Balances - End of Year	<u>\$ 268,087</u>	<u>\$ 444,723</u>	<u>\$ 272</u>	<u>\$ 713,082</u>

LIMERICK TOWNSHIP
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023

	Component Unit - Pension Trust Funds		Total
	Police	Non-Uniformed Employees	
Assets			
Cash, Restricted	\$ 84,952	\$ 70,144	\$ 155,096
Investments, Restricted	12,723,897	5,152,436	17,876,333
Total Assets	<u>\$ 12,808,849</u>	<u>\$ 5,222,580</u>	<u>\$ 18,031,429</u>
Net Position Restricted for Pensions	<u>\$ 12,808,849</u>	<u>\$ 5,222,580</u>	<u>\$ 18,031,429</u>

LIMERICK TOWNSHIP
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED DECEMBER 31, 2023**

	Component Unit - Pension Trust Funds		Total
	Police	Non-Uniformed Employees	
Additions			
Contributions:			
Employer	\$ 181,710	\$ 37,730	\$ 219,440
Employees	88,131	-	88,131
State Allocation	314,706	69,935	384,641
Total Contributions	<u>584,547</u>	<u>107,665</u>	<u>692,212</u>
Investment Earnings			
Net Appreciation in Fair Value of Investments	1,762,964	727,002	2,489,966
Total Investment Earnings	1,762,964	727,002	2,489,966
Less Investment Expense	(35,357)	(18,202)	(53,559)
Net Investment Earnings	<u>1,727,607</u>	<u>708,800</u>	<u>2,436,407</u>
Total Additions	<u>2,312,154</u>	<u>816,465</u>	<u>3,128,619</u>
Deductions			
Benefits	<u>467,389</u>	<u>132,895</u>	<u>600,284</u>
Total Deductions	<u>467,389</u>	<u>132,895</u>	<u>600,284</u>
Changes in Net Position	1,844,765	683,570	2,528,335
Net Position - Beginning of Year	<u>10,964,084</u>	<u>4,539,010</u>	<u>15,503,094</u>
Net Position - End of Year	<u>\$ 12,808,849</u>	<u>\$ 5,222,580</u>	<u>\$ 18,031,429</u>