

MILLCREEK TOWNSHIP

FINANCIAL STATEMENTS

DECEMBER 31, 2023

MILLCREEK TOWNSHIP
FINANCIAL STATEMENTS
DECEMBER 31, 2023

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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, 2023, 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, 2023, 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, 2023, 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 20, 2024

MILLCREEK TOWNSHIP
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,791,270
<hr/>	
Total current assets	1,791,270
<hr/>	

NON-CURRENT ASSETS

Capital assets	
Depreciable buildings, property and equipment, net	752,104
<hr/>	
Total assets	\$ 2,543,374
<hr/>	

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Payroll taxes and other withholdings	2,731
Escrow payable	4,306
Current portion of long-term obligations	
Notes	52,290
<hr/>	
Total current liabilities	59,327
<hr/>	

NON-CURRENT LIABILITIES

Non-current portion of long-term obligations	
Notes	134,960
<hr/>	
Total liabilities	194,287
<hr/>	

NET POSITION

Invested in capital assets, net of related debt	564,854
Restricted net position	
Street Light	90,516
Hydrant	7,522
Highway Aid	55,466
Parks and Recreation	5,000
Unrestricted net position	1,625,729
<hr/>	
Total net position	2,349,087
<hr/>	
Total liabilities and net position	\$ 2,543,374
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See accompanying notes to the financial statements.

MILLCREEK TOWNSHIP
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 221,381	\$ 1,382	\$ 72,863	\$ -
Public safety	363,272	6,766	30,471	-
Public works	497,867	-	222,488	-
Culture and recreation	30,240	1,510	6,200	-
Community development	1,000	-	-	-
Insurance	27,393	-	-	-
Employee benefits	304,834	-	-	-
Interest on long-term debt	11,388	-	-	-
Total primary government	\$ 1,457,375	\$ 9,658	\$ 332,022	\$ -

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

Refund of prior year revenues

Gain (loss) on disposal of capital assets

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
	\$ (147,136)	\$	(147,136)
	(326,035)		(326,035)
	(275,379)		(275,379)
	(22,530)		(22,530)
	(1,000)		(1,000)
	(27,393)		(27,393)
	(304,834)		(304,834)
	(11,388)		(11,388)
	(1,115,695)		(1,115,695)
	410,182		410,182
	664,403		664,403
	132,858		132,858
	57,061		57,061
	59,207		59,207
	37,730		37,730
	(5,004)		(5,004)
	5,900		5,900
	715		715
	1,363,052		1,363,052
	247,357		247,357
	2,101,730		2,101,730
	\$ 2,349,087	\$	2,349,087

See accompanying notes to the financial statements.

MILLCREEK TOWNSHIP
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Highway Aid	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,542,261	\$ 55,428	\$ 193,581	\$ 1,791,270
Due from other funds	212	38	12	262
Total current assets	<u>\$ 1,542,473</u>	<u>\$ 55,466</u>	<u>\$ 193,593</u>	<u>\$ 1,791,532</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Due to other funds	\$ 38	\$ -	\$ 224	\$ 262
Escrow payable	4,306	-	-	4,306
Payroll taxes and other withheld	2,731	-	-	2,731
Total liabilities	<u>7,075</u>	<u>-</u>	<u>224</u>	<u>7,299</u>
 FUND BALANCES				
Restricted				
Highway Aid	-	55,466	-	55,466
Street Light	-	-	90,516	90,516
Hydrant	-	-	7,522	7,522
Parks and Recreation	5,000	-	-	5,000
Committed	-	-	95,331	95,331
Unassigned	1,530,398	-	-	1,530,398
Total fund balances	<u>1,535,398</u>	<u>55,466</u>	<u>193,369</u>	<u>1,784,233</u>
Total liabilities and fund balances	<u>\$ 1,542,473</u>	<u>\$ 55,466</u>	<u>\$ 193,593</u>	<u>\$ 1,791,532</u>

See accompanying notes to financial statements.

MILLCREEK TOWNSHIP
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

Governmental funds balance total		\$ 1,784,233
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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	\$ 2,155,054	
Accumulated depreciation	<u>(1,402,950)</u>	
		752,104

Governmental funds do not include long-term debt; however, it is included in the government-wide statement of net position		<u>(187,250)</u>
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Net position		<u><u>\$ 2,349,087</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, 2023

	General	Highway Aid	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 1,207,443	\$ -	\$ 59,207	\$ 1,266,650
Licenses and permits	57,061	-	-	57,061
Fines	6,766	-	-	6,766
Interest and rents	30,165	1,434	6,131	37,730
Grants and gifts	133,237	198,785	-	332,022
Other revenue	2,892	-	-	2,892
Other financing sources	6,615	-	-	6,615
Total revenues	1,444,179	200,219	65,338	1,709,736
EXPENDITURES				
Administration	154,943	-	-	154,943
Tax collection	15,042	-	1,810	16,852
Municipal buildings	30,414	-	-	30,414
Protection to persons and property	349,790	-	54,162	403,952
Highways and streets	235,773	170,288	-	406,061
Library contribution	1,000	-	-	1,000
Employee payroll taxes and benefits	304,834	-	-	304,834
Insurance	27,393	-	-	27,393
Street lighting	-	-	47,774	47,774
Parks and recreation	27,694	-	-	27,694
Debt service				
Principal	31,581	39,542	-	71,123
Interest	1,953	9,435	-	11,388
Total expenditures	1,180,417	219,265	103,746	1,503,428
Excess (deficiency) of revenues over expenditures	263,762	(19,046)	(38,408)	206,308

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, 2023

	General	Highway Aid	Other Governmental Funds	Total Governmental Funds
Refund of prior year revenues	(5,004)	-	-	(5,004)
Transfers in	-	-	23,500	23,500
Transfers (out)	(23,500)	-	-	(23,500)
 Net change in fund balances	 235,258	 (19,046)	 (14,908)	 201,304
Fund balances, beginning	1,300,140	74,512	208,277	1,582,929
Fund balances, ending	<u>\$ 1,535,398</u>	<u>\$ 55,466</u>	<u>\$ 193,369</u>	<u>\$ 1,784,233</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, 2023

Net change in fund balances, governmental funds	\$	201,304
Governmental fund statements include capital acquisitions as		
Asset purchases (less financing)	\$	44,732
Depreciation expense		<u>(69,802)</u>
		(25,070)
In the governmental fund statements, the incurrence of debt is		
Principal payments		71,123
Change in net position, statement of activities	<u>\$</u>	<u>247,357</u>

See accompanying notes to financial statements.

MILLCREEK TOWNSHIP
 STATEMENT OF NET POSITION - FIDUCIARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Police Pension Fund	Non-Uniformed Pension Fund	Total Fiduciary Funds
ASSETS			
Investments at fair value with PMRS	\$ 917,064	\$ 502,792	\$ 1,419,856
NET POSITION			
Net position held in trust for pension benefits	\$ 917,064	\$ 502,792	\$ 1,419,856

See accompanying notes to financial statements.

MILLCREEK TOWNSHIP
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Police Pension Fund	Non-Uniformed Pension Fund	Total Fiduciary Funds
ADDITIONS			
Contributions			
Employer	\$ 41,033	\$ 3,494	\$ 44,527
Commonwealth	60	-	60
Member	-	2,192	2,192
Investment income (loss), interest	(124,866)	(54,247)	(179,113)
 Total additions	 (83,773)	 (48,561)	 (132,334)
DEDUCTIONS			
Administrative expenses	2,484	1,447	3,931
Benefit payments	-	28,234	28,234
 Total deductions	 2,484	 29,681	 32,165
 Net increase	 (86,257)	 (78,242)	 (164,499)
 Net position, beginning	 1,003,321	 581,034	 1,584,355
 Net position, ending	 \$ 917,064	 \$ 502,792	 \$ 1,419,856

See accompanying notes to financial statements.

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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.

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.
- 3) Street Light Fund is a Special Revenue Fund used to account for revenues and expenditures related to street lighting and maintenance.

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023

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, 2023 was as follows:

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.

Compensated Absences

Township employees are entitled to certain compensated absences as described in Note 4.

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.

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

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.

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 \$1,791,269 and the bank balance was \$1,821,229 of which \$250,000 was fully insured and \$1,067,855 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

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS *(continued)*

respect to pooling, custody and type of collateral. The remaining \$503,374 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, 2023, 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 72.4% of the Township’s total investments.

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, 2023.

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 – CAPITAL ASSETS

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

	Balance 12/31/2022	Additions	Retirements	Balance 12/31/2023
Governmental activities				
Land	\$ 79,025	\$ -	\$ -	\$ 79,025
Land improvements	52,777	-	-	52,777
Furniture and equipment	604,352	-	-	604,352
Automotive equipment	603,378	260,504	(92,500)	771,382
Buildings	229,035	-	-	229,035
Infrastructure	418,483	-	-	418,483
Total cost	1,987,050	260,504	(92,500)	2,155,054
Less accumulated depreciation				
Land improvements	44,368	779	-	45,147
Furniture and equipment	385,093	32,212	-	417,305
Automotive equipment	492,036	14,680	(92,500)	414,216
Buildings	128,270	6,110	-	134,380
Infrastructure	375,881	16,021	-	391,902
Total accumulated depreciation	1,425,648	69,802	(92,500)	1,402,950
Capital assets, net	\$ 561,402	\$ 190,702	\$ -	\$ 752,104

MILLCREEK TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 3 – CAPITAL ASSETS *(continued)*

Depreciation expense was charged to governmental functions as follows:

Recreation	\$	2,546
Police		4,852
Highway		44,032
General		18,372
		18,372
Total	\$	69,802

NOTE 4 – COMPENSATED ABSENCES

The Township allows uniformed employees to accumulate unused vacation leave. Vacation leave is vested and paid to uniformed employees upon termination. As of December 31, 2023, the liability for vested vacation was \$24,713. Uniformed employees accumulate unused sick leave up to 800 hours. Upon separation or retirement, sick leave is vested and paid at a rate of 33.33%. The liability for vested sick leave was \$4,412. These amounts include payroll related tax liabilities.

NOTE 5 – 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 2023 is as follows:

Tax levy date	March 1, 2023
2% discount period	Through April 30, 2023
Face payment period	Through June 30, 2023
10% penalty period	Beginning July 1, 2023
Lien filing date	January 1, 2024

The Township tax rate in 2023 was 1.33 (\$1.33 per \$1,000 assessed value).

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 – LONG-TERM DEBT

(A) 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.

(B) On June 8, 2022, the Board of Supervisors entered into a loan obligation to Santander Bank in the amount of \$215,772, requiring annual payments of \$48,977 with interest of 4.37% through June 3, 2027. The purpose of the loan was to purchase a 47X Truck.

Changes to long-term debt are as follows:

	Balance 12/31/2022	Additions	Retirements	Balance 12/31/2023	Amounts Due in One Year
Equipment Lease - (A)	42,601	-	(31,581)	11,020	11,020
Equipment Lease - (B)	-	215,772	(39,542)	176,230	41,270
	<u>\$ 42,601</u>	<u>\$ 215,772</u>	<u>\$ (71,123)</u>	<u>\$ 187,250</u>	<u>\$ 52,290</u>

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

Loan	2024	2025	2026	2027	2028	Total
Principal						
(A)	\$ 11,020	\$ -	\$ -	\$ -	\$ -	\$ 11,020
(B)	41,271	43,075	44,959	46,925	-	176,230
Interest						
(A)	159	-	-	-	-	159
(B)	7,706	5,902	4,018	2,052	-	19,678
Total	<u>\$ 60,156</u>	<u>\$ 48,977</u>	<u>\$ 48,977</u>	<u>\$ 48,977</u>	<u>\$ -</u>	<u>\$ 207,087</u>

Long-term debt is liquidated from the General Fund.

NOTE 7 – 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:

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 – FUND BALANCE *(continued)*

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).

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, 2023, the Township had \$95,331 committed to future capital projects.

NOTE 8 – 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

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 – PENSION PLANS *(continued)*

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.

Plan Membership

Membership of each plan consisted of the following at January 1, 2023, the date of the latest actuarial valuations:

	Non-Uniformed	Police Pension
Active plan members	4	2
Retiree beneficiaries currently receiving benefits	3	-
Terminated plan members entitled to benefits but not yet receiving them	-	1
	7	3
Total	7	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

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 – PENSION PLANS *(continued)*

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.

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 \$305,000 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 \$41,444 in state pension aid for the year ended December 31, 2022.

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, 2022, there were no concentrations of investments in the Plan.

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 – 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, 2022:

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	5.1
Emerging markets	3.0	5.5
Global equities	5.0	4.5
Real estate	10.0	4.9
Timber	5.0	4.0
Fixed income		
Core investment grade	24.0	2.1
Opportunistic credit	5.0	5.5
Cash	1.0	(0.3)
	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, 2023

NOTE 8 – PENSION PLANS *(continued)*

Net Pension Liability

Net pension liability for non-uniformed and police at December 31, 2022, was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Non-Uniformed Pension Plan			
Balances at December 31, 2021	\$ 432,198	\$ 581,034	\$ (148,836)
Changes for the year:			
Service cost	12,268	-	12,268
Interest on the total pension liability	22,603	-	22,603
Changes of benefits	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	36,018	-	36,018
Contributions - employer	-	3,494	(3,494)
Contributions - PMRS assessment	-	-	-
Contributions - employees	-	2,192	(2,192)
PMRS investment income	-	24,745	(24,745)
Market value investment income	-	(78,992)	78,992
Benefit payments	(28,234)	(28,234)	-
Pension plan administrative expense	-	(1,447)	1,447
Net changes	42,655	(78,242)	120,897
Balances at December 31, 2022	\$ 474,853	\$ 502,792	\$ (27,939)

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 – PENSION PLANS *(continued)*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Police Pension Plan			
Balances at December 31, 2021	\$ 918,811	\$ 1,003,321	\$ (84,510)
Changes for the year:			
Service cost	28,676	-	28,676
Interest on the total pension liability	49,743	-	49,743
Changes of benefits	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	2,086	-	2,086
Contributions - employer		41,033	(41,033)
Contributions - PMRS assessment		60	(60)
PMRS investment income	-	45,871	(45,871)
Market value investment income	-	(170,737)	170,737
Pension plan administrative expense	-	(2,484)	2,484
Net changes	80,505	(86,257)	166,762
Balances at December 31, 2022	\$ 999,316	\$ 917,064	\$ 82,252

Pension Expense

Pension expense calculated under GASB 68 for the Plan at December 31, 2022, was as follows:

Year Ended December 31, 2022	Non-Uniformed Pension	Police Pension
Service cost	\$ 12,268	\$ 28,676
Interest on the total pension liability	22,603	49,743
Change of benefit terms	-	-
Difference between expected and actual experience	4,909	7,908
Changes of assumptions	3,842	(4,201)
Member contributions	(2,192)	-
Projected earnings on pension plan investments	(24,745)	(45,871)
Difference between projected and actual earnings on investments	(9,499)	4,160
Pension plan administrative expense	1,447	2,484
Other changes in fiduciary net position	-	-
Pension expense	\$ 8,633	\$ 42,899

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8– PENSION PLANS (continued)

Net Pension Liability

The components of the net pension liability of the Plans at December 31, 2022, were as follows:

Description	Non-Uniformed	Police Pension
Total Pension Liability	\$ 474,853	\$ 999,316
Plan Fiduciary Net Position	502,792	917,064
Net Pension (Asset) Liability	<u>\$ (27,939)</u>	<u>\$ 82,252</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	<u>106%</u>	<u>92%</u>

For the year ended December 31, 2022, the Township would recognize pension expense of \$8,633 for the Non-uniformed Plan and \$42,899 for the Police Plan under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, respectively.

At December 31, 2022, 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	\$ 20,240	\$ -
Changes in assumptions	3,144	10,881
Net difference between projected and actual investment earnings	54,529	-
Contributions subsequent to the measurement date	-	-
	<u>\$ 77,913</u>	<u>\$ 10,881</u>

At December 31, 2022, 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	\$ 30,015	\$ 4,357
Changes in assumptions	15,365	-
Net difference between projected and actual investment earnings	-	1,840
Contributions subsequent to the measurement date	-	-
	<u>\$ 45,380</u>	<u>\$ 6,197</u>

MILLCREEK TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 – 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
2023	\$ (9,834)	\$ (1,775)
2024	2,199	10,842
2025	16,260	23,122
2026	24,555	34,497
2027	6,003	346
Thereafter	-	-
	\$ 39,183	\$ 67,032

Actuarial Assumptions

	Non-Uniformed Pension	Police Pension
Actuarial Valuation Date	January 1, 2023	January 1, 2023
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, 2023

NOTE 8 – 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 (asset) - Police Plan	\$ 246,364	\$ 82,252	\$ (52,769)

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 (asset) - Non-Uniformed Plan	\$ 17,307	\$ (27,939)	\$ (66,514)

NOTE 9 – 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, 2023

NOTE 10 – 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 fire company equipment purchases, and increased insurance premiums attributed to the Township's expenditures exceeding appropriations in the general fund. Increased paving costs attributed to the Township's expenditures exceeding appropriations in the other major funds.

NOTE 11 – 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 \$7,000,000, 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, 2023, was \$3,790,000, of which the Township guarantees \$2,653,000.

NOTE 12 – SUBSEQUENT EVENTS

The Township's management has evaluated subsequent events through March 20, 2024, 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, 2023

	General Fund		
	Budget	Actual	Variance Over
REVENUES			
Taxes	\$ 1,188,575	\$ 1,207,443	\$ 18,868
Licenses and permits	57,100	57,061	(39)
Fines	5,500	6,766	1,266
Interest and rents	1,175	30,165	28,990
Grants and gifts	97,460	133,237	35,777
American Rescue Plan	-	-	-
Other revenue	3,000	2,894	(106)
Other financing sources	-	6,615	6,615
Total revenues	1,352,810	1,444,181	91,371
EXPENDITURES			
Administration	244,234	154,945	89,289
Tax collection	18,100	15,042	3,058
Municipal buildings	40,950	30,414	10,536
Protection to persons and property	342,870	349,790	(6,920)
Highways and streets	583,288	235,773	347,515
Library contribution	1,000	1,000	-
Employee payroll taxes and benefits	301,151	304,834	(3,683)
Insurance	25,412	27,393	(1,981)
Parks and recreation	140,081	27,694	112,387
Debt service			
Principal	33,534	31,581	1,953
Interest	1,953	1,953	-
Total expenditures	1,732,573	1,180,419	552,154
Excess of revenues (under) over expenditures	(379,763)	263,762	643,525
OTHER FINANCING (USES)			
Refund of prior year revenues	-	(5,004)	(5,004)
Transfers (to) from other funds	(23,500)	(23,500)	-
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (403,263)</u>	235,258	<u>\$ 638,521</u>
Fund balance, beginning		<u>1,300,140</u>	
Fund balance, ending		<u>\$ 1,535,398</u>	

Special Revenue - Major Funds			Totals		
Budget	Actual	Variance Over	Budget	Actual	Variance Over
\$ -	\$ -	\$ -	\$ 1,188,575	\$ 1,207,443	\$ 18,868
-	-	-	57,100	57,061	(39)
-	-	-	5,500	6,766	1,266
55	1,434	1,379	1,230	31,599	30,369
193,360	198,785	5,425	290,820	332,022	41,202
-	-	-	-	-	-
-	-	-	3,000	2,894	(106)
-	-	-	-	6,615	6,615
193,415	200,219	6,804	1,546,225	1,644,400	98,175
-	-	-	244,234	154,945	89,289
-	-	-	18,100	15,042	3,058
-	-	-	40,950	30,414	10,536
-	-	-	342,870	349,790	(6,920)
144,438	170,288	(25,850)	727,726	406,061	321,665
-	-	-	1,000	1,000	-
-	-	-	301,151	304,834	(3,683)
-	-	-	25,412	27,393	(1,981)
-	-	-	140,081	27,694	112,387
39,542	39,542	-	73,076	71,123	1,953
9,435	9,435	-	11,388	11,388	-
193,415	219,265	(25,850)	1,925,988	1,399,684	526,304
-	(19,046)	(19,046)	(379,763)	244,716	624,479
-	-	-	-	(5,004)	(5,004)
-	-	-	(23,500)	(23,500)	-
<u>\$ -</u>	<u>(19,046)</u>	<u>\$ (19,046)</u>	<u>\$ (403,263)</u>	<u>216,212</u>	<u>\$ 619,475</u>
	<u>74,512</u>			<u>1,374,652</u>	
	<u>\$ 55,466</u>			<u>\$ 1,590,864</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, 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
December 31, 2022	41,093	41,093	-	188,564	21.79

NON-UNIFORMED PENSION PLAN

Year	Actuarially Determined Contribution	Contributions From Employer	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a % of Payroll
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	2,590	(20)	211,522	1.22
December 31, 2022	3,494	3,494	-	219,146	1.59

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

Police Pension	12/31/2022	12/31/2021	12/31/2020	12/31/2019
TOTAL PENSION LIABILITY				
Service cost	\$ 28,676	\$ 27,370	\$ 27,531	\$ 26,492
Interest	49,743	45,831	41,926	38,461
Differences between expected and actual experience	2,086	-	26,865	-
Changes of assumptions	-	-	(21,762)	-
Benefit payments, including refunds of employee contributions	-	-	-	-
Net change in total pension liability	80,505	73,201	74,560	64,953
Total pension liability, beginning	918,811	845,610	771,050	706,097
Total pension liability, ending	<u>\$ 999,316</u>	<u>\$ 918,811</u>	<u>\$ 845,610</u>	<u>\$ 771,050</u>
PLAN FIDUCIARY NET POSITION				
Contributions, employer	\$ 41,033	\$ 40,546	\$ 35,672	\$ 34,007
Contributions, PMRS assessment	60	60	60	60
Net investment income	(124,866)	102,387	105,615	120,239
Benefit payments, including refunds of employee contributions	-	-	-	-
Administrative expense	(2,484)	(2,398)	(1,629)	(1,183)
Net change in plan fiduciary net position	(86,257)	140,595	139,718	153,123
Plan fiduciary net position, beginning	1,003,321	862,726	723,008	569,885
Plan fiduciary net position, ending	<u>\$ 917,064</u>	<u>\$ 1,003,321</u>	<u>\$ 862,726</u>	<u>\$ 723,008</u>
Township's net pension liability, ending	<u>\$ 82,252</u>	<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>91.77%</u>	<u>109.20%</u>	<u>102.02%</u>	<u>93.77%</u>
Covered employee payroll	<u>\$ 188,564</u>	<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>43.62%</u>	<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
<u>\$ 706,097</u>	<u>\$ 634,309</u>	<u>\$ 578,263</u>	<u>\$ 487,998</u>	<u>\$ 466,543</u>
\$ 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
<u>\$ 569,885</u>	<u>\$ 573,959</u>	<u>\$ 455,267</u>	<u>\$ 394,749</u>	<u>\$ 369,469</u>
<u>\$ 136,212</u>	<u>\$ 60,350</u>	<u>\$ 122,996</u>	<u>\$ 93,249</u>	<u>\$ 97,074</u>
80.71%	90.49%	78.73%	80.89%	79.19%
<u>\$ 169,839</u>	<u>\$ 161,547</u>	<u>\$ 159,216</u>	<u>\$ 150,918</u>	<u>\$ 136,004</u>
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	12/31/2022	12/31/2021	12/31/2020	12/31/2019
TOTAL PENSION LIABILITY				
Service cost	\$ 12,268	\$ 11,841	\$ 6,936	\$ 11,511
Interest	22,603	22,352	20,955	20,444
Differences between expected and actual experience	36,018	-	(7,627)	-
Changes of assumptions	-	-	26,891	-
Benefit payments, including refunds of employee contributions	(28,234)	(31,405)	(19,655)	(15,689)
Net change in total pension liability	42,655	2,788	27,500	16,266
Total pension liability, beginning	432,198	429,410	401,910	385,644
Total pension liability, ending	<u>\$ 474,853</u>	<u>\$ 432,198</u>	<u>\$ 429,410</u>	<u>\$ 401,910</u>
PLAN FIDUCIARY NET POSITION				
Contributions, employer	\$ 3,494	\$ 2,590	\$ 8,582	\$ 6,897
Contributions, employee	2,192	2,115	1,717	2,849
Net investment income	(54,247)	66,105	93,880	81,592
Benefit payments, including refunds of employee contributions	(28,234)	(31,405)	(19,655)	(15,689)
Administrative expense	(1,447)	(1,556)	(1,167)	(861)
Net change in plan fiduciary net position	(78,242)	37,849	83,357	74,788
Plan fiduciary net position, beginning	581,034	543,185	459,828	385,040
Plan fiduciary net position, ending	<u>\$ 502,792</u>	<u>\$ 581,034</u>	<u>\$ 543,185</u>	<u>\$ 459,828</u>
Township's net pension liability, ending	<u>\$ (27,939)</u>	<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>105.88%</u>	<u>134.44%</u>	<u>126.50%</u>	<u>114.41%</u>
Covered employee payroll	<u>\$ 219,146</u>	<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>-12.75%</u>	<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, 2023

	<u>Hydrant Fund</u>	<u>Street Light</u>	<u>Capital Projects</u>	<u>Total Non-major Governmental Funds</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 7,565	\$ 90,685	\$ 95,331	\$ 193,581
Due from other funds	-	12	-	12
Total assets	<u>\$ 7,565</u>	<u>\$ 90,697</u>	<u>\$ 95,331</u>	<u>\$ 193,593</u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Due to other funds	\$ 43	\$ 181	\$ -	\$ 224
Total liabilities	<u>43</u>	<u>181</u>	<u>-</u>	<u>224</u>

FUND BALANCES

Restricted	7,522	90,516	-	98,038
Committed	-		95,331	95,331
Total fund balances	<u>7,522</u>	<u>90,516</u>	<u>95,331</u>	<u>193,369</u>
Total liabilities and fund balances	<u>\$ 7,565</u>	<u>\$ 90,697</u>	<u>\$ 95,331</u>	<u>\$ 193,593</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, 2023

	Hydrant Fund	Street Light	Capital Projects	Total Non-major Governmental Funds
REVENUES				
Taxes	\$ 8,541	\$ 50,666	\$ -	\$ 59,207
Interest and rents	83	839	5,209	6,131
Total revenues	8,624	51,505	5,209	65,338
EXPENDITURES				
Tax collection	263	1,547	-	1,810
Street lighting	-	47,774	-	47,774
Protection to persons and property	8,630	-	45,532	54,162
Total expenditures	8,893	49,321	45,532	103,746
Excess of revenues over expenditures	(269)	2,184	(40,323)	(38,408)
Transfers in	-	-	23,500	23,500
Net change in fund balances	(269)	2,184	(16,823)	(14,908)
Fund balances, beginning	7,791	88,332	112,154	208,277
Fund balances, ending	\$ 7,522	\$ 90,516	\$ 95,331	\$ 193,369