

**MILLCREEK TOWNSHIP**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

MILLCREEK TOWNSHIP  
FINANCIAL STATEMENTS  
DECEMBER 31, 2021

| <u>TABLE OF CONTENTS</u>   | <u>PAGE NO.</u> |
|--|-----------------|
| Independent Auditors' Report   | 1 – 3           |
| Statement of Net Position – Modified Cash Basis  | 4               |
| Statement of Activities – Modified Cash Basis  | 5 – 6           |
| Balance Sheet – Modified Cash Basis – Governmental Funds   | 7               |
| Reconciliation of the Governmental Funds Balance Sheet to the<br>Statement of Net Position   | 8               |
| Statement of Revenues, Expenditures and Changes in Fund<br>Balances – Modified Cash Basis – Governmental Funds                       | 9 – 10          |
| Reconciliation of the Changes in Fund Balances of Governmental<br>Funds to the Statement of Activities                               | 11              |
| Statement of Net Position – Fiduciary Funds  | 12              |
| Statement of Changes in Net Position – Fiduciary Funds   | 13              |
| Notes to Financial Statements  | 14 – 30         |
| <b>REQUIRED SUPPLEMENTAL INFORMATION</b>   |                 |
| Combined Statement of Revenues, Expenditures and Changes in Fund<br>Balances – Modified Cash Basis – Budget and Actual – Major Funds | 31 – 32         |
| Schedule of Employer Contributions – Non-Uniformed and Police Pension Plans  | 33              |
| Schedule of Changes in the Net Pension Liability and Related Ratios –<br>Police Pension Plan and Non-Uniformed Plan                  | 34 – 37         |
| <b>SUPPLEMENTAL INFORMATION</b>  |                 |
| Combining Balance Sheet – Modified Cash Basis – Non-Major<br>Governmental Funds  | 38              |
| Combining Statement of Revenues, Expenditures and Changes<br>in Fund Balances – Modified Cash Basis – Non-Major Governmental Funds   | 39              |



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## INDEPENDENT AUDITORS' REPORT

Board of Supervisors  
Millcreek Township  
Newmanstown, Pennsylvania

### *Opinions*

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Millcreek Township, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Millcreek Township, as of December 31, 2021, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in conformity with the basis of accounting described in Note 1.

### *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 Millcreek 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.

### *Emphasis of Matter – Basis of Accounting*

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### *Emphasis of Matter*

As discussed in Note 1, the financial statements referred to above include only the primary government of Millcreek Township, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the Township's legal entity. These primary government financial statements do not include financial data for the Township's legally separate component unit which is required to be reported with the financial data of the Township's primary government. As a result, the primary government financial statements do not purport to, and do not present fairly the modified cash basis financial position of the reporting entity of the Township, as of December 31, 2021, the changes in its modified cash basis financial position or, where applicable, its cash flows thereof for the year then ended in accordance with the modified cash basis of accounting. Our opinions are not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***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 Millcreek 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 Millcreek 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.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require the inclusion of the budgetary comparison information and historical pension information on pages 31 – 37. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Millcreek Township’s basic financial statements. The combining non-major fund financial statements, which are the responsibility of management are derived from and relate directly to the underlying accounting and other records used to prepare the financial statements, are presented for additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Other Information***

Millcreek Township has not presented management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

***Garcia Garman & Shea, PC***

Lebanon, Pennsylvania  
August 29, 2022

MILLCREEK TOWNSHIP  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
DECEMBER 31, 2021

ASSETS

CURRENT ASSETS

|                           |              |
|---------------------------|--------------|
| Cash and cash equivalents | \$ 1,372,222 |
| Total current assets      | 1,372,222    |

NON-CURRENT ASSETS

|  |              |
|--|--------------|
| Capital assets                                     |              |
| Depreciable buildings, property and equipment, net | 597,037      |
| Total assets                                       | \$ 1,969,259 |

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

|  |        |
|--|--------|
| Payroll taxes and other withholdings     | 983    |
| Escrow payable                           | 4,306  |
| Current portion of long-term obligations |        |
| Notes                                    | 75,422 |
| Total current liabilities                | 80,711 |

NON-CURRENT LIABILITIES

|  |         |
|--|---------|
| Non-current portion of long-term obligations |         |
| Notes  | 42,600  |
| Total liabilities                            | 123,311 |

NET POSITION

|   |              |
|---|--------------|
| Invested in capital assets, net of related debt | 479,015      |
| Restricted net position                         |              |
| Street Light                                    | 85,622       |
| Hydrant   | 8,011        |
| Highway Aid                                     | 176,133      |
| Parks and Recreation                            | 5,000        |
| Unrestricted net position                       | 1,092,167    |
| Total net position                              | 1,845,948    |
| Total liabilities and net position              | \$ 1,969,259 |

See accompanying notes to the financial statements.

MILLCREEK TOWNSHIP  
 STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

| Functions/Programs              | Expenses            | Program Revenues     |                                    |                                  |
|---------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|
|                                 |                     | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government              |                     |                      |                                    |                                  |
| Governmental activities         |                     |                      |                                    |                                  |
| General government              | \$ 204,300          | \$ 1,258             | \$ 44,630                          | \$ -                             |
| Public safety                   | 306,149             | 8,255                | 23,401                             | -                                |
| Public works                    | 570,391             | -                    | 227,829                            | -                                |
| Culture and recreation          | 22,736              | 1,250                | 5,000                              | -                                |
| Community development           | 750                 | -                    | -                                  | -                                |
| Insurance                       | 23,966              | -                    | -                                  | -                                |
| Employee benefits               | 267,328             | -                    | -                                  | -                                |
| Interest on long-term debt      | 7,279               | -                    | -                                  | -                                |
| <b>Total primary government</b> | <b>\$ 1,402,899</b> | <b>\$ 10,763</b>     | <b>\$ 300,860</b>                  | <b>\$ -</b>                      |

General revenues

Taxes

Property taxes, levied for general purpose

Earned income taxes, levied for general purpose

Other enabling taxes, levied for general purpose

Franchise taxes

Public service taxes

Investment earnings

American Rescue Plan Act funds

Miscellaneous

Gain (loss) on disposal of capital assets

Total general revenues, special items, and transfers

Change in net position

Net position, beginning

Net position, ending

See accompanying notes to the financial statements.

Net (Expense) Revenue and  
Changes in Net Position  
Primary Government

---

|    | Governmental<br>Activities |    | Total       |
|----|----------------------------|----|-------------|
| \$ | (158,412)                  | \$ | (158,412)   |
|    | (274,493)                  |    | (274,493)   |
|    | (342,562)                  |    | (342,562)   |
|    | (16,486)                   |    | (16,486)    |
|    | (750)                      |    | (750)       |
|    | (23,966)                   |    | (23,966)    |
|    | (267,328)                  |    | (267,328)   |
|    | (7,279)                    |    | (7,279)     |
|    | (1,091,276)                |    | (1,091,276) |
|    | 407,062                    |    | 407,062     |
|    | 548,839                    |    | 548,839     |
|    | 164,749                    |    | 164,749     |
|    | 57,141                     |    | 57,141      |
|    | 56,459                     |    | 56,459      |
|    | 205                        |    | 205         |
|    | 219,177                    |    | 219,177     |
|    | 6,545                      |    | 6,545       |
|    | 1,350                      |    | 1,350       |
|    | 1,461,527                  |    | 1,461,527   |
|    | 370,251                    |    | 370,251     |
|    | 1,475,697                  |    | 1,475,697   |
| \$ | 1,845,948                  | \$ | 1,845,948   |

See accompanying notes to the financial statements.



MILLCREEK TOWNSHIP  
BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

|  | General             | Highway Aid       | Street Light     | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|-------------------|------------------|--------------------------------|--------------------------------|
| <u>ASSETS</u>                                  |                     |                   |                  |                                |                                |
| <b>CURRENT ASSETS</b>                          |                     |                   |                  |                                |                                |
| Cash and cash equivalents                      | \$ 1,014,666        | \$ 176,095        | \$ 85,984        | \$ 95,476                      | \$ 1,372,221                   |
| Due from other funds                           | 434                 | 38                | 12               | -                              | 484                            |
| <b>Total current assets</b>                    | <b>\$ 1,015,100</b> | <b>\$ 176,133</b> | <b>\$ 85,996</b> | <b>\$ 95,476</b>               | <b>\$ 1,372,705</b>            |
| <u>LIABILITIES AND FUND BALANCES</u>           |                     |                   |                  |                                |                                |
| <b>LIABILITIES</b>                             |                     |                   |                  |                                |                                |
| Due to other funds                             | \$ 38               | \$ -              | \$ 374           | \$ 72                          | \$ 484                         |
| Escrow payable                                 | 4,306               | -                 | -                | -                              | 4,306                          |
| Payroll taxes and other<br>withheld            | 983                 | -                 | -                | -                              | 983                            |
| <b>Total liabilities</b>                       | <b>5,327</b>        | <b>-</b>          | <b>374</b>       | <b>72</b>                      | <b>5,773</b>                   |
| <b>FUND BALANCES</b>                           |                     |                   |                  |                                |                                |
| Restricted                                     |                     |                   |                  |                                |                                |
| Highway Aid                                    | -                   | 176,133           | -                | -                              | 176,133                        |
| Street Light                                   | -                   | -                 | 85,622           | -                              | 85,622                         |
| Hydrant  | -                   | -                 | -                | 8,011                          | 8,011                          |
| Parks and Recreation                           | 5,000               | -                 | -                | -                              | 5,000                          |
| Committed                                      | -                   | -                 | -                | 87,393                         | 87,393                         |
| Unassigned                                     | 1,004,773           | -                 | -                | -                              | 1,004,773                      |
| <b>Total fund balances</b>                     | <b>1,009,773</b>    | <b>176,133</b>    | <b>85,622</b>    | <b>95,404</b>                  | <b>1,366,932</b>               |
| <b>Total liabilities and fund<br/>balances</b> | <b>\$ 1,015,100</b> | <b>\$ 176,133</b> | <b>\$ 85,996</b> | <b>\$ 95,476</b>               | <b>\$ 1,372,705</b>            |

See accompanying notes to financial statements.

MILLCREEK TOWNSHIP  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2021

|                                  |  |              |
|----------------------------------|--|--------------|
| Governmental funds balance total |  | \$ 1,366,932 |
|----------------------------------|--|--------------|

Governmental funds do not include capital assets and accumulated depreciation; however, they are included in the government-wide statement of net position:

|                          |                    |         |
|--------------------------|--------------------|---------|
| Capital assets           | \$ 1,952,377       |         |
| Accumulated depreciation | <u>(1,355,340)</u> |         |
|                          |                    | 597,037 |

|  |  |                  |
|--|--|------------------|
| Governmental funds do not include long-term debt; however, it is included in the government-wide statement of net position |  | <u>(118,021)</u> |
|--|--|------------------|

|              |  |                            |
|--------------|--|----------------------------|
| Net position |  | <u><u>\$ 1,845,948</u></u> |
|--------------|--|----------------------------|

See accompanying notes to financial statements.

MILLCREEK TOWNSHIP  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

|   | General          | Highway Aid    | Street Light  | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|------------------|----------------|---------------|--------------------------------|--------------------------------|
| <b>REVENUES</b>   |                  |                |               |                                |                                |
| Taxes   | \$ 1,120,650     | \$ -           | \$ 48,012     | \$ 8,447                       | \$ 1,177,109                   |
| Licenses and permits                                    | 57,141           | -              | -             | -                              | 57,141                         |
| Fines   | 8,255            | -              | -             | -                              | 8,255                          |
| Interest and rents                                      | 134              | 48             | 14            | 9                              | 205                            |
| Grants and gifts  | 117,391          | 183,469        | -             | -                              | 300,860                        |
| American Rescue Plan funds                              | 219,177          | -              | -             | -                              | 219,177                        |
| Other revenue   | 2,508            | -              | -             | -                              | 2,508                          |
| Other financing sources                                 | 7,896            | -              | -             | -                              | 7,896                          |
| <b>Total revenues</b>                                   | <b>1,533,152</b> | <b>183,517</b> | <b>48,026</b> | <b>8,456</b>                   | <b>1,773,151</b>               |
| <b>EXPENDITURES</b>                                     |                  |                |               |                                |                                |
| Administration  | 137,593          | -              | -             | -                              | 137,593                        |
| Tax collection  | 17,752           | -              | 1,472         | 259                            | 19,483                         |
| Municipal buildings                                     | 28,569           | -              | -             | -                              | 28,569                         |
| Protection to persons and<br>property                   | 292,515          | -              | -             | 8,483                          | 300,998                        |
| Highways and streets                                    | 241,819          | 238,429        | -             | -                              | 480,248                        |
| Library contribution                                    | 750              | -              | -             | -                              | 750                            |
| Employee payroll taxes and<br>benefits                  | 267,328          | -              | -             | -                              | 267,328                        |
| Insurance   | 23,966           | -              | -             | -                              | 23,966                         |
| Street lighting   | -                | -              | 43,825        | -                              | 43,825                         |
| Parks and recreation                                    | 23,141           | -              | -             | -                              | 23,141                         |
| Debt service  |                  |                |               |                                |                                |
| Principal   | 43,778           | 19,012         | -             | -                              | 62,790                         |
| Interest  | 5,902            | 1,377          | -             | -                              | 7,279                          |
| <b>Total expenditures</b>                               | <b>1,083,113</b> | <b>258,818</b> | <b>45,297</b> | <b>8,742</b>                   | <b>1,395,970</b>               |
| Excess (deficiency) of<br>revenues over<br>expenditures | 450,039          | (75,301)       | 2,729         | (286)                          | 377,181                        |

See accompanying notes to financial statements.

MILLCREEK TOWNSHIP  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS *(continued)*  
FOR THE YEAR ENDED DECEMBER 31, 2021

|                                | General             | Highway Aid       | Street Light     | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------|---------------------|-------------------|------------------|--------------------------------|--------------------------------|
| Transfers in                   | -                   | -                 | -                | 23,500                         | 23,500                         |
| Transfers (out)                | (23,500)            | -                 | -                | -                              | (23,500)                       |
| Net change in fund<br>balances | 426,539             | (75,301)          | 2,729            | 23,214                         | 377,181                        |
| Fund balances, beginning       | 583,234             | 251,434           | 82,893           | 72,190                         | 989,751                        |
| Fund balances, ending          | <u>\$ 1,009,773</u> | <u>\$ 176,133</u> | <u>\$ 85,622</u> | <u>\$ 95,404</u>               | <u>\$ 1,366,932</u>            |

See accompanying notes to financial statements.

MILLCREEK TOWNSHIP  
RECONCILIATION OF THE CHANGES IN FUND BALANCES OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES  
DECEMBER 31, 2021

Net change in fund balances, governmental funds \$ 377,181

Governmental fund statements include capital acquisitions as expenditures whereas on the government-wide statements they are included in capital assets on the statement of net position and depreciation is included as an expense:

|                                  |    |                 |          |
|----------------------------------|----|-----------------|----------|
| Asset purchases (less financing) | \$ | 1,540           |          |
| Depreciation expense             |    | <u>(71,262)</u> | (69,722) |

In the governmental fund statements, the incurrence of debt is considered a financing source and the payment of debt principal as an expenditure whereas on the government-wide statements they are considered as additions and reductions of liabilities, respectively:

|                    |  |               |  |
|--------------------|--|---------------|--|
| Principal payments |  | <u>62,792</u> |  |
|--------------------|--|---------------|--|

|   |    |                       |  |
|---|----|-----------------------|--|
| Change in net position, statement of activities | \$ | <u><u>370,251</u></u> |  |
|---|----|-----------------------|--|

See accompanying notes to financial statements.

MILLCREEK TOWNSHIP  
 STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

|   | Police<br>Pension Fund | Non-Uniformed<br>Pension Fund | Total Fiduciary<br>Funds |
|---|------------------------|-------------------------------|--------------------------|
| <b>ASSETS</b>                                   |                        |                               |                          |
| Investments at fair value with PMRS             | \$ 862,726             | \$ 543,185                    | \$ 1,405,911             |
| <b>NET POSITION</b>                             |                        |                               |                          |
| Net position held in trust for pension benefits | \$ 862,726             | \$ 543,185                    | \$ 1,405,911             |

See accompanying notes to financial statements.

MILLCREEK TOWNSHIP  
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

|                                    | Police<br>Pension Fund | Non-Uniformed<br>Pension Fund | Total Fiduciary<br>Funds |
|------------------------------------|------------------------|-------------------------------|--------------------------|
| <b>ADDITIONS</b>                   |                        |                               |                          |
| Contributions                      |                        |                               |                          |
| Employer                           | \$ 35,672              | \$ 8,582                      | \$ 44,254                |
| Commonwealth                       | 60                     | -                             | 60                       |
| Member                             | -                      | 1,717                         | 1,717                    |
| Investment income (loss), interest | 105,615                | 93,880                        | 199,495                  |
| <br>Total additions                | <br>141,347            | <br>104,179                   | <br>245,526              |
| <b>DEDUCTIONS</b>                  |                        |                               |                          |
| Administrative expenses            | 1,629                  | 1,167                         | 2,796                    |
| Benefit payments                   | -                      | 19,655                        | 19,655                   |
| <br>Total deductions               | <br>1,629              | <br>20,822                    | <br>22,451               |
| <br>Net increase                   | <br>139,718            | <br>83,357                    | <br>223,075              |
| <br>Net position, beginning        | <br>723,008            | <br>459,828                   | <br>1,182,836            |
| <br>Net position, ending           | <br>\$ 862,726         | <br>\$ 543,185                | <br>\$ 1,405,911         |

See accompanying notes to financial statements.

MILLCREEK TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Millcreek Township conform to the modified cash basis of accounting. The following summary of significant accounting policies of Millcreek Township is presented to assist in understanding the Township's financial statements. The financial statements and notes are representations of the Township's management who is responsible for their integrity and objectivity.

Reporting Entity

The combined financial statements of the Township include all funds, functions and activities to which the Board of Supervisors has oversight responsibility. The criteria for such oversight responsibility are financial interdependency, selection of governing authority, designation of management, significant influence on operations and accountability for fiscal matters.

Newmanstown Water Authority and Millcreek-Richland Joint Authority are considered component units of Millcreek Township. Their financial statements are on file at the Township office.

Fund Accounting

The Township of Millcreek uses funds to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The operation of each fund is accounted for within a set of self-balancing accounts.

The Township's governmental funds are grouped as follows:

Major Governmental Funds

- 1) General Fund is the general operating fund of the Township. It is utilized to account for all revenues and expenditures except those required to be accounted for in another fund.
- 2) Highway Aid Fund is a Special Revenue Fund used to account for revenues and expenditures related to street repair and maintenance.
- 3) Street Light Fund is a Special Revenue Fund used to account for revenues and expenditures related to street lighting and maintenance.

Non-Major Governmental Funds

- 1) Hydrant Fund is a Special Revenue Fund used to account for revenues and expenditures related to street hydrants and maintenance.
- 2) Capital Projects Fund is used to account for revenues and expenditures related to the construction of or acquisition of equipment or construction projects.



MILLCREEK TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by the Township as a trustee or agent for other funds or governmental entities.

- Uniformed Pension Fund – This fund accounts for the activities of the uniformed pension plan, which accumulates resources for pension benefits payments to qualified employees.
- Non-Uniformed Pension Fund – This fund accounts for the activities of the non-uniformed pension plan, which accumulates resources for pension benefits payments to qualified employees.

*Government-wide Financial Statements*

The Statement of Net Position and the Statement of Activities display information about the Township as a whole. These statements include the financial activities of the primary government. The government-wide statements account for capital assets, accumulated depreciation and long-term debt on the Statement of Financial Position and depreciation in the Statement of Activities. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between government-wide statements and the statements for governmental funds.

The government-wide Statement of Activities presents a comparison between direct expense and program revenues for each function or program of the governmental activities of the Township. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements for a particular program. All taxes and revenues not classified as program revenues are presented as general revenues of the Township.

*Fund Financial Statements*

Fund financial statements report detailed information about the Township. Their focus is on major funds rather than reporting by fund type. Each major governmental fund is presented in a separate column, and all non-major funds are aggregated into one column.

Basis of Accounting

The Township uses a modified cash accounting system for the General Fund. Modifications in such method from the accrual basis follow:

- Revenues are recorded as collected or received.
- Expenditures are recorded as cash is disbursed, not when incurred. Prepaid expenses are not recorded; they are considered an expense of the period in which they are paid.

MILLCREEK TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Capital Assets and Depreciation

General fixed assets are recorded as expenditures in the respective fund at time of purchase. Purchased buildings, vehicles and assets are listed at cost. In the government-wide statements, all reported capital assets, except land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

| <u>Description</u>        | <u>Useful Life</u> |
|---------------------------|--------------------|
| Land                      | Not depreciated    |
| Land improvements         | 30 years           |
| Building and improvements | 12 to 40 years     |
| Furniture and equipment   | 5 to 20 years      |
| Vehicles                  | 8 to 20 years      |
| Infrastructure            | 10 to 50 years     |

The cost of building and maintaining infrastructure assets, roads, bridges, sidewalks and similar assets, is recorded as an expenditure in the respective fund at the time of acquisition. Infrastructure assets are required to be capitalized prospectively. The threshold for capitalization of infrastructure is established at \$55,000. The threshold for capitalization of other long-lived assets is \$500. Activity related to capital assets for the year ended December 31, 2021 was as follows:

|                                | Balance<br>12/31/2020 | Additions | Retirements | Balance<br>12/31/2021 |
|--------------------------------|-----------------------|-----------|-------------|-----------------------|
| Governmental activities        |                       |           |             |                       |
| Land                           | \$ 79,025             | \$ -      | \$ -        | \$ 79,025             |
| Land improvements              | 52,777                | -         | -           | 52,777                |
| Furniture and equipment        | 503,248               | 92,180    | -           | 595,428               |
| Automotive equipment           | 635,374               | -         | (31,996)    | 603,378               |
| Buildings                      | 203,286               | -         | -           | 203,286               |
| Infrastructure                 | 418,483               | -         | -           | 418,483               |
|                                | 1,892,193             | 92,180    | (31,996)    | 1,952,377             |
| Total cost                     |                       |           |             |                       |
| Less accumulated depreciation  |                       |           |             |                       |
| Land improvements              | 42,809                | 779       | -           | 43,588                |
| Furniture and equipment        | 319,048               | 32,093    | -           | 351,141               |
| Automotive equipment           | 499,888               | 12,072    | (31,996)    | 479,964               |
| Buildings                      | 117,687               | 5,010     | -           | 122,697               |
| Infrastructure                 | 336,642               | 21,308    | -           | 357,950               |
|                                | 1,316,074             | 71,262    | (31,996)    | 1,355,340             |
| Total accumulated depreciation |                       |           |             |                       |
| Capital assets, net            | \$ 576,119            | \$ 20,918 | \$ -        | \$ 597,037            |

MILLCREEK TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Depreciation expense was charged to governmental functions as follows:

|            |    |               |
|------------|----|---------------|
| Recreation | \$ | 1,136         |
| Police     |    | 5,151         |
| Highway    |    | 46,318        |
| General    |    | 18,657        |
|            |    | <hr/>         |
| Total      | \$ | <u>71,262</u> |

Interfund Activity

Transfers between governmental and business-type activities on government-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

Cash and Cash Equivalents

The Township considers cash equivalents as short-term, highly liquid investments that are readily convertible to known amounts of cash that mature within three months or less.

Restricted Resources

The Township utilizes restricted resources first on those occasions where both restricted and unrestricted resources are available for the same purpose.

Pension Plans

The Township has two pension plans that cover police and non-uniform employees.

Government-wide Net Position

Government-wide net position is divided into three components:

- Net investment in capital assets – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position – consist of assets that are restricted by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted – all other net position is reported in this category.

MILLCREEK TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Budgets

Under GASB No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. Prior to the beginning of each fiscal year, an annual budget is adopted for the governmental funds. No budget revisions were made between the original and final budget during the year. Appropriations lapse at the end of the year.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

The Township is permitted to invest funds consistent with sound business practices in the following types of investments:

- 1) Obligations of (a) the United States of America, (b) the Commonwealth of Pennsylvania, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of their agencies or instrumentalities backed respectively by their full faith and credit.
- 2) Deposits in savings, time deposit or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.

The deposit and investment policy of the Township adheres to state statutes and prudent business practice. There were no deposit or investment transactions during the year that were in violation of either the state statutes or Township policy.

At year end, the carrying amount of the Township's cash and deposits in all fund types was \$1,153,034 and the bank balance was \$1,167,229 of which \$250,000 was fully insured and \$825,347 was collateralized by securities held by the pledging financial institutions' trust department or agent but not in the Township's name. When collateral is required in excess of insurance limits, the requirements of Act 72 of 1971 are followed with respect to pooling, custody and type of collateral. The remaining \$91,882 was with the Pennsylvania Local Government Investment Trust (PLGIT) and not categorized as discussed below.

Investments in PLGIT were not categorized because they are not evidenced by securities that exist in physical or book entry form. This fund invests in U.S. Treasury and agency securities and repurchase agreements secured by such obligations, as well as certain municipal obligations and collateralized or insured certificates of deposit. Weighted-average portfolio maturity for the fund is expected to be kept at or below 60 days. As of December 31, 2021, the Township's investment in PLGIT was rated AAAM by Standard & Poor's.

The Township places no limit on the amounts invested in any one issuer. The Township's deposits in Fulton Bank represented 92.1% of the Township's total investments.

MILLCREEK TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 2 – DEPOSITS AND INVESTMENTS** *(continued)*

The Weighted average maturity (WAM) method expresses investment time horizons, the time when investments become due and payable, in years or months, weighted to reflect the dollar size of individual investments within an investment type. The WAM for investments held by PLGIT was under 60 days as of December 31, 2021.

The Township does not have a formal investment policy that limits investment maturities as a means of managing changing interest rates, addresses custodial credit risk, concentration of credit risk, or foreign currency risk.

**NOTE 3 – PROPERTY TAXES**

Based upon assessed valuations provided by the county, the tax collector bills and collects taxes on behalf of the Township. The schedule for property taxes levied for 2021 is as follows:

|                     |                        |
|---------------------|------------------------|
| Tax levy date       | March 1, 2021          |
| 2% discount period  | Through April 30, 2021 |
| Face payment period | Through June 30, 2021  |
| 10% penalty period  | Beginning July 1, 2021 |
| Lien filing date    | January 1, 2022        |

The Township tax rate in 2021 was 1.33 (\$1.33 per \$1,000 assessed value).

**NOTE 4 – LONG-TERM DEBT**

- (A) On March 29, 2017, the Board of Supervisors entered into a capital lease agreement to John Deere Financial requiring annual payments of \$20,389, commencing March 31, 2017 and continuing through March 31, 2022. The purpose of the lease was to purchase a 710L loader backhoe.
- (B) On June 1, 2017, the Board of Supervisors entered into a loan obligation to Daimler Truck Financial in the amount of \$148,673, requiring annual payments of \$27,324 with interest of 4.086% through June 1, 2022. The purpose of the loan was to purchase a 2018 Freightliner truck.
- (C) On May 15, 2021, the Board of Supervisors entered into a loan obligation to Kubota Credit Corporation in the amount of \$90,640, requiring monthly payments of \$2,795 with interest of 6.90% through April 15, 2024. The purpose of the loan was to purchase a 2021 track loader.

Changes to long-term debt are as follows:

|                       | Balance<br>12/31/2020 | Additions | Retirements | Balance<br>12/31/2021 | Amounts Due in<br>One Year |
|-----------------------|-----------------------|-----------|-------------|-----------------------|----------------------------|
| Equipment Lease - (A) | \$ 38,702             | \$ -      | \$ (19,012) | \$ 19,690             | \$ 19,690                  |
| Equipment Loan - (B)  | 51,472                | -         | (25,221)    | 26,251                | 26,251                     |
| Equipment Lease - (C) | -                     | 90,640    | (18,559)    | 72,081                | 29,481                     |
|                       | \$ 90,174             | \$ 90,640 | \$ (62,792) | \$ 118,022            | \$ 75,422                  |

MILLCREEK TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 4 – LONG-TERM DEBT** *(continued)*

The following is a schedule of the required Debt Service for the next five years:

| Loan             | 2022             | 2023             | 2024             | 2025        | 2026        | Total             |
|------------------|------------------|------------------|------------------|-------------|-------------|-------------------|
| <b>Principal</b> |                  |                  |                  |             |             |                   |
| (A)              | \$ 19,690        | \$ -             | \$ -             | \$ -        | \$ -        | \$ 19,690         |
| (B)              | 26,251           | -                | -                | -           | -           | 26,251            |
| (C)              | 29,481           | 31,581           | 11,018           | -           | -           | 72,080            |
| <b>Interest</b>  |                  |                  |                  |             |             |                   |
| (A)              | 700              | -                | -                | -           | -           | 700               |
| (B)              | 1,073            | -                | -                | -           | -           | 1,073             |
| (C)              | 4,053            | 1,953            | 159              | -           | -           | 6,165             |
| <b>Total</b>     | <b>\$ 81,248</b> | <b>\$ 33,534</b> | <b>\$ 11,177</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 125,959</b> |

Long-term debt is liquidated from the General Fund.

**NOTE 5 – FUND BALANCE**

The Township reports fund balance under GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the Township's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

*Nonspendable fund* balance – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

*Restricted fund* balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Committed fund* balance – amounts constrained to specific purposes by the Township itself, using its highest level of decision-making authority (the Board of Supervisors). To be reported as committed, amounts cannot be used for any other purpose unless the Township takes the same highest level action to remove or change the constraint.

*Assigned fund* balance – amounts the Township intends to use for a specific purpose. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board of Supervisors delegates the authority.

*Unassigned fund* balance – amounts available for any purpose. Positive amounts are reported only in the General Fund.

MILLCREEK TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 5 – FUND BALANCE** *(continued)*

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purposes (such as the purchase of fixed assets, construction, debt service, or for other purposes).

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.

At December 31, 2021, the Township had \$87,393 committed to future capital projects.

**NOTE 6 – PENSION PLANS**

The Township maintains two defined benefit pension plans. The Police Pension Plan covers all of its full-time police officers. The Non-Uniformed Pension Plan, covers all of the Township's general full-time employees. The assets of the plans are not commingled. Plan provisions are established by municipal ordinance with the authority for municipal contributions required by Act 205 of the Commonwealth (the Act).

Basis of Accounting

The plans' financial statements are prepared on the accrual basis of accounting. Contributions to the plans are recognized when due as required by the Act. Benefits are recognized when due and payable in accordance with the terms of the individual plans.

Method used to Value Investments

Investments are reported at fair value. All of the Plans' assets are held in trust with PMRS and are pooled for investment purposes and, therefore, do not represent specific identifiable investment securities. Disclosures required by Governmental Accounting Standards Board for aggregate PMRS investments are included in PMRS' separately issued ACFR.

Funding Standards and State Aid

The Township is required to make annual contributions to the plan pursuant to Act 205, which specifies minimum funding standards for municipal pension plans in the Commonwealth. Act 205 requires the Township to budget and contribute to the plan the minimum municipal obligation, which includes both the normal cost of the plan and an amortization contribution sufficient to amortize unfunded liabilities by target dates established under the Act.

Act 205 also establishes a general municipal pension system state aid program, financed by a tax on the premiums of casualty and fire insurance policies sold in the Commonwealth. The Township is eligible for this aid for each of its pension plans; however, the ultimate obligation to contribute the minimum municipal obligation to the plans is the Township's.

MILLCREEK TOWNSHIP  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

**NOTE 6 – PENSION PLANS** *(continued)*

Plan Membership

Membership of each plan consisted of the following at January 1, 2021, the date of the latest actuarial valuations:

|  | Non-Uniformed | Police Pension |
|--|---------------|----------------|
| Active plan members  | 3             | 2              |
| Retiree beneficiaries currently receiving benefits                         | 3             | -              |
| Terminated plan members entitled to benefits<br>but not yet receiving them | -             | 1              |
|  | 6             | 3              |
| Total  | 6             | 3              |

Plan Administration

The plans are governed by Township Supervisors which may amend plan provisions, subject to collective bargaining and to Act 600, *the Municipal Police Pension Law* and Act 205, *the Municipal Pension Plan Funding Standard and Recovery Act*, for the Uniformed and Non-Uniformed plans respectively. The Plans participate in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Annual Comprehensive Financial Report (ACFR). A copy of the ACFR can be obtained by contacting the PMRS accounting office; P.O. Box 1165, Harrisburg, PA 17108-1165.

Benefits Provided

The Police Plan covers all full-time members of the police force upon employment, and provides retirement, disability, and death benefits to plan members and their beneficiaries.

Members are eligible for normal retirement upon attaining age 55 and 12 years of vesting service. The normal retirement benefit is calculated by multiplying the member’s final salary by all years of credited service and multiplying by the benefit accrual rate of 2%, not to exceed 50% of the member’s final salary. Upon death, the retiree’s spouse or eligible child receives a benefit equal to 50% of the member’s benefit. Active members who become disabled in the line of duty are eligible for disability pension benefits equal to 50% of the member’s monthly salary at the time of disability. If an active member is eligible for retirement on the date of death, monthly death benefits are payable to his/her surviving spouse or eligible child equal to 50% of the monthly benefit the member would have been receiving if retired at the time of death.

The Non-Uniformed Plan covers all of the Township’s general full-time employees, and provides retirement, disability, and death benefits to plan members and their beneficiaries.



MILLCREEK TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 6 – PENSION PLANS** *(continued)*

Members are eligible for normal retirement upon attaining age 65. Retirement benefits are determined as 1% of the member's final salary multiplied by all years of credited service. Upon death, a survivor monthly annuity death benefit will be paid to the member's surviving spouse equal to the amount that would have been paid had the member terminated employment on the date of death and was eligible for retirement with a qualified joint and 50% survivor annuity in effect. A single sum death benefit equal to the member's transfer value will be paid if the participant does not meet requirements of the survivor annuity death benefit. Active members who become disabled in the line of duty are eligible for disability pension benefits equal to 50% of the member's monthly salary at the time of disability. Active members who have a non-service disability are eligible for disability pension benefits equal to 30% of the member's monthly salary at the time of disability.

The plan administrator will only take into account the first \$285,000 of compensation, as adjusted for cost-of-living increases in accordance with IRC Section 401(a)(17) of any participant's annual compensation for determining all benefits provided under the plan for the applicable 12 month period.

Vesting

Police Plan member's benefits vest upon completion of 12 years of vesting service. Non-Uniformed Plan member's benefits vest upon completion of 10 years of vesting service.

Contributions

Police Plan member contributions are 0% of pay, effective January 1, 2015. Member contributions to the plan may be suspended if an actuarial study shows the plan to have sufficient assets to fund plan benefits. Police Plan members' contributions, if any, are credited with 5.5% annual interest. Contributions include \$44,314 in state pension aid for the year ended December 31, 2020.

Non-uniformed employees shall contribute 3% of their total compensation. If sufficient funds exist, the Township may annually elect to lower or waive the required member contribution rate by adopting a resolution and filing it with the Board.

Concentrations

Concentrations are defined as investments held by the Plan, other than those issued or explicitly guaranteed by the U.S. Government, in any one organization that represent 5% or more of the plan's fiduciary net position. At December 31, 2020, there were no concentrations of investments in the Plan.

MILLCREEK TOWNSHIP  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

**NOTE 6 – PENSION PLANS** *(continued)*

Investment Policy

The Plans' policy in regard to the allocation of invested assets is established and may be amended by PMRS's Board. The following was the PMRS's adopted asset allocation policy for the Plan as of December 31, 2020:

| Asset Class                     | Target<br>Allocation | Long-Term<br>Expected Real<br>Rate of Return |
|---------------------------------|----------------------|--|
| Equities                        |                      |  |
| Large capitalized firms         | 25.0%                | 5.3%   |
| Small capitalized firms         | 15.0                 | 6.1%   |
| International developed markets | 15.0                 | 5.5%   |
| Emerging markets                | 10.0                 | 6.0%   |
| Real estate                     | 15.0                 | 5.2%   |
| Timber                          | 5.0                  | 3.8%   |
| Fixed income                    | 15.0                 | 1.9%   |
|                                 | 100.0%               |  |

Discount Rate

The discount rate used to measure the total pension liability was 5.25%. The projection of cash flow to determine the discount rate assumed the contributions will be made at contractually required rates specified under Act 205. Act 205 requires full funding of the entry age normal cost plus Plan expenses in addition to amortization of the unfunded liability to ultimately achieve a 100% funded status. Based on those assumptions, the pension plans' fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the pension plan investment was applied to all periods of projected benefit payments to determine the total pension liability.

MILLCREEK TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 6 – PENSION PLANS** *(continued)*

Net Pension Liability

Net pension liability for non-uniformed and police at December 31, 2020, was as follows:

|   | Increase (Decrease)               |                                       |                                       |
|---|-----------------------------------|---------------------------------------|---------------------------------------|
|   | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability<br>(a) - (b) |
| <b>Non-Uniformed Pension Plan</b>                     |                                   |                                       |                                       |
| Balances at December 31, 2019                         | \$ 401,910                        | \$ 459,828                            | \$ (57,918)                           |
| <b>Changes for the year:</b>                          |                                   |                                       |                                       |
| Service cost  | 6,936                             | -                                     | 6,936                                 |
| Interest on the total pension liability               | 20,955                            | -                                     | 20,955                                |
| Changes of benefits                                   | -                                 | -                                     | -                                     |
| Changes of assumptions                                | 26,891                            | -                                     | 26,891                                |
| Differences between expected<br>and actual experience | (7,627)                           | -                                     | (7,627)                               |
| Contributions - employer                              |                                   | 8,582                                 | (8,582)                               |
| Contributions - PMRS assessment                       |                                   | -                                     | -                                     |
| Contributions - employees                             |                                   | 1,717                                 | (1,717)                               |
| PMRS investment income                                | -                                 | 23,575                                | (23,575)                              |
| Market value investment income                        | -                                 | 70,305                                | (70,305)                              |
| Benefit payments                                      | (19,655)                          | (19,655)                              | -                                     |
| Pension plan administrative expense                   | -                                 | (1,167)                               | 1,167                                 |
| Net changes   | 27,500                            | 83,357                                | (55,857)                              |
| Balances at December 31, 2020                         | \$ 429,410                        | \$ 543,185                            | \$ (113,775)                          |

MILLCREEK TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 6 – PENSION PLANS** (continued)

|   | Increase (Decrease)               |                                       |                                       |
|---|-----------------------------------|---------------------------------------|---------------------------------------|
|   | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability<br>(a) - (b) |
| Police Pension Plan                                   |                                   |                                       |                                       |
| Balances at December 31, 2019                         | \$ 771,050                        | \$ 723,008                            | \$ 48,042                             |
| <b>Changes for the year:</b>                          |                                   |                                       |                                       |
| Service cost  | 27,531                            | -                                     | 27,531                                |
| Interest on the total pension liability               | 41,926                            | -                                     | 41,926                                |
| Changes of benefits                                   | -                                 | -                                     | -                                     |
| Changes of assumptions                                | (21,762)                          | -                                     | (21,762)                              |
| Differences between expected<br>and actual experience | 26,865                            | -                                     | 26,865                                |
| Contributions - employer                              |                                   | 35,672                                | (35,672)                              |
| Contributions - PMRS assessment                       |                                   | 60                                    | (60)                                  |
| PMRS investment income                                | -                                 | 36,005                                | (36,005)                              |
| Market value investment income                        | -                                 | 69,610                                | (69,610)                              |
| Pension plan administrative expense                   | -                                 | (1,629)                               | 1,629                                 |
| Net changes   | 74,560                            | 139,718                               | (65,158)                              |
| Balances at December 31, 2020                         | \$ 845,610                        | \$ 862,726                            | \$ (17,116)                           |

Pension Expense

Pension expense calculated under GASB 68 for the Plan at December 31, 2020, was as follows:

| Year Ended December 31, 2020                                    | Non-Uniformed |                |
|---|---------------|----------------|
|   | Pension       | Police Pension |
| Service cost  | \$ 6,936      | \$ 27,531      |
| Interest on the total pension liability                         | 20,955        | 41,926         |
| Change of benefit terms   | -             | -              |
| Difference between expected and actual experience               | (3,014)       | 13,225         |
| Changes of assumptions  | 5,150         | (4,201)        |
| Member contributions  | (1,717)       | -              |
| Projected earnings on pension plan investments                  | (23,575)      | (36,005)       |
| Difference between projected and actual earnings on investments | (26,941)      | (30,549)       |
| Pension plan administrative expense                             | 1,167         | 1,629          |
| Other changes in fiduciary net position                         | -             | -              |
| Pension expense   | \$ (21,039)   | \$ 13,556      |

MILLCREEK TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 6 – PENSION PLANS** *(continued)*

Net Pension Liability

The components of the net pension liability of the Plans at December 31, 2020, were as follows:

| Description  | Non-Uniformed       | Police Pension     |
|--|---------------------|--------------------|
| Total Pension Liability  | \$ 429,410          | \$ 845,610         |
| Plan Fiduciary Net Position  | 543,185             | 862,726            |
| Net Pension (Asset) Liability  | <u>\$ (113,775)</u> | <u>\$ (17,116)</u> |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | <u>126%</u>         | <u>102%</u>        |

For the year ended December 31, 2020, the Township would recognize pension expense of \$13,556 and \$(21,039) for the Police Plan and Non-Uniformed Plan under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, respectively.

At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to the Uniformed Plan from the following sources:

| Police Pension  | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience               | \$ 39,975                            | \$ 688                              |
| Changes in assumptions  | 9,438                                | 25,577                              |
| Net difference between projected and actual investment earnings | -                                    | 92,254                              |
| Contributions subsequent to the measurement date                | -                                    | -                                   |
|   | <u>\$ 49,413</u>                     | <u>\$ 118,519</u>                   |

At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to the Non-Uniformed Plan from the following sources:

| Non-Uniformed Pension   | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience               | \$ -                                 | \$ 6,546                            |
| Changes in assumptions  | 23,049                               | -                                   |
| Net difference between projected and actual investment earnings | -                                    | 82,562                              |
| Contributions subsequent to the measurement date                | -                                    | -                                   |
|   | <u>\$ 23,049</u>                     | <u>\$ 89,108</u>                    |

MILLCREEK TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 6 – PENSION PLANS** *(continued)*

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

| Year Ended December 31 | Non-Uniformed      |                    |
|------------------------|--------------------|--------------------|
|                        | Pension            | Police Pension     |
| 2021                   | \$ (22,656)        | \$ (20,072)        |
| 2022                   | (14,256)           | (14,405)           |
| 2023                   | (23,342)           | (24,047)           |
| 2024                   | (11,309)           | (11,430)           |
| 2025                   | 2,752              | 848                |
| Thereafter             | 2,752              | -                  |
|                        | <u>\$ (66,059)</u> | <u>\$ (69,106)</u> |

Actuarial Assumptions

|                              | <u>Non-Uniformed Pension</u>  | <u>Police Pension</u>   |
|------------------------------|---|---|
| Actuarial Valuation Date     | January 1, 2021   | January 1, 2021   |
| Actuarial Cost Method        | Entry age   | Entry age   |
| Amortization Method          | Level Dollar based upon the amortization periods in Act 205   | Level Dollar based upon the amortization periods in Act 205   |
| Asset Valuation Method       | Based upon the municipal reserves   | Based upon the municipal reserves   |
| Pre-Retirement Mortality     | RP 2000, Males Non-Annuitant table projected 15 years with Scale AA, Females Non-Annuitant table projected 15 years with Scale AA and then setback 5 years. | RP 2000, Males Non-Annuitant table projected 15 years with Scale AA, Females Non-Annuitant table projected 15 years with Scale AA and then setback 5 years. |
| Post-Retirement Mortality    | RP 2000, Males Annuitant table projected 5 years with Scale AA, Females Annuitant table projected 10 years with Scale AA                                    | RP 2000, Males Annuitant table projected 5 years with Scale AA, Females Annuitant table projected 10 years with Scale AA                                    |
| <u>Actuarial Assumptions</u> |   |   |
| Discount Rate                | 5.25%   | 5.25%   |
| Inflation                    | 2.80%   | 2.80%   |
| Projected Salary Increases   | Age-related scale for merit/seniority including inflation   | Age-related scale for merit/seniority including inflation   |
| COLA Increases               | 2.8 % for those eligible for a COLA   | 2.8% for those eligible for a COLA  |

MILLCREEK TOWNSHIP  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

**NOTE 6 – PENSION PLANS** *(continued)*

Sensitivity of the Township’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Police Plan’s net pension liability calculated using the discount rate of 5.25%, as well as what the Township’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.25%) or 1-percentage-point higher (6.25%) than the current rate:

|                                     | 1% Decrease<br>4.25% | Current<br>Discount Rate<br>5.25% | 1% Increase<br>6.25% |
|-------------------------------------|----------------------|-----------------------------------|----------------------|
| Net pension liability - Police Plan | \$ 134,593           | \$ (17,116)                       | \$ (140,787)         |

The following presents the Non-Uniformed Plan’s net pension liability calculated using the discount rate of 5.25%, as well as what the Township’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.25%) or 1-percentage-point higher (6.25%) than the current rate:

|  | 1% Decrease<br>4.25% | Current<br>Discount Rate<br>5.25% | 1% Increase<br>6.25% |
|--|----------------------|-----------------------------------|----------------------|
| Net pension liability - Non-Uniformed Plan | \$ (77,457)          | \$ (113,775)                      | \$ (145,634)         |

**NOTE 7 – DEFERRED COMPENSATION PLAN**

The Township offers employees the option to participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan permits the employees to voluntarily defer a percentage of their salary until future years. The Township matches employee contributions into the Plan up to 3%. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

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

MILLCREEK TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 8 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Compliance with Finance Related Legal and Contractual Provisions

The Township has no material violations of finance related legal and contractual provisions.

Deficit Net Position

The Township does not have any deficit in net position.

Excess of Expenditures over Appropriations

Increased costs relating to leasing new equipment, paving projects, and increase in health insurance premiums attributed to the Township's expenditures exceeding appropriations.

**NOTE 9 – CONTINGENCIES AND COMMITMENTS**

In 2021, the Township entered into agreements to guarantee a certain portion of the Guaranteed Sewer Revenue Bonds Series of 2021 of the Millcreek-Richland Joint Authority (a component unit of Millcreek Township). The guarantee, in the amount of \$4,900,000, is backed by the full faith, credit and taxing power of the Township. The bonds were issued for the purpose of refinancing debt related to the construction additions, extensions, and improvements to the sanitary sewage system of the Authority, a portion of which serves the Township, and paying related costs and expenses. The bond has a final maturity of August 1, 2036. The outstanding balance on the bonds as of December 31, 2021, was \$7,000,000, of which the Township guarantees \$4,900,000.

**NOTE 10 – COVID-19**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The extent of the impact of COVID-19 on the Township's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the Township's customers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Township's financial position and fund balance is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

**NOTE 11 – SUBSEQUENT EVENTS**

The Township's management has evaluated subsequent events through August 29, 2022, the date of this report, which is the date the financial statements were available to be issued.



**REQUIRED SUPPLEMENTAL INFORMATION**

MILLCREEK TOWNSHIP  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL - MAJOR FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

|   | General Fund     |                  |                          |
|---|------------------|------------------|--------------------------|
|   | Budget           | Actual           | Variance Over<br>(Under) |
| <b>REVENUES</b>   |                  |                  |                          |
| Taxes   | \$ 1,031,125     | \$ 1,120,650     | \$ 89,525                |
| Licenses and permits  | 54,650           | 57,141           | 2,491                    |
| Fines   | 6,000            | 8,255            | 2,255                    |
| Interest and rents  | 200              | 134              | (66)                     |
| Grants and gifts  | 95,275           | 117,391          | 22,116                   |
| American Rescue Plan  | -                | 219,177          | 219,177                  |
| Other revenue   | 3,000            | 2,508            | (492)                    |
| Other financing sources   | -                | 7,896            | 7,896                    |
| <b>Total revenues</b>   | <b>1,190,250</b> | <b>1,533,152</b> | <b>342,902</b>           |
| <b>EXPENDITURES</b>   |                  |                  |                          |
| Administration  | 139,835          | 137,593          | 2,242                    |
| Tax collection  | 18,700           | 17,752           | 948                      |
| Municipal buildings   | 33,069           | 28,569           | 4,500                    |
| Protection to persons and property  | 307,382          | 292,515          | 14,867                   |
| Highways and streets  | 316,841          | 241,819          | 75,022                   |
| Library contribution  | 1,000            | 750              | 250                      |
| Employee payroll taxes and benefits   | 253,986          | 267,328          | (13,342)                 |
| Insurance   | 29,782           | 23,966           | 5,816                    |
| Street lighting   | -                | -                | -                        |
| Parks and recreation  | 38,831           | 23,141           | 15,690                   |
| Debt service  |                  |                  |                          |
| Principal   | 25,221           | 43,778           | (18,557)                 |
| Interest  | 2,103            | 5,902            | (3,799)                  |
| <b>Total expenditures</b>   | <b>1,166,750</b> | <b>1,083,113</b> | <b>83,637</b>            |
| Excess of revenues (under) over expenditures                                  | 23,500           | 450,039          | 426,539                  |
| <b>OTHER FINANCING (USES)</b>   |                  |                  |                          |
| Transfers (to) from other funds   | (23,500)         | (23,500)         | -                        |
| Excess of revenues and other sources over (under) expenditures and other uses | \$ -             | 426,539          | \$ 426,539               |
| Fund balance, beginning   |                  | 583,234          |                          |
| Fund balance, ending  |                  | \$ 1,009,773     |                          |

| Special Revenue - Major Funds |            |                          | Totals       |              |                          |
|-------------------------------|------------|--------------------------|--------------|--------------|--------------------------|
| Budget                        | Actual     | Variance Over<br>(Under) | Budget       | Actual       | Variance Over<br>(Under) |
| \$ 45,560                     | \$ 48,012  | \$ 2,452                 | \$ 1,076,685 | \$ 1,168,662 | \$ 91,977                |
| -                             | -          | -                        | 54,650       | 57,141       | 2,491                    |
| -                             | -          | -                        | 6,000        | 8,255        | 2,255                    |
| 135                           | 62         | (73)                     | 335          | 196          | (139)                    |
| 178,125                       | 183,469    | 5,344                    | 273,400      | 300,860      | 27,460                   |
| -                             | -          | -                        | -            | 219,177      | 219,177                  |
| -                             | -          | -                        | 3,000        | 2,508        | (492)                    |
| -                             | -          | -                        | -            | 7,896        | 7,896                    |
| 223,820                       | 231,543    | 7,723                    | 1,414,070    | 1,764,695    | 350,625                  |
| -                             | -          | -                        | 139,835      | 137,593      | 2,242                    |
| 1,600                         | 1,472      | 128                      | 20,300       | 19,224       | 1,076                    |
| -                             | -          | -                        | 33,069       | 28,569       | 4,500                    |
| -                             | -          | -                        | 307,382      | 292,515      | 14,867                   |
| 157,832                       | 238,429    | (80,597)                 | 474,673      | 480,248      | (5,575)                  |
| -                             | -          | -                        | 1,000        | 750          | 250                      |
| -                             | -          | -                        | 253,986      | 267,328      | (13,342)                 |
| -                             | -          | -                        | 29,782       | 23,966       | 5,816                    |
| 44,000                        | 43,825     | 175                      | 44,000       | 43,825       | 175                      |
| -                             | -          | -                        | 38,831       | 23,141       | 15,690                   |
| 19,012                        | 19,012     | -                        | 44,233       | 62,790       | (18,557)                 |
| 1,376                         | 1,377      | (1)                      | 3,479        | 7,279        | (3,800)                  |
| 223,820                       | 304,115    | (80,295)                 | 1,390,570    | 1,387,228    | 3,342                    |
| -                             | (72,572)   | (72,572)                 | 23,500       | 377,467      | 353,967                  |
| -                             | -          | -                        | (23,500)     | (23,500)     | -                        |
| \$ -                          | (72,572)   | \$ (72,572)              | \$ -         | 353,967      | \$ 353,967               |
|                               | 334,327    |                          |              | 917,561      |                          |
|                               | \$ 261,755 |                          |              | \$ 1,271,528 |                          |

MILLCREEK TOWNSHIP  
SCHEDULE OF EMPLOYER CONTRIBUTIONS -  
NON-UNIFORMED AND POLICE PENSION PLANS

POLICE PENSION PLAN

| Year              | Actuarially<br>Determined<br>Contribution | Contributions<br>From<br>Employer | Contribution<br>Deficiency/<br>(Excess) | Covered<br>Employee<br>Payroll | Contributions<br>as a %<br>of Payroll |
|-------------------|---|-----------------------------------|---|--------------------------------|---------------------------------------|
| December 31, 2011 | \$ 27,751                                 | \$ 27,751                         | \$ -                                    |                                |                                       |
| December 31, 2012 | 29,152                                    | 29,152                            | -                                       |                                |                                       |
| December 31, 2013 | 31,290                                    | 31,290                            | -                                       |                                |                                       |
| December 31, 2014 | 26,304                                    | 26,304                            | -                                       | \$ 136,004                     | 19.34%                                |
| December 31, 2015 | 29,795                                    | 29,795                            | -                                       | 150,918                        | 19.74                                 |
| December 31, 2016 | 30,737                                    | 30,737                            | -                                       | 159,216                        | 19.31                                 |
| December 31, 2017 | 37,695                                    | 37,695                            | -                                       | 161,547                        | 23.33                                 |
| December 31, 2018 | 36,956                                    | 36,956                            | -                                       | 169,839                        | 21.76                                 |
| December 31, 2019 | 34,067                                    | 34,067                            | -                                       | 174,570                        | 19.51                                 |
| December 31, 2020 | 35,732                                    | 35,732                            | -                                       | 181,421                        | 19.70                                 |

NON-UNIFORMED PENSION PLAN

| Year              | Actuarially<br>Determined<br>Contribution | Contributions<br>From<br>Employer | Contribution<br>Deficiency/<br>(Excess) | Covered<br>Employee<br>Payroll | Contributions<br>as a %<br>of Payroll |
|-------------------|---|-----------------------------------|---|--------------------------------|---------------------------------------|
| December 31, 2011 | \$ 6,531                                  | \$ 6,531                          | \$ -                                    |                                |                                       |
| December 31, 2012 | 9,347                                     | 9,347                             | -                                       |                                |                                       |
| December 31, 2013 | 7,009                                     | 7,009                             | -                                       |                                |                                       |
| December 31, 2014 | 7,679                                     | 8,009                             | (330)                                   | \$ 216,847                     | 3.69%                                 |
| December 31, 2015 | 7,810                                     | 7,830                             | (20)                                    | 217,354                        | 3.60                                  |
| December 31, 2016 | 8,024                                     | 8,024                             | -                                       | 236,894                        | 3.39                                  |
| December 31, 2017 | 6,974                                     | 6,973                             | 1                                       | 228,247                        | 3.06                                  |
| December 31, 2018 | 6,907                                     | 6,947                             | (40)                                    | 237,266                        | 2.93                                  |
| December 31, 2019 | 2,948                                     | 6,897                             | (3,949)                                 | 284,894                        | 2.42                                  |
| December 31, 2020 | 6,113                                     | 8,582                             | (2,469)                                 | 171,653                        | 5.00                                  |

MILLCREEK TOWNSHIP  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS –  
POLICE PENSION PLAN

| Police Pension   | 12/31/2020         | 12/31/2019        | 12/31/2018        |
|--|--------------------|-------------------|-------------------|
| <b>TOTAL PENSION LIABILITY</b>   |                    |                   |                   |
| Service cost   | \$ 27,531          | \$ 26,492         | \$ 25,659         |
| Interest   | 41,926             | 38,461            | 34,648            |
| Differences between expected and actual experience                           | 26,865             | -                 | 11,481            |
| Changes of assumptions   | (21,762)           | -                 | -                 |
| Benefit payments, including refunds of employee contributions                | -                  | -                 | -                 |
| Net change in total pension liability  | 74,560             | 64,953            | 71,788            |
| Total pension liability, beginning   | 771,050            | 706,097           | 634,309           |
| Total pension liability, ending  | <u>\$ 845,610</u>  | <u>\$ 771,050</u> | <u>\$ 706,097</u> |
| <b>PLAN FIDUCIARY NET POSITION</b>   |                    |                   |                   |
| Contributions, employer  | \$ 35,672          | \$ 34,007         | \$ 36,896         |
| Contributions, PMRS assessment   | 60                 | 60                | 60                |
| Net investment income  | 105,615            | 120,239           | (39,682)          |
| Benefit payments, including refunds of employee contributions                | -                  | -                 | -                 |
| Administrative expense   | (1,629)            | (1,183)           | (1,348)           |
| Net change in plan fiduciary net position                                    | 139,718            | 153,123           | (4,074)           |
| Plan fiduciary net position, beginning                                       | 723,008            | 569,885           | 573,959           |
| Plan fiduciary net position, ending  | <u>\$ 862,726</u>  | <u>\$ 723,008</u> | <u>\$ 569,885</u> |
| Township's net pension liability, ending                                     | <u>\$ (17,116)</u> | <u>\$ 48,042</u>  | <u>\$ 136,212</u> |
| Plan fiduciary net position as a percentage of the total pension liability   | <u>102.02%</u>     | <u>93.77%</u>     | <u>80.71%</u>     |
| Covered employee payroll   | <u>\$ 181,421</u>  | <u>\$ 174,570</u> | <u>\$ 169,839</u> |
| Township's net pension liability as a percentage of covered employee payroll | <u>-9.43%</u>      | <u>27.52%</u>     | <u>80.20%</u>     |

| 12/31/2017        | 12/31/2016        | 12/31/2015        | 12/31/2014        |
|-------------------|-------------------|-------------------|-------------------|
| \$ 24,406         | \$ 22,704         | \$ 26,976         | \$ 24,374         |
| 31,640            | 28,089            | 26,993            | 21,960            |
| -                 | 14,299            | (2,746)           | 45,304            |
| -                 | 25,173            | (29,768)          | -                 |
| -                 | -                 | -                 | -                 |
| 56,046            | 90,265            | 21,455            | 91,638            |
| 578,263           | 487,998           | 466,543           | 374,905           |
| <u>\$ 634,309</u> | <u>\$ 578,263</u> | <u>\$ 487,998</u> | <u>\$ 466,543</u> |
| \$ 37,635         | \$ 30,677         | \$ 29,735         | \$ 26,304         |
| 60                | 60                | 60                | -                 |
| 82,232            | 31,004            | (3,579)           | 16,914            |
| -                 | -                 | -                 | -                 |
| (1,235)           | (1,223)           | (936)             | (768)             |
| 118,692           | 60,518            | 25,280            | 42,450            |
| 455,267           | 394,749           | 369,469           | 327,019           |
| <u>\$ 573,959</u> | <u>\$ 455,267</u> | <u>\$ 394,749</u> | <u>\$ 369,469</u> |
| <u>\$ 60,350</u>  | <u>\$ 122,996</u> | <u>\$ 93,249</u>  | <u>\$ 97,074</u>  |
| 90.49%            | 78.73%            | 80.89%            | 79.19%            |
| <u>\$ 161,547</u> | <u>\$ 159,216</u> | <u>\$ 150,918</u> | <u>\$ 136,004</u> |
| 37.36%            | 77.25%            | 61.79%            | 71.38%            |

MILLCREEK TOWNSHIP  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS –  
NON-UNIFORMED PLAN

| Non-Uniformed Pension   | 12/31/2020          | 12/31/2019         | 12/31/2018        |
|---|---------------------|--------------------|-------------------|
| <b>TOTAL PENSION LIABILITY</b>  |                     |                    |                   |
| Service cost  | \$ 6,936            | \$ 11,511          | \$ 8,962          |
| Interest  | 20,955              | 20,444             | 19,298            |
| Differences between expected<br>and actual experience                           | (7,627)             | -                  | (24)              |
| Changes of assumptions  | 26,891              | -                  | 4,228             |
| Benefit payments, including refunds<br>of employee contributions                | (19,655)            | (15,689)           | (10,750)          |
| Net change in total pension liability   | 27,500              | 16,266             | 21,714            |
| Total pension liability, beginning  | 401,910             | 385,644            | 363,930           |
| Total pension liability, ending   | <u>\$ 429,410</u>   | <u>\$ 401,910</u>  | <u>\$ 385,644</u> |
| <b>PLAN FIDUCIARY NET POSITION</b>  |                     |                    |                   |
| Contributions, employer   | \$ 8,582            | \$ 6,897           | \$ 6,947          |
| Contributions, employee   | 1,717               | 2,849              | 2,373             |
| Net investment income   | 93,880              | 81,592             | (25,727)          |
| Benefit payments, including refunds<br>of employee contributions                | (19,655)            | (15,689)           | (10,750)          |
| Administrative expense  | (1,167)             | (861)              | (979)             |
| Net change in plan fiduciary net position                                       | 83,357              | 74,788             | (28,136)          |
| Plan fiduciary net position, beginning  | 459,828             | 385,040            | 413,176           |
| Plan fiduciary net position, ending   | <u>\$ 543,185</u>   | <u>\$ 459,828</u>  | <u>\$ 385,040</u> |
| Township's net pension liability, ending  | <u>\$ (113,775)</u> | <u>\$ (57,918)</u> | <u>\$ 604</u>     |
| Plan fiduciary net position as a<br>percentage of the total pension liability   | <u>126.50%</u>      | <u>114.41%</u>     | <u>99.84%</u>     |
| Covered employee payroll  | <u>\$ 171,653</u>   | <u>\$ 284,894</u>  | <u>\$ 237,266</u> |
| Township's net pension liability as a<br>percentage of covered employee payroll | <u>-66.28%</u>      | <u>-20.33%</u>     | <u>0.25%</u>      |

| 12/31/2017         | 12/31/2016        | 12/31/2015        | 12/31/2014         |
|--------------------|-------------------|-------------------|--------------------|
| \$ 8,621           | \$ 10,807         | \$ 10,340         | \$ 11,779          |
| 18,220             | 17,940            | 16,631            | 15,105             |
| -                  | (9,591)           | -                 | 6,052              |
| -                  | 6,567             | (47)              | -                  |
| (2,657)            | (2,657)           | (4,520)           | (2,987)            |
| 24,184             | 23,066            | 22,404            | 29,949             |
| 339,746            | 316,680           | 294,276           | 264,327            |
| <u>\$ 363,930</u>  | <u>\$ 339,746</u> | <u>\$ 316,680</u> | <u>\$ 294,276</u>  |
| \$ 6,973           | \$ 8,024          | \$ 7,830          | \$ 8,009           |
| 2,284              | 2,369             | 2,173             | 2,135              |
| 61,172             | 26,322            | (735)             | 15,848             |
| (2,657)            | (2,657)           | (4,520)           | (2,987)            |
| (982)              | (993)             | (840)             | (714)              |
| 66,790             | 33,065            | 3,908             | 22,291             |
| 346,386            | 313,321           | 309,413           | 287,122            |
| <u>\$ 413,176</u>  | <u>\$ 346,386</u> | <u>\$ 313,321</u> | <u>\$ 309,413</u>  |
| <u>\$ (49,246)</u> | <u>\$ (6,640)</u> | <u>\$ 3,359</u>   | <u>\$ (15,137)</u> |
| 113.53%            | 101.95%           | 98.94%            | 105.14%            |
| <u>\$ 228,247</u>  | <u>\$ 236,894</u> | <u>\$ 217,354</u> | <u>\$ 216,847</u>  |
| <u>-21.58%</u>     | <u>-2.80%</u>     | <u>1.55%</u>      | <u>-6.98%</u>      |



**SUPPLEMENTAL INFORMATION**

MILLCREEK TOWNSHIP  
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS -  
 NON-MAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2021

|                                      | <u>Hydrant Fund</u> | <u>Capital Projects</u> | <u>Total Non-major<br/>Governmental<br/>Funds</u> |
|--------------------------------------|---------------------|-------------------------|---|
| <u>ASSETS</u>                        |                     |                         |   |
| Cash and cash equivalents            | \$ 8,083            | \$ 87,393               | \$ 95,476   |
| Total assets                         | <u>\$ 8,083</u>     | <u>\$ 87,393</u>        | <u>\$ 95,476</u>                                  |
| <u>LIABILITIES AND FUND BALANCES</u> |                     |                         |   |
| <b>LIABILITIES</b>                   |                     |                         |   |
| Due to other funds                   | \$ 72               | \$ -                    | \$ 72   |
| Total liabilities                    | <u>72</u>           | <u>-</u>                | <u>72</u>   |
| <b>FUND BALANCES</b>                 |                     |                         |   |
| Restricted                           | 8,011               | -                       | 8,011   |
| Committed                            | -                   | 87,393                  | 87,393  |
| Total fund balances                  | <u>8,011</u>        | <u>87,393</u>           | <u>95,404</u>                                     |
| Total liabilities and fund balances  | <u>\$ 8,083</u>     | <u>\$ 87,393</u>        | <u>\$ 95,476</u>                                  |

MILLCREEK TOWNSHIP  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCES - MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

|   | Hydrant Fund | Capital Projects | Total Non-major<br>Governmental<br>Funds |
|---|--------------|------------------|--|
| <b>REVENUES</b>                         |              |                  |  |
| Taxes                                   | \$ 8,447     | \$ -             | \$ 8,447                                 |
| Interest and rents                      | 1            | 8                | 9  |
| Other revenue                           | -            | -                | -  |
|   |              |                  |  |
| Total revenues                          | 8,448        | 8                | 8,456                                    |
| <b>EXPENDITURES</b>                     |              |                  |  |
| Tax collection                          | 259          | -                | 259                                      |
| Protection to persons and<br>property   | 8,483        | -                | 8,483                                    |
|   |              |                  |  |
| Total expenditures                      | 8,742        | -                | 8,742                                    |
|   |              |                  |  |
| Excess of revenues over<br>expenditures | (294)        | 8                | (286)                                    |
| Transfers in                            | -            | 23,500           | 23,500                                   |
| Transfers (out)                         | -            | -                | -  |
|   |              |                  |  |
| Net change in fund balances             | (294)        | 23,508           | 23,214                                   |
|   |              |                  |  |
| Fund balances, beginning                | 8,305        | 63,885           | 72,190                                   |
|   |              |                  |  |
| Fund balances, ending                   | \$ 8,011     | \$ 87,393        | \$ 95,404                                |
|   |              |                  |  |