

MILLCREEK TOWNSHIP

FINANCIAL STATEMENTS

DECEMBER 31, 2022

MILLCREEK TOWNSHIP
FINANCIAL STATEMENTS
DECEMBER 31, 2022

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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, 2022, 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, 2022, 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, 2022, 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
March 16, 2023

MILLCREEK TOWNSHIP
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,588,555
Total current assets	1,588,555

NON-CURRENT ASSETS

Capital assets	
Depreciable buildings, property and equipment, net	561,402
Total assets	\$ 2,149,957

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Payroll taxes and other withholdings	1,322
Escrow payable	4,306
Current portion of long-term obligations	
Notes	31,581
Total current liabilities	37,209

NON-CURRENT LIABILITIES

Non-current portion of long-term obligations	
Notes	11,020
Total liabilities	48,229

NET POSITION

Invested in capital assets, net of related debt	518,801
Restricted net position	
Street Light	88,331
Hydrant	7,792
Highway Aid	74,512
Parks and Recreation	5,000
Unrestricted net position	1,407,292
Total net position	2,101,728
Total liabilities and net position	\$ 2,149,957

See accompanying notes to the financial statements.

MILLCREEK TOWNSHIP
 STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 199,140	\$ 1,877	\$ 42,969	\$ -
Public safety	331,263	5,348	30,394	-
Public works	685,430	-	210,371	-
Culture and recreation	15,769	1,310	6,000	-
Community development	1,000	-	-	-
Insurance	25,385	-	-	-
Employee benefits	299,961	-	-	-
Interest on long-term debt	5,826	-	-	-
Total primary government	\$ 1,563,774	\$ 8,535	\$ 289,734	\$ -

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

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 Activities		Total
	\$ (154,294)	\$	(154,294)
	(295,521)		(295,521)
	(475,059)		(475,059)
	(8,459)		(8,459)
	(1,000)		(1,000)
	(25,385)		(25,385)
	(299,961)		(299,961)
	(5,826)		(5,826)
	<hr/> (1,265,505)		<hr/> (1,265,505)
	417,217		417,217
	608,928		608,928
	147,913		147,913
	57,417		57,417
	58,570		58,570
	7,130		7,130
	220,563		220,563
	3,546		3,546
	<hr/> 1,521,284		<hr/> 1,521,284
	255,779		255,779
	<hr/> 1,845,949		<hr/> 1,845,949
	<hr/> <u>\$ 2,101,728</u>	<hr/> <u>\$</u>	<hr/> <u>2,101,728</u>

See accompanying notes to the financial statements.

MILLCREEK TOWNSHIP
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	Highway Aid	Street Light	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	\$ 1,304,771	\$ 74,474	\$ 89,261	\$ 120,049	\$ 1,588,555
Due from other funds	1,032	38	12	-	1,082
Total current assets	<u>\$ 1,305,803</u>	<u>\$ 74,512</u>	<u>\$ 89,273</u>	<u>\$ 120,049</u>	<u>\$ 1,589,637</u>
 <u>LIABILITIES AND FUND BALANCES</u>					
LIABILITIES					
Due to other funds	\$ 38	\$ -	\$ 942	\$ 103	\$ 1,083
Escrow payable	4,306	-	-	-	4,306
Payroll taxes and other withheld	1,322	-	-	-	1,322
Total liabilities	<u>5,666</u>	<u>-</u>	<u>942</u>	<u>103</u>	<u>6,711</u>
 FUND BALANCES					
Restricted					
Highway Aid	-	74,512	-	-	74,512
Street Light	-	-	88,331	-	88,331
Hydrant	-	-	-	7,792	7,792
Parks and Recreation	5,000	-	-	-	5,000
Committed	-	-	-	112,154	112,154
Unassigned	1,295,137	-	-	-	1,295,137
Total fund balances	<u>1,300,137</u>	<u>74,512</u>	<u>88,331</u>	<u>119,946</u>	<u>1,582,926</u>
Total liabilities and fund balances	<u>\$ 1,305,803</u>	<u>\$ 74,512</u>	<u>\$ 89,273</u>	<u>\$ 120,049</u>	<u>\$ 1,589,637</u>

See accompanying notes to financial statements.

MILLCREEK TOWNSHIP
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022

Governmental funds balance total		\$ 1,582,926
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Governmental funds do not include capital assets and accumulated depreciation; however, they are included in the government-wide statement of net position:

Capital assets	\$ 1,987,051	
Accumulated depreciation	<u>(1,425,648)</u>	
		561,403

Governmental funds do not include long-term debt; however, it is included in the government-wide statement of net position		<u>(42,601)</u>
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Net position		<u><u>\$ 2,101,728</u></u>
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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, 2022

	General	Highway Aid	Street Light	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 1,174,057	\$ -	\$ 50,051	\$ 8,519	\$ 1,232,627
Licenses and permits	57,417	-	-	-	57,417
Fines	5,348	-	-	-	5,348
Interest and rents	5,617	145	97	1,271	7,130
Grants and gifts	98,319	191,415	-	-	289,734
American Rescue Plan funds	220,563	-	-	-	220,563
Other revenue	3,152	-	-	-	3,152
Other financing sources	3,583	-	-	-	3,583
Total revenues	1,568,056	191,560	50,148	9,790	1,819,554
EXPENDITURES					
Administration	135,804	-	-	-	135,804
Tax collection	15,406	-	1,549	265	17,220
Municipal buildings	27,745	-	-	-	27,745
Protection to persons and property	317,629	-	-	8,483	326,112
Highways and streets	330,922	272,794	-	-	603,716
Library contribution	1,000	-	-	-	1,000
Employee payroll taxes and benefits	299,961	-	-	-	299,961
Insurance	25,385	-	-	-	25,385
Street lighting	-	-	45,889	-	45,889
Parks and recreation	39,482	-	-	-	39,482
Debt service					
Principal	55,733	19,688	-	-	75,421
Interest	5,126	700	-	-	5,826
Total expenditures	1,254,193	293,182	47,438	8,748	1,603,561
Excess (deficiency) of revenues over expenditures	313,863	(101,622)	2,710	1,042	215,993

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, 2022

	General	Highway Aid	Street Light	Other Governmental Funds	Total Governmental Funds
Transfers in	-	-	-	23,500	23,500
Transfers (out)	(23,500)	-	-	-	(23,500)
Net change in fund balances	290,363	(101,622)	2,710	24,542	215,993
Fund balances, beginning	1,009,774	176,134	85,621	95,404	1,366,933
Fund balances, ending	\$ 1,300,137	\$ 74,512	\$ 88,331	\$ 119,946	\$ 1,582,926

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, 2022

Net change in fund balances, governmental funds \$ 215,993

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)	\$	34,673	
Depreciation expense		<u>(70,308)</u>	(35,635)

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>75,421</u>	
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Change in net position, statement of activities	\$	<u><u>255,779</u></u>	
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See accompanying notes to financial statements.

MILLCREEK TOWNSHIP
 STATEMENT OF NET POSITION - FIDUCIARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Police Pension Fund	Non-Uniformed Pension Fund	Total Fiduciary Funds
ASSETS			
Investments at fair value with PMRS	\$ 1,003,321	\$ 581,034	\$ 1,584,355
NET POSITION			
Net position held in trust for pension benefits	\$ 1,003,321	\$ 581,034	\$ 1,584,355

See accompanying notes to financial statements.

MILLCREEK TOWNSHIP
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Police Pension Fund	Non-Uniformed Pension Fund	Total Fiduciary Funds
ADDITIONS			
Contributions			
Employer	\$ 40,546	\$ 2,570	\$ 43,116
Commonwealth	60	20	80
Member	-	2,115	2,115
Investment income (loss), interest	102,387	66,105	168,492
 Total additions	 142,993	 70,810	 213,803
DEDUCTIONS			
Administrative expenses	2,398	1,556	3,954
Benefit payments	-	31,405	31,405
 Total deductions	 2,398	 32,961	 35,359
 Net increase	 140,595	 37,849	 178,444
 Net position, beginning	 862,726	 543,185	 1,405,911
 Net position, ending	 \$ 1,003,321	 \$ 581,034	 \$ 1,584,355

See accompanying notes to financial statements.

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022

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, 2022

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 12/31/2021	Additions	Retirements	Balance 12/31/2022
Governmental activities				
Land	\$ 79,025	\$ -	\$ -	\$ 79,025
Land improvements	52,777	-	-	52,777
Furniture and equipment	595,428	8,924	-	604,352
Automotive equipment	603,378	-	-	603,378
Buildings	203,286	25,749	-	229,035
Infrastructure	418,483	-	-	418,483
	1,952,377	34,673	-	1,987,050
Less accumulated depreciation				
Land improvements	43,589	779	-	44,368
Furniture and equipment	351,141	33,952	-	385,093
Automotive equipment	479,963	12,073	-	492,036
Buildings	122,697	5,573	-	128,270
Infrastructure	357,950	17,931	-	375,881
	1,355,340	70,308	-	1,425,648
Capital assets, net	\$ 597,037	\$ (35,635)	\$ -	\$ 561,402

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

Depreciation expense was charged to governmental functions as follows:

Recreation	\$ 2,036
Police	5,151
Highway	44,749
General	<u>18,372</u>
Total	<u>\$ 70,308</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, 2022

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 \$1,588,555 and the bank balance was \$1,065,398 of which \$250,000 was fully insured and \$815,398 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 \$523,157 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, 2022, 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 67.1% of the Township's total investments.

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022.

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 2022 is as follows:

Tax levy date	March 1, 2022
2% discount period	Through April 30, 2022
Face payment period	Through June 30, 2022
10% penalty period	Beginning July 1, 2022
Lien filing date	January 1, 2023

The Township tax rate in 2022 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 12/31/2021	Additions	Retirements	Balance 12/31/2022	Amounts Due in One Year
Equipment Lease - (A)	\$ 19,689	\$ -	\$ (19,689)	\$ -	\$ -
Equipment Loan - (B)	26,251	-	(26,251)	-	-
Equipment Lease - (C)	72,082	-	(29,481)	42,601	31,581
	\$ 118,022	\$ -	\$ (75,421)	\$ 42,601	\$ 31,581

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 – LONG-TERM DEBT *(continued)*

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

Loan	2023	2024	2025	2026	2027	Total
Principal						
(C)	31,581	11,020	-	-	-	42,601
Interest						
(C)	1,953	159	-	-	-	2,112
Total	<u>\$ 33,534</u>	<u>\$ 11,179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,713</u>

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.

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).

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 – FUND BALANCE *(continued)*

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, 2022, the Township had \$112,154 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, 2022

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 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, 2022

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 \$290,000 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 \$43,176 in state pension aid for the year ended December 31, 2021.

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, 2021, there were no concentrations of investments in the Plan.

MILLCREEK TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2022

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 Plans as of December 31, 2021:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities		
Large capitalized firms	24.5%	5.0%
Small capitalized firms	8.0	5.7%
International developed markets	14.5	5.6%
Emerging markets	3.0	5.7%
Global equities	5.0	4.8%
Real estate	10.0	4.9%
Timber	5.0	3.7%
Fixed income		
Core investment grade	24.0	1.8%
Opportunistic credit	5.0	5.4%
Cash	1.0	-1.3%
	<u>100.0%</u>	

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, 2022

NOTE 6 – PENSION PLANS *(continued)*

Net Pension Liability

Net pension liability for non-uniformed and police at December 31, 2021, was as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Non-Uniformed Pension Plan	(a)	(b)	(a) - (b)
Balances at December 31, 2020	\$ 429,410	\$ 543,185	\$ (113,775)
Changes for the year:			
Service cost	11,841	-	11,841
Interest on the total pension liability	22,352	-	22,352
Changes of benefits	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Contributions - employer		2,570	(2,570)
Contributions - PMRS assessment		20	(20)
Contributions - employees		2,115	(2,115)
PMRS investment income	-	24,640	(24,640)
Market value investment income	-	41,465	(41,465)
Benefit payments	(31,405)	(31,405)	-
Pension plan administrative expense	-	(1,556)	1,556
Net changes	2,788	37,849	(35,061)
Balances at December 31, 2021	\$ 432,198	\$ 581,034	\$ (148,836)

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 – PENSION PLANS *(continued)*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Police Pension Plan			
Balances at December 31, 2020	\$ 845,610	\$ 862,726	\$ (17,116)
Changes for the year:			
Service cost	27,370	-	27,370
Interest on the total pension liability	45,831	-	45,831
Changes of benefits	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Contributions - employer		40,546	(40,546)
Contributions - PMRS assessment		60	(60)
PMRS investment income	-	41,274	(41,274)
Market value investment income	-	61,113	(61,113)
Pension plan administrative expense	-	(2,398)	2,398
Net changes	73,201	140,595	(67,394)
Balances at December 31, 2021	\$ 918,811	\$ 1,003,321	\$ (84,510)

Pension Expense/(benefit)

Pension expense/(benefit) calculated under GASB 68 for the Plan at December 31, 2021, was as follows:

Year Ended December 31, 2020	Non-Uniformed	
	Pension	Police Pension
Service cost	\$ 11,841	\$ 27,370
Interest on the total pension liability	22,352	45,831
Change of benefit terms	-	-
Difference between expected and actual experience	(1,095)	13,225
Changes of assumptions	3,842	(4,201)
Member contributions	(2,115)	-
Projected earnings on pension plan investments	(24,640)	(41,274)
Difference between projected and actual earnings on investments	(33,696)	(41,319)
Pension plan administrative expense	1,556	2,398
Other changes in fiduciary net position	-	-
Pension expense/(benefit)	\$ (21,955)	\$ 2,030

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 – PENSION PLANS *(continued)*

Net Pension Liability

The components of the net pension liability of the Plans at December 31, 2021, were as follows:

Description	Non-Uniformed	Police Pension
Total Pension Liability	\$ 432,198	\$ 918,811
Plan Fiduciary Net Position	581,034	1,003,321
Net Pension (Asset) Liability	<u>\$ (148,836)</u>	<u>\$ (84,510)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	<u>134%</u>	<u>109%</u>

For the year ended December 31, 2021, the Township would recognize pension benefit of \$(21,955) for the Non-uniformed Plan and pension expense of \$2,030 for the Police Plan under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, respectively.

At December 31, 2021, the Township had deferred outflows of resources and deferred inflows of resources related to the Uniformed Plan from the following sources:

Police Pension	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 26,407	\$ 345
Changes in assumptions	6,291	18,229
Net difference between projected and actual investment earnings	-	112,048
Contributions subsequent to the measurement date	-	-
	<u>\$ 32,698</u>	<u>\$ 130,622</u>

At December 31, 2021, 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 Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 5,451
Changes in assumptions	19,207	-
Net difference between projected and actual investment earnings	-	90,331
Contributions subsequent to the measurement date	-	-
	<u>\$ 19,207</u>	<u>\$ 95,782</u>

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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
2022	\$ (22,549)	\$ (26,628)
2023	(31,635)	(36,270)
2024	(19,602)	(23,653)
2025	(5,541)	(11,373)
2026	2,752	-
Thereafter	-	-
	<u>\$ (76,575)</u>	<u>\$ (97,924)</u>

Actuarial Assumptions

	Non-Uniformed Pension	Police Pension
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
Actuarial Assumptions		
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, 2022

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 4.25%	Current Discount Rate 5.25%	1% Increase 6.25%
Net pension liability - Police Plan	\$ 80,332	\$ (84,510)	\$ (218,887)

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 4.25%	Current Discount Rate 5.25%	1% Increase 6.25%
Net pension liability - Non-Uniformed Plan	\$ (112,282)	\$ (148,836)	\$ (180,902)

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, 2022

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, 2022, was \$6,622,000, of which the Township guarantees \$4,635,400.

NOTE 10 – SUBSEQUENT EVENTS

The Township's management has evaluated subsequent events through March 16, 2023, 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, 2022

	General Fund		
	Budget	Actual	Variance Over (Under)
REVENUES			
Taxes	\$ 1,124,075	\$ 1,174,057	\$ 49,982
Licenses and permits	56,600	57,417	817
Fines	7,500	5,348	(2,152)
Interest and rents	145	5,617	5,472
Grants and gifts	91,827	98,319	6,492
American Rescue Plan	-	220,563	220,563
Other revenue	3,000	3,188	188
Other financing sources	-	3,583	3,583
Total revenues	1,283,147	1,568,092	284,945
EXPENDITURES			
Administration	148,334	135,805	12,529
Tax collection	18,550	15,406	3,144
Municipal buildings	41,558	27,745	13,813
Protection to persons and property	322,054	317,629	4,425
Highways and streets	316,361	330,922	(14,561)
Library contribution	1,000	1,000	-
Employee payroll taxes and benefits	283,967	299,961	(15,994)
Insurance	23,882	25,385	(1,503)
Street lighting	-	-	-
Parks and recreation	43,081	39,482	3,599
Debt service			
Principal	55,733	55,733	-
Interest	5,127	5,126	1
Total expenditures	1,259,647	1,254,194	5,453
Excess of revenues (under) over expenditures	23,500	313,898	290,398
OTHER FINANCING (USES)			
Refund of prior year revenues	-	(35)	(35)
Transfers (to) from other funds	(23,500)	(23,500)	-
Excess of revenues and other sources over (under) expenditures and other uses	\$ -	290,363	\$ 290,363
Fund balance, beginning		1,009,774	
Fund balance, ending		\$ 1,300,137	

Special Revenue - Major Funds			Totals		
Budget	Actual	Variance Over (Under)	Budget	Actual	Variance Over (Under)
\$ 46,585	\$ 50,051	\$ 3,466	\$ 1,170,660	\$ 1,224,108	\$ 53,448
-	-	-	56,600	57,417	817
-	-	-	7,500	5,348	(2,152)
70	242	172	215	5,859	5,644
180,710	191,415	10,705	272,537	289,734	17,197
-	-	-	-	220,563	220,563
-	-	-	3,000	3,188	188
-	-	-	-	3,583	3,583
<u>227,365</u>	<u>241,708</u>	<u>14,343</u>	<u>1,510,512</u>	<u>1,809,800</u>	<u>299,288</u>
-	-	-	148,334	135,805	12,529
1,600	1,549	51	20,150	16,955	3,195
-	-	-	41,558	27,745	13,813
-	-	-	322,054	317,629	4,425
160,375	272,794	(112,419)	476,736	603,716	(126,980)
-	-	-	1,000	1,000	-
-	-	-	283,967	299,961	(15,994)
-	-	-	23,882	25,385	(1,503)
45,000	45,889	(889)	45,000	45,889	(889)
-	-	-	43,081	39,482	3,599
19,690	19,688	2	75,423	75,421	2
700	700	-	5,827	5,826	1
<u>227,365</u>	<u>340,620</u>	<u>(113,255)</u>	<u>1,487,012</u>	<u>1,594,814</u>	<u>(107,802)</u>
-	(98,912)	(98,912)	23,500	214,986	191,486
-	-	-	-	(35)	(35)
-	-	-	(23,500)	(23,500)	-
<u>\$ -</u>	<u>(98,912)</u>	<u>\$ (98,912)</u>	<u>\$ -</u>	<u>191,451</u>	<u>\$ 191,451</u>
	<u>261,755</u>			<u>1,271,529</u>	
	<u>\$ 162,843</u>			<u>\$ 1,462,980</u>	

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

POLICE PENSION PLAN

Year	Actuarially Determined Contribution	Contributions From Employer	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a % of Payroll
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
December 31, 2021	37,463	40,606	(3,143)	179,975	22.56

NON-UNIFORMED PENSION PLAN

Year	Actuarially Determined Contribution	Contributions From Employer	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a % of Payroll
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
December 31, 2021	2,570	2,570	-	211,522	1.22

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

Police Pension	12/31/2021	12/31/2020	12/31/2019
TOTAL PENSION LIABILITY			
Service cost	\$ 27,370	\$ 27,531	\$ 26,492
Interest	45,831	41,926	38,461
Differences between expected and actual experience	-	26,865	-
Changes of assumptions	-	(21,762)	-
Benefit payments, including refunds of employee contributions	-	-	-
Net change in total pension liability	73,201	74,560	64,953
Total pension liability, beginning	845,610	771,050	706,097
Total pension liability, ending	<u>\$ 918,811</u>	<u>\$ 845,610</u>	<u>\$ 771,050</u>
PLAN FIDUCIARY NET POSITION			
Contributions, employer	\$ 40,546	\$ 35,672	\$ 34,007
Contributions, PMRS assessment	60	60	60
Net investment income	102,387	105,615	120,239
Benefit payments, including refunds of employee contributions	-	-	-
Administrative expense	(2,398)	(1,629)	(1,183)
Net change in plan fiduciary net position	140,595	139,718	153,123
Plan fiduciary net position, beginning	862,726	723,008	569,885
Plan fiduciary net position, ending	<u>\$ 1,003,321</u>	<u>\$ 862,726</u>	<u>\$ 723,008</u>
Township's net pension liability, ending	<u>\$ (84,510)</u>	<u>\$ (17,116)</u>	<u>\$ 48,042</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>109.20%</u>	<u>102.02%</u>	<u>93.77%</u>
Covered employee payroll	<u>\$ 179,975</u>	<u>\$ 181,421</u>	<u>\$ 174,570</u>
Township's net pension liability as a percentage of covered employee payroll	<u>-46.96%</u>	<u>-9.43%</u>	<u>27.52%</u>

	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
\$	25,659	\$ 24,406	\$ 22,704	\$ 26,976	\$ 24,374
	34,648	31,640	28,089	26,993	21,960
	11,481	-	14,299	(2,746)	45,304
	-	-	25,173	(29,768)	-
	-	-	-	-	-
	71,788	56,046	90,265	21,455	91,638
	634,309	578,263	487,998	466,543	374,905
\$	706,097	\$ 634,309	\$ 578,263	\$ 487,998	\$ 466,543
\$	36,896	\$ 37,635	\$ 30,677	\$ 29,735	\$ 26,304
	60	60	60	60	-
	(39,682)	82,232	31,004	(3,579)	16,914
	-	-	-	-	-
	(1,348)	(1,235)	(1,223)	(936)	(768)
	(4,074)	118,692	60,518	25,280	42,450
	573,959	455,267	394,749	369,469	327,019
\$	569,885	\$ 573,959	\$ 455,267	\$ 394,749	\$ 369,469
\$	136,212	\$ 60,350	\$ 122,996	\$ 93,249	\$ 97,074
	80.71%	90.49%	78.73%	80.89%	79.19%
\$	169,839	\$ 161,547	\$ 159,216	\$ 150,918	\$ 136,004
	80.20%	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	12/31/2021	12/31/2020	12/31/2019
TOTAL PENSION LIABILITY			
Service cost	\$ 11,841	\$ 6,936	\$ 11,511
Interest	22,352	20,955	20,444
Differences between expected and actual experience	-	(7,627)	-
Changes of assumptions	-	26,891	-
Benefit payments, including refunds of employee contributions	(31,405)	(19,655)	(15,689)
Net change in total pension liability	2,788	27,500	16,266
Total pension liability, beginning	429,410	401,910	385,644
Total pension liability, ending	<u>\$ 432,198</u>	<u>\$ 429,410</u>	<u>\$ 401,910</u>
PLAN FIDUCIARY NET POSITION			
Contributions, employer	\$ 2,590	\$ 8,582	\$ 6,897
Contributions, employee	2,115	1,717	2,849
Net investment income	66,105	93,880	81,592
Benefit payments, including refunds of employee contributions	(31,405)	(19,655)	(15,689)
Administrative expense	(1,556)	(1,167)	(861)
Net change in plan fiduciary net position	37,849	83,357	74,788
Plan fiduciary net position, beginning	543,185	459,828	385,040
Plan fiduciary net position, ending	<u>\$ 581,034</u>	<u>\$ 543,185</u>	<u>\$ 459,828</u>
Township's net pension liability, ending	<u>\$ (148,836)</u>	<u>\$ (113,775)</u>	<u>\$ (57,918)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>134.44%</u>	<u>126.50%</u>	<u>114.41%</u>
Covered employee payroll	<u>\$ 211,522</u>	<u>\$ 171,653</u>	<u>\$ 284,894</u>
Township's net pension liability as a percentage of covered employee payroll	<u>-70.36%</u>	<u>-66.28%</u>	<u>-20.33%</u>

12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
\$ 8,962	\$ 8,621	\$ 10,807	\$ 10,340	\$ 11,779
19,298	18,220	17,940	16,631	15,105
(24)	-	(9,591)	-	6,052
4,228	-	6,567	(47)	-
(10,750)	(2,657)	(2,657)	(4,520)	(2,987)
21,714	24,184	23,066	22,404	29,949
363,930	339,746	316,680	294,276	264,327
<u>\$ 385,644</u>	<u>\$ 363,930</u>	<u>\$ 339,746</u>	<u>\$ 316,680</u>	<u>\$ 294,276</u>
\$ 6,947	\$ 6,973	\$ 8,024	\$ 7,830	\$ 8,009
2,373	2,284	2,369	2,173	2,135
(25,727)	61,172	26,322	(735)	15,848
(10,750)	(2,657)	(2,657)	(4,520)	(2,987)
(979)	(982)	(993)	(840)	(714)
(28,136)	66,790	33,065	3,908	22,291
413,176	346,386	313,321	309,413	287,122
<u>\$ 385,040</u>	<u>\$ 413,176</u>	<u>\$ 346,386</u>	<u>\$ 313,321</u>	<u>\$ 309,413</u>
<u>\$ 604</u>	<u>\$ (49,246)</u>	<u>\$ (6,640)</u>	<u>\$ 3,359</u>	<u>\$ (15,137)</u>
99.84%	113.53%	101.95%	98.94%	105.14%
<u>\$ 237,266</u>	<u>\$ 228,247</u>	<u>\$ 236,894</u>	<u>\$ 217,354</u>	<u>\$ 216,847</u>
0.25%	-21.58%	-2.80%	1.55%	-6.98%

SUPPLEMENTAL INFORMATION

MILLCREEK TOWNSHIP
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS -
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2022

	<u>Hydrant Fund</u>	<u>Capital Projects</u>	<u>Total Non-major Governmental Funds</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 7,895	\$ 112,154	\$ 120,049
Total assets	<u>\$ 7,895</u>	<u>\$ 112,154</u>	<u>\$ 120,049</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Due to other funds	\$ 103	\$ -	\$ 103
Total liabilities	<u>103</u>	<u>-</u>	<u>103</u>
<u>FUND BALANCES</u>			
Restricted	7,792	-	7,792
Committed	-	112,154	112,154
Total fund balances	<u>7,792</u>	<u>112,154</u>	<u>119,946</u>
Total liabilities and fund balances	<u>\$ 7,895</u>	<u>\$ 112,154</u>	<u>\$ 120,049</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, 2022

	Hydrant Fund	Capital Projects	Total Non-major Governmental Funds
REVENUES			
Taxes	\$ 8,519	\$ -	\$ 8,519
Interest and rents	10	1,261	1,271
Total revenues	8,529	1,261	9,790
EXPENDITURES			
Tax collection	265	-	265
Protection to persons and property	8,483	-	8,483
Total expenditures	8,748	-	8,748
Excess of revenues over expenditures	(219)	1,261	1,042
Transfers in	-	23,500	23,500
Transfers (out)	-	-	-
Net change in fund balances	(219)	24,761	24,542
Fund balances, beginning	8,011	87,393	95,404
Fund balances, ending	\$ 7,792	\$ 112,154	\$ 119,946