

**PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PENNSYLVANIA
Financial Report
December 31, 2023**

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PENNSYLVANIA
December 31, 2023

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**PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PENNSYLVANIA
December 31, 2023**

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Independent Auditors' Report

To the Board of Supervisors
Plumstead Township
Pipersville, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Plumstead Township, Bucks County, Pennsylvania (the 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 present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Plumstead Township, Bucks County, Pennsylvania, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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 the 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 the 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 that the management's discussion and analysis and other required information on pages 4-14 and 62-74 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. 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 the Township's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

DunlapSLK PC

Chalfont, Pennsylvania
November 13, 2024

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Management's Discussion and Analysis (unaudited)
Year Ended December 31, 2023

Our discussion and analysis of Plumstead Township's financial performance provides an overview of the Township's financial activities for the year ended December 31, 2023. Please read it in conjunction with the Township's financial statements, which begin on page 15.

FINANCIAL HIGHLIGHTS

- The Township's total net position increased by \$2,758,989 or 5.8%, as a result of this year's operations.
- The total cost of all Township programs for the year ended December 31, 2023, was \$10,823,250 compared to \$10,289,529 for 2022.
- Bidding and construction commenced on the pedestrian improvement project associated with the previously awarded Automatic Red-Light Enforcement Grant in the amount of \$646,128 and Multimodal Transportation Grant in the amount of \$607,175. These grants are for the Pedestrian Improvements at the intersection of Easton Road/Wawa/Shopping Center the intersection of Easton Road/Stump. Construction was completed in 2024.
- The Township was awarded a CFA Grant in the amount of \$450,000 to be used towards additional pedestrian improvements at Old Easton Road and Route 611. Design started in 2022 with bidding of the project and construction will be completed in 2025.
- The Township was awarded from the American Rescue Plan Act \$1,520,717 to use towards projects specified by the U.S. Treasury. \$757,962 of the funding was received in 2021 and the remaining \$762,755 was received in 2022. The Township has chosen to claim the funds as revenue replacement (standard allowance) since the amount received was under the \$10 million threshold therefore allowing the Township to claim the funds as revenue replacement. Funds are allocated to general government maintenance, repairs, and capital improvements to Township owned water systems, roads, and stormwater facilities and for the purchase of replacement public works equipment, the design and installation of a water main extension, and expenses that provide for mitigation and mediation of the negative impacts of the COVID-19 public health emergency.
- The Township was awarded a Local Share Grant of \$345,000 to be used for a filter system at Cabin Run Well that was completed in the fall of 2024 for the Carriage Hill/Patriot Ridge interconnect anticipated to be completed in 2024.

USING THIS REPORT

This report consists of a series of financial statements. The statement of Net Position and the Statement of Activities (on pages 15-17) provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements start on page 18. For governmental activities, these statements tell how the Township services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's major funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee or in a custodial capacity for the benefit of those outside the government.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Management's Discussion and Analysis (unaudited)
Year Ended December 31, 2023

USING THIS REPORT (Continued)

Reporting on the Township as a Whole

The statement of Net Position and Statement of Activities reports information about the Township as a whole and about its activities in a way that helps answer the question of whether or not the Township is better or worse off, as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid. These statements report the Township's net position and changes in them. The Township's net position (the difference between the assets and deferred outflows, and liabilities and deferred inflows) provides a measurement of the Township's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether the Township's financial health is improving or deteriorating.

Reporting Significant Funds

The fund financial statements begin on page 18 and provide detailed information about the most significant funds, not the Township as a whole. Some funds are required to be established by State law. However, the Board of Supervisors established other funds to help it control or manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

The Township's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at yearend that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the Township's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance Township programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are described in a reconciliation at the end of fund financial statements.

The Township as a Trustee

The Township is the trustee or fiduciary, for its employees' pension plans. It is also responsible for escrow deposits received from developers, businesses, and individuals for legal and engineering fees. All of the Township fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 25 and 26. These activities are excluded from the Township's other financial statements because the Township cannot use these assets to finance its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Management's Discussion and Analysis (unaudited)
Year Ended December 31, 2023

THE TOWNSHIP AS A WHOLE

The Statement of Net Position provides an overview of the Township's assets, liabilities, and net position. Over time, this statement will provide a good indicator of the Township's fiscal health. Two years of data are presented in the following tables. During 2023, we continued to update the valuation calculations for capital assets such as land, buildings, vehicles, equipment, furniture, traffic signals, storm sewers, and drainage structures. Management has also updated five-year capital plans for Police, Public Works, Parks and Recreation and the Township buildings.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Capital Assets	\$ 44,021,864	\$ 42,420,115	\$ 7,323,931	\$ 7,349,480	\$ 51,345,795	\$ 49,769,595
Current and Other Assets	12,476,803	11,475,150	1,996,027	2,751,506	14,472,830	14,226,656
Total Assets	<u>56,498,667</u>	<u>53,895,265</u>	<u>9,319,958</u>	<u>10,100,986</u>	<u>65,818,625</u>	<u>63,996,251</u>
Outflows/Inflows	<u>99,506</u>	<u>(628,017)</u>	<u>-</u>	<u>-</u>	<u>99,506</u>	<u>(628,017)</u>
Long-Term Liabilities	12,703,477	12,977,573	1,200,000	1,350,000	13,903,477	14,327,573
Other Liabilities	1,146,612	1,037,847	703,987	597,748	1,850,599	1,635,595
Total Liabilities	<u>13,850,089</u>	<u>14,015,420</u>	<u>1,903,987</u>	<u>1,947,748</u>	<u>15,754,076</u>	<u>15,963,168</u>
Net Position						
Invested in Capital Assets,						
Net of Related Debt	32,037,803	29,313,112	6,048,931	5,999,480	38,086,734	35,312,592
Restricted	4,149,948	4,367,662	-	-	4,149,948	4,367,662
Unrestricted	<u>6,560,333</u>	<u>5,571,054</u>	<u>1,367,040</u>	<u>2,153,758</u>	<u>7,927,373</u>	<u>7,724,812</u>
Total Net Position	<u>\$ 42,748,084</u>	<u>\$ 39,251,828</u>	<u>\$ 7,415,971</u>	<u>\$ 8,153,238</u>	<u>\$ 50,164,055</u>	<u>\$ 47,405,066</u>

The total net position of the Township shown above is \$50,164,055 Net position increased by 5.8% in 2023.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Management's Discussion and Analysis (unaudited)
Year Ended December 31, 2023

THE TOWNSHIP AS A WHOLE (continued)

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Program Revenues						
Charges for Services	\$ 702,435	\$ 813,738	\$ 1,411,760	\$ 1,432,105	\$ 2,114,195	\$ 2,245,843
Operating Grants/ Contributions	944,324	1,055,917	-	-	944,324	1,055,917
Capital Grants and Contributions	442,591	542,762	-	-	442,591	542,762
General Revenues						
Real Estate Taxes	3,287,818	3,243,927	-	-	3,287,818	3,243,927
Transfer Taxes	746,348	874,042	-	-	746,348	874,042
Earned Income and Local Service Taxes	5,029,557	4,574,777	-	-	5,029,557	4,574,777
Grants and Contributions Not Restricted to Specific Programs	214,336	249,674	-	-	214,336	249,674
Investment Earnings	514,566	220,719	56,015	12,889	570,581	233,608
Gain on Disposal of Capital Assets	15,603	15,703	551	-	16,154	15,703
Transfers	(65,194)	(94,586)	65,194	94,586	-	-
Miscellaneous	216,335	243,158	-	-	216,335	243,158
Total Revenues	<u>12,048,719</u>	<u>11,739,831</u>	<u>1,533,520</u>	<u>1,539,580</u>	<u>13,582,239</u>	<u>13,279,411</u>
Program Expenses						
General Government	1,192,250	937,860	-	-	1,192,250	937,860
Professional Services	95,681	115,843	-	-	95,681	115,843
Public Safety	4,411,064	4,329,872	-	-	4,411,064	4,329,872
Code Enforce/Zoning	411,707	369,524	-	-	411,707	369,524
Public Works	1,649,292	2,490,690	-	-	1,649,292	2,490,690
Water System	-	-	2,270,787	1,300,141	2,270,787	1,300,141
Parks and Recreation	540,064	446,320	-	-	540,064	446,320
Conservation and Development	18,098	36,693	-	-	18,098	36,693
Interest Expense	234,307	262,586	-	-	234,307	262,586
Total Expenses	<u>8,552,463</u>	<u>8,989,388</u>	<u>2,270,787</u>	<u>1,300,141</u>	<u>10,823,250</u>	<u>10,289,529</u>
Changes in Net Position	3,496,256	2,750,443	(737,267)	239,439	2,758,989	2,989,882
Net Position, Beginning of Year	39,251,828 *	36,501,385	8,153,238	7,913,799	47,405,066	44,415,184
Net Position, End of Year	<u>\$ 42,748,084</u>	<u>\$ 39,251,828</u>	<u>\$ 7,415,971</u>	<u>\$ 8,153,238</u>	<u>\$ 50,164,055</u>	<u>\$ 47,405,066</u>

*restated

**PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Management's Discussion and Analysis (unaudited)
Year Ended December 31, 2023**

THE TOWNSHIP AS A WHOLE (continued)

Revenue Overview

Total revenue from all sources was \$13,582,239. Real estate taxes remained at 14.94 mills for 2023. Earned income tax (EIT) continues to be the Township's most important revenue source. The Township continues to annually collect a \$52 Local Services tax (LST). This tax is assessed on individuals working in the Township who earn more than \$12,000 per year. EIT and LST brought in a total of \$5,029,557 which is a 9.9% increase over 2022. EIT revenue is used towards general township operations. LST revenue is used for capital expenditures relating to the Police Department and Public Works Department infrastructure projects. These expenditures are all permitted under the state law tax-enabling act.

Total revenues increased \$302,828 (2.3%) from the prior year.

Figure 1

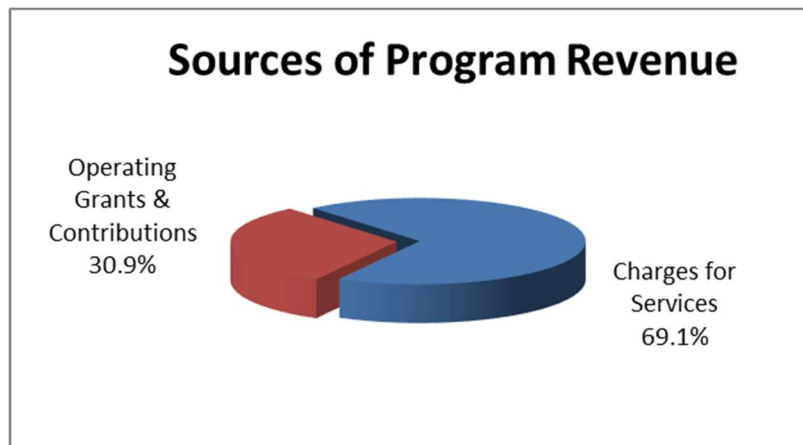
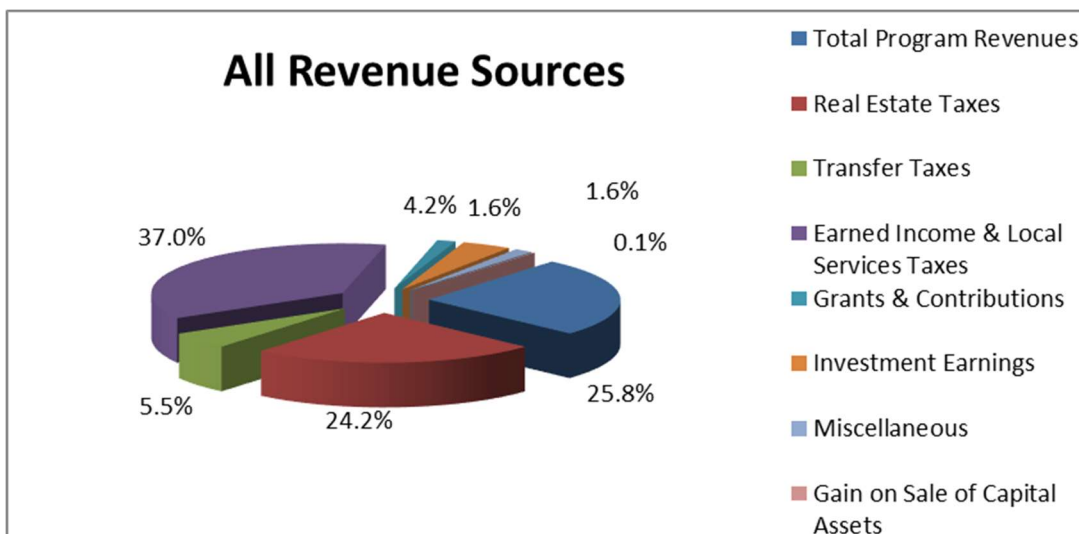


Figure 2



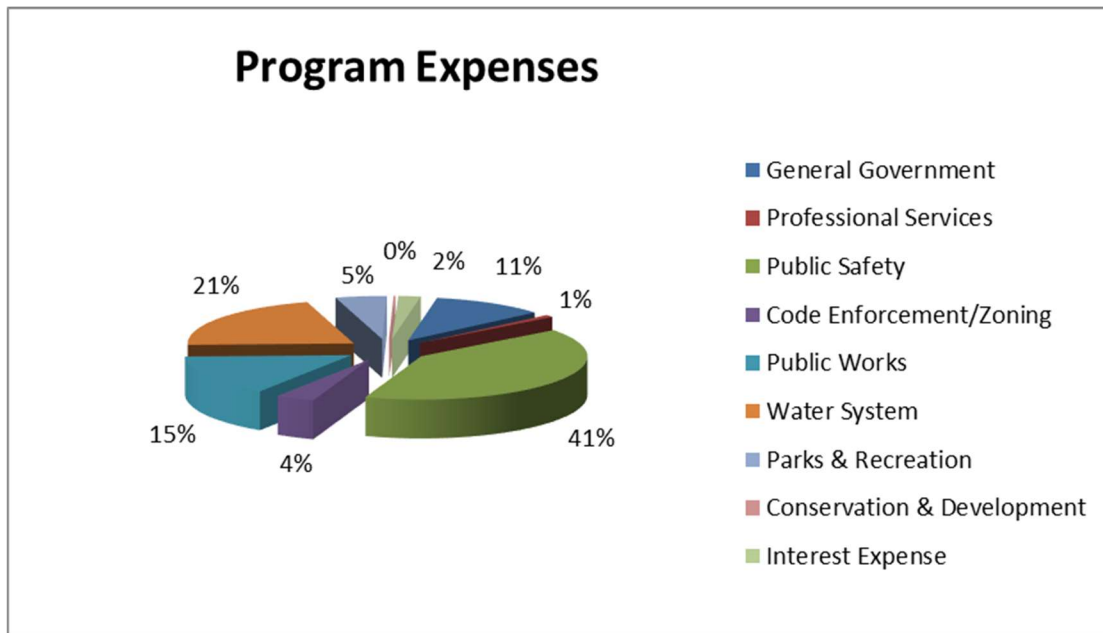
**PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
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Year Ended December 31, 2023**

THE TOWNSHIP AS A WHOLE (continued)

Expense Overview

Total expenses in all categories were \$10,823,250, a \$533,721 increase (5.2%) over 2022. Increases were seen in water system due to the interconnection

Figure 3



GENERAL FUND BUDGETARY HIGHLIGHTS

The statement comparing the Township's budget and actual results for the General Fund can be found on page 73 of this report.

There was an 18.1% increase in revenue over the amount budgeted for 2023 in the general fund. All revenue categories in the general fund exceeded budget with the largest due to an increase in Act 511 taxes that were collected, an increase in permits obtained by residents, reimbursements, interest earnings, and grants.

Expenditures were under budget by a total of \$467,107 or 6.4% due to delays in the larger capital projects.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Management's Discussion and Analysis (unaudited)
Year Ended December 31, 2023

ITEMS OF GENERAL INTEREST

Water

Residents and businesses of the Township are served by the Plumstead Township Water Department, Doylestown Township Municipal Authority (DTMA), and on-lot water systems. The Township has no financial or management control of the water companies other than the Township's Water Department. The Township purchases bulk water from DTMA and the water customers supplied with it are customers of the Township's Water Department. Only expenses relating to the public water systems are paid out of the Township's Water Fund. In 2019 the Township executed an agreement with North Wales Water Authority to install a new interconnection for the southern system providing an alternate and supplemental supply of water for the southern part of the Township. In 2020 the Township took advantage of the low interest rates and took out a water loan in the amount of \$1,500,000 to pay for the interconnection project with North Wales Water Authority. The interconnection project started in 2022 and is anticipated to be completed in 2024.

Fire and Ambulance

Residents and businesses of the Township are served by the Plumsteadville Volunteer Fire Company and the Point Pleasant Volunteer Fire Company in designated districts. There are mutual aid agreements and central dispatching by the County 911 system throughout the area. The Point Pleasant/Plumsteadville EMS provides ambulance services utilizing some paid professionals. The Township distributed 1.555 mills of real estate taxes between the two fire companies and the ambulance squad and continues to maintain this dedicated millage in 2023. Central Bucks EMS also services roughly 15% of the Township and starting in 2019 they started to receive 15% of the RE Tax collection that is allocated to Ambulance Companies.

Public Facilities

The Township owns seven parks of varying size along with smaller open space parcels, some located within residential subdivisions. The Joseph E. Hanusey III Community Park, dedicated in 2014, is the largest and contains a community building used for Township programs and available for rent. It also includes a public Works maintenance building for the storage of equipment used to maintain the park and sports fields. The original portion of the Township Municipal Building, formerly one of 13 one-room schoolhouses in the Township, is 161 years old. An addition was constructed 25 years ago, with the original portion of the building being converted to the public meeting room. It is a modern, functional site for local government operations. It is equipped with a generator to ensure continuation of power during prolonged power outages and to serve as a comfort station for residents who may lose power. Public works is located on a separate site with a pole barn for equipment storage and a service garage that houses staff quarters and offices. These buildings are in good condition, regularly maintained and annually evaluated for future building-related repairs and expenditures.

ANALYSIS OF INDIVIDUAL FUNDS

The revenues in the General Fund exceeded the expenditures resulting in a surplus of \$927,852. The Township continued its practice of developing realistic, but conservative revenue projections in 2024. Overall, general fund expenditures came in \$467,107 under budget. The Township continues to take a conservative approach with its spending, with Department Heads and the Township Manager monitoring the various line items monthly and presenting reports to the Board of Supervisors monthly.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Management's Discussion and Analysis (unaudited)
Year Ended December 31, 2023

ANALYSIS OF INDIVIDUAL FUNDS (continued)

Other Funds

This category includes the Capital Reserve Fund, Open Space Fund, Park and Recreation Fund, Water Fund, Local Services Tax Fund, Emergency Services Fund, State Highway Aid Fund and the Debt Service Fund. The Debt Service Fund is comprised of the following issuances: 2016 G.O. Note, 2020 G.O. Bond, and 2020 G.O. Bonds A.

Open Space Fund

This fund is a holding account for the proceeds of General Obligation bond proceeds to be used to purchase open space and conservation easements. A small amount of real estate tax millage is designated to this fund to pay for annual monitoring and inspections of conservation easements previously acquired by the Township.

Debt Service Fund

2020 General Obligation Bond

This issuance refunded the 2013 General Obligation Bond. The refunding reduced the future debt service payments by \$522,050.

2020A General Obligation Bond

This issuance refunded the 2015 General Obligation Note. This refunding reduced the future debt service payments by \$394,264.

2016 General Obligation Note

This issuance through TD Bank will pay for three bridge projects planned. With two being completed in 2017 and one completed in 2020. A rate reset was performed on this loan reducing the interest for the remainder of the 1st 10 years.

Water Fund

This fund receives revenue from charges for water service. This fund operated at an operating loss of \$836,955 and after nonoperating revenues (expenses) the Township has a \$737,267 decrease in net position (page 23). The deficit is the result of the payments for the interconnection project with North Wales Water Authority. As part of a rate increase in 2015, the Board of Supervisors has established a reserve for capital improvements with the amount designated each year representing the annual depreciation expense. Rates continue to be evaluated to ensure revenue can continue to meet the annual expenditures.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Management's Discussion and Analysis (unaudited)
Year Ended December 31, 2023

ANALYSIS OF INDIVIDUAL FUNDS (continued)

Highway Aid Fund

This fund receives revenue from the Commonwealth of Pennsylvania from motor vehicle fuel taxes. This fund had routine results in 2023 and the fund balance of \$42,743 is in place to cover unexpected costs relating to road repairs or snow removal in the early part of the following year before the 2024 allocation is received. It will also be used to augment the 2024 allocation to pay for approved road improvement expenditures.

Pension Plans

Full-time Township employees are also members of the Police or Non-Uniformed pension plans. The Police Pension plan is 93.4% actuarially funded, and the non-uniformed plan is 89.7% actuarially funded. The Township is eligible for Act 205 assistance in the form of state aid. The Non-Uniform plan is administered by Pennsylvania Municipal Retirement System. The Police pension plan is administered by Haverford Trust in accordance with Pennsylvania Act 600 and Township Ordinance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Township has \$38,086,734 invested in Capital Assets, Net of Related Debt. GASB 34 was adopted during the 2004 fiscal year; during 2004 valuation calculations were made for almost 68 miles of Township streets and roads, as well as traffic signals, storm sewers, and other drainage structures in order to put assets on the books. Since then the Township has been using the real time costs of the project to put on the fixed assets.

Significant capital events during the year included the milling/paving, oil and chip, micro surfacing and edge repair of several Township owned roads at various locations throughout the Township as well as the SCADA system.

Discussion of Future Plans

In early 2015, the Board of Supervisors formed a Trails Steering Subcommittee for the purpose of developing a Master Trail Plan for the Township. This plan was presented to the public, amended based on residents' feedback and adopted by the Board of Supervisors in 2017. The Township will pursue grant opportunities and also require potential developers to include components of the plan when they come before the Township for consideration. In 2024 the Township completed two more trail connections: the Country Green-Timberly Farms Connector and the Durham Ridge/Plumstead Chase Connector.

The Township has developed a five-year capital program to fund public safety, public works/parks and public water system capital expenses. As part of this program, the Township has developed a standard replacement plan for police and public works vehicles. The Board of Supervisors will continue to review the 5-year capital planning and will look to this plan when determining acceptable levels of expenditures in the coming years. The Township engaged with McMahon Associates in 2021 to have the Township owned roads evaluated by RoadBotics. This evaluation was utilized to update the Township's Roadway Improvement Program. In addition to helping the Township plan for road improvements in the future, this plan will assist the Township with determining the need for borrowing funds to achieve the goals of the roadway improvement program.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Management's Discussion and Analysis (unaudited)
Year Ended December 31, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Discussion of Future Plans (continued)

In 2021 the Township was awarded \$1,520,717 from ARPA funds and the Township has until December 31, 2024, to obligate the funds. The Township has chosen to claim the funds as a revenue replacement, since the amount received was under the \$10 million threshold therefore allowing the Township to claim the funds as revenue replacement. Funds are allocated to general government maintenance, repairs, and capital improvements to Township owned water systems, roads and stormwater facilities and for purchase of replacement public works equipment, the design and installation of a water main extension and expenses that provide for mitigation and mediation of the negative impacts of the COVID-19 public health emergency.

In October of 2022, the Township started the process of updating their Comprehensive Plan. A comprehensive plan provides goals, principles, and recommendations for challenges of managing growth through the next decade while enhancing the quality of life for its residents. Adoption is anticipated in the first half of 2025.

As a customer of PECO Energy, the Township saw its rate cap expire at the end of 2021. The Township executed a new four-year contract with Patriot Energy Group locking in an attractive rate until the end of 2025. In 2017 the Township along with 33 other municipalities in Bucks County began negotiations with Verizon for a new cable franchise agreement. In 2024 the Township once again joined with other Bucks County municipalities to begin negotiations with Verizon for a new cable franchise agreement.

Debt

The Township's General Long-Term Debt decreased by 8.6% in 2023. The Township has maintained its Aa2 rating from Standard and Poor's.

Table 3
General Long-Term Debt

Category	Balance 1/1/23	Loan Proceeds	Principal Payments	Balance 12/31/23
Governmental Activities				
2016 General Obligation Notes	\$ 1,916,370	\$ -	\$ 103,950	\$ 1,812,420
2020 General Obligation Bonds	7,190,000	-	585,000	6,605,000
2020 General Obligation Bonds A	3,720,000	-	315,000	3,405,000
Deferred Bond Premium	177,805	-	16,164	161,641
Equipment Notes Payable	102,828	-	102,828	-
Total	<u>\$ 13,107,003</u>	<u>\$ -</u>	<u>\$ 1,122,942</u>	<u>\$ 11,984,061</u>

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Management's Discussion and Analysis (unaudited)
Year Ended December 31, 2023

ECONOMIC FORECAST

As discussed above, the Township has four major sources of revenue:

- Earned Income Tax
- Real Estate Tax
- Local Services Tax
- Real Estate Transfer Tax

During the budget discussion for 2018 the Board of Supervisors voted to increase the real estate tax rate from 13.94 mills to 14.94 mills, which continues to help the Township keep pace with rising costs associated with its basic operations.

The Township continues to strive to offer services expected of a local municipality, while practicing fiscal responsibility as it pertains to its expenditures. The Township will evaluate increasing staff levels in individual departments only when warranted, recognizing that the needs of our community change through the years.

CONTACTING THE TOWNSHIP FINANCIAL MANAGEMENT TEAM

This Management Discussion and Analysis is intended to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of important financial matters in a format that is both comprehensive and understandable in nature.

For questions relating to the Management Discussion and Analysis, please contact Stacey Mulholland the Township Manager at 5186 Stump Road, Pipersville, Pennsylvania 18947, call (215)766-8914, email smulholland@plumstead.gov or visit our website at www.plumstead.org.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Statement of Net Position
December 31, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 10,563,515	\$ 1,665,199	\$ 12,228,714
Taxes Receivables	1,828,275	-	1,828,275
Current Portion of Lease Receivable	80,604	-	80,604
Accounts Receivable	-	330,828	330,828
Total Current Assets	<u>12,472,394</u>	<u>1,996,027</u>	<u>14,468,421</u>
Noncurrent Assets			
Net Capital Assets	44,021,864	7,323,931	51,345,795
Lease Receivable	4,409	-	4,409
Total Noncurrent Assets	<u>44,026,273</u>	<u>7,323,931</u>	<u>51,350,204</u>
Total Assets	<u>56,498,667</u>	<u>9,319,958</u>	<u>65,818,625</u>
Deferred Outflows of Resources			
Deferred Pension Outflows	<u>1,939,938</u>	<u>-</u>	<u>1,939,938</u>
Liabilities			
Current Liabilities			
Current Portion of General Obligation Notes and Bonds	1,047,214	75,000	1,122,214
Accounts Payable and Accrued Expenses	77,152	98,844	175,996
Accrued Wages and Payroll Taxes	171,515	8,017	179,532
Accrued Interest Payable	10,952	1,721	12,673
Due to Custodial Funds	376,348	-	376,348
Internal Balances	(520,405)	520,405	-
Total Current Liabilities	<u>1,162,776</u>	<u>703,987</u>	<u>1,866,763</u>
Noncurrent Liabilities			
General Obligation Notes and Bonds Payable	10,936,847	1,200,000	12,136,847
Compensated Absences	469,639	-	469,639
Net Pension Liability	1,280,827	-	1,280,827
Total Noncurrent Liabilities	<u>12,687,313</u>	<u>1,200,000</u>	<u>13,887,313</u>
Total Liabilities	<u>13,850,089</u>	<u>1,903,987</u>	<u>15,754,076</u>
Deferred Inflows of Resources			
Deferred Pension Inflows	406,181	-	406,181
Deferred Rental Receipts	80,665	-	80,665
Deferred Grant Revenue	1,353,586	-	1,353,586
Total Deferred Inflows of Resources	<u>1,840,432</u>	<u>-</u>	<u>1,840,432</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	32,037,803	6,048,931	38,086,734
Restricted for			
Capital Projects	(72,741)	-	(72,741)
Debt Service	3,435,932	-	3,435,932
Other	786,757	-	786,757
Unrestricted	<u>6,560,333</u>	<u>1,367,040</u>	<u>7,927,373</u>
Total Net Position	<u>\$ 42,748,084</u>	<u>\$ 7,415,971</u>	<u>\$ 50,164,055</u>

See notes to financial statements.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Statement of Activities
Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government				
Legislative	\$ 39,240	\$ -	\$ -	\$ -
Executive	166,109	-	-	-
Finance and Tax Collection	178,622	-	-	-
Professional Fees	95,681	-	-	-
General Government	808,279	264,160	270,055	-
Public Safety				
Police	3,785,291	78,138	-	-
Fire/EMS	625,773	39,804	135,146	-
Code Enforcement and Zoning	411,707	247,115	-	-
Highways				
Highway Maintenance	1,591,410	2,180	539,123	442,591
Snow and Ice Removal	6,864	-	-	-
Street Lighting	51,018	-	-	-
Park and Recreation	540,064	71,038	-	-
Conservation and Development	18,098	-	-	-
Interest Expense	234,307	-	-	-
Total Governmental Activities	8,552,463	702,435	944,324	442,591
Business-Type Activities				
Water	2,270,787	1,411,760	-	-
Total	\$ 10,823,250	\$ 2,114,195	\$ 944,324	\$ 442,591

General Revenues
Real Estate Taxes
Real Estate Transfer Taxes
Earned Income and Local Services Taxes
Grants and Contributions
Investment Income and Rents
Miscellaneous
Transfers
Gain on Disposal of Capital Assets
Total General Revenues

Change in Net Position

Net Position

Beginning of Year

End of Year

See notes to financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (39,240)	\$ -	\$ (39,240)
(166,109)	-	(166,109)
(178,622)	-	(178,622)
(95,681)	-	(95,681)
(274,064)	-	(274,064)
(3,707,153)	-	(3,707,153)
(450,823)	-	(450,823)
(164,592)	-	(164,592)
(607,516)	-	(607,516)
(6,864)	-	(6,864)
(51,018)	-	(51,018)
(469,026)	-	(469,026)
(18,098)	-	(18,098)
(234,307)	-	(234,307)
(6,463,113)	-	(6,463,113)
-	(859,027)	(859,027)
(6,463,113)	(859,027)	(7,322,140)
3,287,818	-	3,287,818
746,348	-	746,348
5,029,557	-	5,029,557
214,336	-	214,336
514,566	56,015	570,581
216,335	-	216,335
(65,194)	65,194	-
15,603	551	16,154
9,959,369	121,760	10,081,129
3,496,256	(737,267)	2,758,989
39,251,828	8,153,238	47,405,066
<u>\$ 42,748,084</u>	<u>\$ 7,415,971</u>	<u>\$ 50,164,055</u>

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Balance Sheet
Governmental Funds
December 31, 2023

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and Cash Equivalents	\$ 6,444,159	\$ 2,896,410	\$ 1,222,946	\$ 10,563,515
Taxes Receivable	1,706,438	27,352	94,485	1,828,275
Leases Receivable	85,013	-	-	85,013
Due from/to Other Funds	206,887	512,170	(575,000)	144,057
Total Assets	<u><u>\$ 8,442,497</u></u>	<u><u>\$ 3,435,932</u></u>	<u><u>\$ 742,431</u></u>	<u><u>\$ 12,620,860</u></u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and Accrued Expenses	\$ 73,552	\$ -	\$ 3,600	\$ 77,152
Accrued Wages and Payroll Taxes	171,515	-	-	171,515
Total Liabilities	<u>245,067</u>	<u>-</u>	<u>3,600</u>	<u>248,667</u>
Deferred Inflows of Resources				
Deferred Tax Receipts	830,089	24,191	21,043	875,323
Deferred Rental Receipts	80,665	-	-	80,665
Deferred Grant Revenue	1,353,586	-	-	1,353,586
Total Deferred Inflows of Resources	<u>2,264,340</u>	<u>24,191</u>	<u>21,043</u>	<u>2,309,574</u>
Fund Balances				
Restricted	-	3,411,741	269,062	3,680,803
Committed	-	-	955,106	955,106
Assigned	-	-	-	-
Unassigned	5,933,090	-	(506,380)	5,426,710
Total Fund Balances	<u>5,933,090</u>	<u>3,411,741</u>	<u>717,788</u>	<u>10,062,619</u>
Total Liabilities and Fund Balances	<u><u>\$ 8,442,497</u></u>	<u><u>\$ 3,435,932</u></u>	<u><u>\$ 742,431</u></u>	<u><u>\$ 12,620,860</u></u>

See notes to financial statements.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2023

Total Governmental Fund Balances	\$ 10,062,619
Amounts Reported for Governmental Activities in the Statement of Net Position Are Different Because	
Capital Assets Used in Governmental Activities Are Not Financial Resources and, Therefore, Not Reported in Funds, Net of Accumulated Depreciation of \$14,405,727.	44,021,864
Other Long-Term Assets Are Not Available to Pay Current Period Expenditures, and Therefore Are Deferred in the Funds.	
Taxes Receivable	875,323
Deferred Pension Outflows of Resources Are Not Available in the Current Period	1,939,938
Long-Term Liabilities Are Not Due and Payable in the Current Period, and, Therefore, Are Not Reported in the Funds.	
General Obligation Notes Payable	(11,984,061)
Accrued Interest Payable	(10,952)
Compensated Absences	(469,639)
Net Pension Liability	(1,280,827)
Deferred Inflows of Resources Do Not Require the Use of Current Financial Resources and, Therefore, Are Not Reported as Revenues or Expenditures in Governmental Funds:	
Deferred Pension Inflows	(406,181)
Net Position of Governmental Activities	<u><u>\$ 42,748,084</u></u>

See notes to financial statements.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2023

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 6,528,852	\$ 1,142,661	\$ 1,145,151	\$ 8,816,664
Intergovernmental	659,927	-	918,849	1,578,776
Charges for Services	316,290	-	16,734	333,024
Fines, Licenses and Permits	289,079	-	-	289,079
Interest Income and Rents	306,750	162,313	45,503	514,566
Miscellaneous Revenues	274,726	-	70,332	345,058
Total Revenues	<u>8,375,624</u>	<u>1,304,974</u>	<u>2,196,569</u>	<u>11,877,167</u>
Expenditures				
General Government	880,138	-	35,471	915,609
Public Safety	4,151,639	-	374,464	4,526,103
Public Works	944,888	-	127,238	1,072,126
Parks and Recreation	428,471	-	19,696	448,167
Conservation and Development	-	-	17,704	17,704
Debt Service - Principal	29,172	1,003,950	73,656	1,106,778
Debt Service - Interest	958	250,255	176	251,389
Capital Expenditures	166,263	-	2,385,192	2,551,455
Miscellaneous Governmental	198,698	1,551	-	200,249
Total Expenditures	<u>6,800,227</u>	<u>1,255,756</u>	<u>3,033,597</u>	<u>11,089,580</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,575,397</u>	<u>49,218</u>	<u>(837,028)</u>	<u>787,587</u>
Other Financing Sources (Uses)				
Operating Transfers In (Out)	<u>(647,545)</u>	<u>-</u>	<u>582,351</u>	<u>(65,194)</u>
Net Change in Fund Balances	927,852	49,218	(254,677)	722,393
Fund Balances				
Beginning of Year	<u>5,005,238</u>	<u>3,362,523</u>	<u>972,465</u>	<u>9,340,226</u>
End of Year	<u>\$ 5,933,090</u>	<u>\$ 3,411,741</u>	<u>\$ 717,788</u>	<u>\$ 10,062,619</u>

See notes to financial statements.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Reconciliation of the Net Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended December 31, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 722,393
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Amounts Reported for Governmental Activities in the Statement of Activities Are Different Because

Governmental Funds Report Capital Outlays As Expenditures. However, in the Statement of Activities, the Cost of Those Assets is Allocated Over Their Estimated Useful Lives as Depreciation Expense. This is the Amount By Which Capital Outlays of \$2,551,455 Exceeded Depreciation Expense of \$939,393 and Net Book Value of Assets Sold of \$10,313 in the Current Year.	1,601,749
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Revenues in the Statement of Revenues, Expenditures and Changes in Fund Balances That Do Not Provide Current Financial Resources Are Not Reported As Revenues in the Statement of Activities.

Taxes Receivable	247,059
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Repayment of Notes Payable and Capital Lease Principal of \$1,106,778 Plus Deferred Bond Premium Amortization of \$16,164 Is an Expenditure in the Governmental Funds, but the Repayment Reduces Liabilities in the Statement of Net Position.	1,122,942
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Some Expenses Reported in the Statement of Activities Do Not Require the Use of Current Financial Resources and, Therefore, Are Not Reported As Expenditures in Governmental Funds.

Accrued Interest Payable	918
Compensated Absences	(19,463)

Pension Benefits Do Not Require the Use of Current Financial Resources and, Therefore, Are Not Reported as Revenues or Expenditures in Governmental Funds.

Deferred Pension Outflows	(559,340)
Deferred Pension Inflows	1,133,653
Net Pension Liability	(753,655)

Change in Net Position of Governmental Activities	\$ 3,496,256
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See notes to financial statements.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Statement of Net Position
Proprietary Funds - Water Fund
December 31, 2023

Assets

Current Assets

Cash	\$ 1,665,199
Accounts Receivable	<u>330,828</u>
Total Current Assets	1,996,027

Noncurrent Assets

Net Capital Assets	<u>7,323,931</u>
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Total Assets	<u><u>9,319,958</u></u>
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Liabilities

Current Liabilities

Current Portion of Notes Payable	75,000
Accounts Payable	98,844
Accrued Wages and Payroll Taxes	8,017
Accrued Interest Payable	1,721
Due to Other Funds	<u>520,405</u>
Total Current Liabilities	703,987

Noncurrent Liabilities

Notes Payable	<u>1,200,000</u>
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Total Liabilities	<u><u>1,903,987</u></u>
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Net Position

Invested in Capital Assets, Net of Related Debt	6,048,931
Unrestricted	<u>1,367,040</u>

Total Net Position	<u><u>\$ 7,415,971</u></u>
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See notes to financial statements.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds - Water Fund
Year Ended December 31, 2023

Operating Revenues	
Charges and Fees	\$ 1,409,275
Miscellaneous	2,485
Total Operating Revenues	<u>1,411,760</u>
Operating Expenses	
North Wales Water Authority	950,001
Depreciation	379,742
Salaries, Wages and Benefits	261,003
Distribution Expense	215,972
Contracted Services	98,336
Professional Fees	87,751
Repairs and Maintenance	72,892
Utilities	51,170
Lab Expenses	29,980
Insurance	24,789
Operating Material and Supplies	24,607
Other	24,498
Telephone	14,140
Office Supplies and Expenses	13,834
Total Operating Expenses	<u>2,248,715</u>
Operating Loss Before Nonoperating Revenues (Expenses)	<u>(836,955)</u>
Nonoperating Revenues (Expenses)	
Interest Income	56,015
Interest Expense	(22,072)
Gain on Disposal of Capital Assets	551
Transfers from Other Funds	65,194
Total Nonoperating Revenues (Expenses)	<u>99,688</u>
Change in Net Position	(737,267)
Net Position	
Beginning of Year	<u>8,153,238</u>
End of Year	<u><u>\$ 7,415,971</u></u>

See notes to financial statements.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2023

Cash Flows from Operating Activities	
Receipts from Customers	\$ 1,402,186
Payments to Suppliers	(1,585,427)
Payments to Employees	(260,440)
Net Cash used in Operating Activities	<u>(443,681)</u>
Cash Flows from Noncapital Financing Activities	
Transfers from Other Funds	<u>65,194</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(354,193)
Proceeds from Disposal of Capital Assets	551
Principal Paid on Notes Payable	(75,000)
Due to Other Funds	8,235
Interest Paid on Notes Payable	(22,174)
Net Cash Used in Capital and Related Financing Activities	<u>(442,581)</u>
Cash Flows from Investing Activities	
Interest Income	<u>56,015</u>
Net Decrease in Cash	(765,053)
Cash	
Beginning of Year	<u>2,430,252</u>
End of Year	<u><u>\$ 1,665,199</u></u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Operating Loss	(836,955)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities	
Depreciation Expense	379,742
Change in Net Assets and Liabilities	
Accounts Receivable	(9,574)
Accounts Payable	22,543
Accrued Wages and Payroll Taxes	563
Net Cash used in Operating Activities	<u><u>\$ (443,681)</u></u>

See notes to financial statements.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Statement of Fiduciary Net Position
December 31, 2023

	Pension Trust Fund	Custodial Funds
Assets		
Cash and Cash Equivalents	\$ 211,946	\$ 1,693,378
Investments	11,143,512	-
Due from Other Funds	-	376,348
Accrued Interest Receivable	26,183	-
	<u>11,381,641</u>	<u>2,069,726</u>
Total Assets		
	<u>11,381,641</u>	<u>2,069,726</u>
Liabilities	-	-
	<u>-</u>	<u>-</u>
Net Position		
Restricted for		
Held in Trust for Pension Benefits	11,381,641	-
Held for Individuals, Organizations and Others	-	2,069,726
	<u>-</u>	<u>2,069,726</u>
Total Net Position	<u>\$ 11,381,641</u>	<u>\$ 2,069,726</u>

See notes to financial statements.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2023

	<u>Pension Trust Fund</u>	<u>Custodial Funds</u>
Additions		
Contributions		
Plan Members	\$ 66,660	\$ -
State	120,226	-
Total Contributions	<u>186,886</u>	<u>-</u>
Escrow Deposits	<u>-</u>	<u>803,169</u>
Investment Earnings		
Net Appreciation in Fair Value of Investments	697,426	-
Interest and Dividends	271,468	68,821
	<u>968,894</u>	<u>68,821</u>
Less Investment Expense	<u>(77,163)</u>	<u>-</u>
Total Net Investment Earnings	<u>891,731</u>	<u>68,821</u>
Total Additions	<u>1,078,617</u>	<u>871,990</u>
Deductions		
Benefits	385,654	-
Administrative Expense	-	27,241
Professional Fees	-	243,103
Escrow Releases	-	556,636
Other Expenses	-	5,711
Total Deductions	<u>385,654</u>	<u>832,691</u>
Change in Net Position	692,963	39,299
Net Position, Held in Trust		
Beginning of Year	<u>10,688,678</u>	<u>2,030,427</u>
End of Year	<u>\$ 11,381,641</u>	<u>\$ 2,069,726</u>

See notes to financial statements.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Plumstead Township, Bucks County, Pennsylvania (the Township) was incorporated in 1725, in Bucks County, Pennsylvania. The Township is classified as a “Township of the Second Class” under the laws of the Commonwealth of Pennsylvania and provides the following services as authorized by its charter: public safety, highways and streets, culture-recreation, public improvements, planning and zoning, and general and administrative services. For financial reporting purposes, in accordance with Government Accounting Standards Board (GASB) Statement 14, the Township includes all funds that are part of the primary financial reporting entity.

The Township’s statements are prepared in compliance with GASB Statement No. 34, *Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments*. Significant aspects of the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Township’s overall financial position and changes in financial position.
- Financial statements prepared using full accrual accounting for all of the Township’s activities, including infrastructure (roads, bridges, etc.).
- A focus on major funds in the fund financial statements.

A. Reporting Entity

GASB Statement No. 14, as amended by GASB 61, requires the Township to include all component units in its annual financial statements. A component unit is defined as any legally separate entity which is controlled by and is financially accountable to the Township. Financial accountability is present if the Township appoints a voting majority of a component unit’s governing body and has the ability to impose its will on the organization or if there is a potential for the organization to provide specific benefits to, or impose specific benefits on, the Township. Based upon the aforementioned criteria, there were no entities considered for inclusion in the reporting entity.

In addition, the Township provides some financial support to two fire companies and one ambulance company – the Plumsteadville and Point Pleasant Fire Companies and the Point Pleasant/Plumsteadville Ambulance Company. Since there is no fiscal dependency, financial benefit or burden relationship, these companies have been excluded from the reporting entity. The Township levies and collects real estate taxes designated for allocation among the companies. Additionally, on occasion the Township donates funds for various capital projects of the companies and pays certain expenses on their behalf. Annual appropriations totaled \$338,024 for the year ended December 31, 2023.

**PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the reporting government as a whole. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Fiduciary funds are also excluded from the government-wide financial statements.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each governmental program. Direct expenses are those that are specifically associated with a service, program, or department and are, therefore, clearly identifiable to a particular function. Indirect expenses for centralized services and administrative overhead are allocated among the programs, functions, and segments using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Program revenues include charges paid by the recipients for the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the Township.

Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes result from special revenue funds and the restrictions on their net position use.

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

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

FUND FINANCIAL STATEMENTS

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are organized into three major categories: governmental, proprietary and fiduciary.

Fund financial statements report detailed information about the Township. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. A fund is considered major if it is the primary operating fund of the Township or if it meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

FUND FINANCIAL STATEMENTS (continued)

The funds of the financial reporting entity are described below.

Governmental Funds

General Fund - The General Fund is the general operating fund of the Township and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The reporting entity includes the following special revenue funds:

<u>Fund</u>	<u>Description</u>	<u>Major Fund?</u>
State Highway Aid	Accounts for revenues and expenditures of state liquid fuels grant funds	No
Park and Recreation	Accounts for revenues and expenditures of park and recreation tax funds	No
Emergency Services	Accounts for revenues and expenditures of fire protection and ambulance funds	No
Local Services Tax	Accounts for tax revenue received from local services tax	No
Open Space	Accounts for tax revenue received to be spent preserving open space in the Township	No

**PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

FUND FINANCIAL STATEMENTS (continued)

Governmental Funds (Continued)

Capital Projects Fund - Capital projects funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The reporting entity includes the following capital projects funds:

<u>Fund</u>	<u>Description</u>	<u>Major Fund?</u>
Capital Reserve	Accounts for acquisition or construction of capital assets	No
Stormwater	Accounts for stormwater exemption fees and expenses of stormwater maintenance	No
Fire and EMS	Accounts for fire and EMS capital expenditures	No

Debt Service Fund - This fund is used to account for financial resources that are restricted, committed or assigned to expenditure for principal and interest. This fund is a major fund.

Proprietary Funds

Enterprise Fund – Enterprise funds are used to account for business-type activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the Water Fund.

Fiduciary Funds

Pension Trust and Custodial Funds – The Pension Trust Fund (which includes the Police Pension Plan) and Custodial Funds (which include the Developers Escrow Funds and other agency funds) are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

1. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities, whether current or noncurrent, associated with their activities are reported. Proprietary fund equity is classified as net position.
3. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting (continued)

Basis of Accounting (continued)

All proprietary and fiduciary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the liability is incurred or economic asset used.

D. Cash Equivalents

For reporting purposes, the Township defines cash and cash equivalents as cash and investments that have a maturity value of less than three months.

E. Investments and Fair Value

Investments in debt and equity securities with readily determinable fair market values are recorded at fair value, as required by GASB Statement No. 72, *Fair Value Measurement and Application*. Realized and unrealized gains and losses are recorded in the statement of activities, statement of revenues, expenditures, and changes in fund balances as revenue (governmental activities), and on the statement of changes in fiduciary net position (fiduciary funds).

F. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds”. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 10 for details of interfund transactions, including receivables and payables at year-end.

G. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. No allowance for uncollectible accounts has been provided since management considers all accounts to be collectible. The Township is permitted to lien the resident’s property if the resident does not remit payment. Major receivable balances for the governmental activities include real estate taxes, earned income taxes, grants, and police fines. Business-type activities report water billings as their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as real estate tax, earned income tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund receivables consist of all revenues earned at year-end and not yet received.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost, except for infrastructure acquired before January 1, 2004, which is valued at estimated historical cost less accumulated depreciation. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Donated capital assets are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is shown below.

<u>Classifications</u>	<u>Years</u>
Land/Park Improvements	20 - 40
Buildings and Improvements	20 - 40
Water Systems	40
Vehicles	5 - 25
Machinery, Equipment and Furniture	3 - 20
Infrastructure	40

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

I. Long-Term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term obligations consist primarily of bonds and notes payable, equipment notes, pension liabilities, and accrued compensated absences.

Long-term obligations for governmental funds is not reported as liabilities in the fund financial statements. Debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

**PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Compensated Absences

The Township employees accumulate sick time in accordance with their applicable contracts. Non-uniformed employees are granted 12 days sick leave per year with an accumulation of unused sick leave of 120 days. Upon retirement or termination, non-uniformed employees are paid at 40% of their pay rate for all sick days accumulated up to a maximum of 90 days.

Uniformed employees are granted 12 days sick leave per year with no limit on the accumulation of days. Upon retirement or termination, uniformed employees are paid at 60% of their pay rate for all sick days accumulated.

The Township's vacation policy for non-uniformed employees encourages the use of all vacation days during the calendar year. Uniformed employees may carry forward a maximum of 12 days' vacation time to the following year. Both uniformed and non-uniformed vacation allowances vary depending on length of service and, upon retirement or termination are paid at 100% of the respective employee's pay rate.

The Township is liable to employees in the amount of \$469,639 for vested sick and vacation pay at December 31, 2023.

K. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

1. **Invested in capital assets, net of related debt** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. **Restricted net position** - Consists of net position with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or b) law through constitutional provisions or enabling legislation.
3. **Unrestricted net position** - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Equity Classifications (continued)

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

Nonspendable – includes amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be kept intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted – includes amounts that are restricted for specific purposes by constitutional provisions, enabling legislation, or externally imposed constraints. Restrictions may be changed or lifted only with the consent of resource providers.

Committed – includes amounts that can only be used for specific purposes with constraints that are established by a formal action of the Board of Supervisors (the Board). The constraint can only be changed or removed by another formal action of the Board. The same formal action that imposed the constraint originally (e.g., resolution or ordinance), must be used to change or lift it.

Assigned – includes amounts that are constrained by the Township's intent to be used for specific purposes, but are neither restricted nor committed. Assigned balances include all remaining government fund amounts, other than the General Fund, that are not classified as nonspendable, restricted or committed, and are intended for a specific purpose. The intent is expressed by the Board, or an individual to whom the Board has designated authority.

Unassigned – this amount is the residual classification for the General Fund, and any negative fund balances in other governmental funds. Other governmental funds cannot report any positive unassigned amounts.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts, then unassigned amounts.

Proprietary fund equity is classified the same as in the government-wide statements.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflow of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has one type of this item that qualifies for reporting in this category.

**PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Deferred Outflows/Inflows of Resources (continued)

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. The Township has three types of this item that qualifies for reporting in this category in the government-wide statements and the fund financial statements (deferred pension inflows, deferred rental receipts, and deferred grant revenue). Deferred tax receipts, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report *unavailable revenue* from four sources: property taxes, earned income taxes, rental receipts and local services taxes. The government wide statement does not report unavailable revenues. Deferred grant revenue is recognized due to the Township receiving American Recovery Act Funds in the amount of 1,353,587. The funds that were not expended in 2023 are recognized as deferred grant revenue in both the fund financial statement as well as the government wide financial statements. During 2023, \$72,545 of the American Recovery Act Funds were expended.

M. Stewardship, Compliance and Accountability

Budgetary Data

The following procedures are used by the Township in establishing budgetary data which is reflected in the financial statements.

1. The Township prepares and advertises a proposed budget at least 20 days before the budget is adopted.
2. Public hearings are conducted to obtain comments from taxpayers regarding the proposed budget.
3. The taxes levied by the Township are fixed at such figure within the limit allowed by law, as with all other sources of revenues, and will meet and cover appropriations.
4. The budget is formally adopted by the Board of Supervisors prior to December 31.
5. Amendments may be made by the Board of Supervisors during the year.

Excess of Expenditures Over Appropriations

The Township has presented budget to actual comparisons for the General Fund. For the year ended December 31, 2023, General Fund expenditures exceeded appropriations in various categories in the amount of \$1,134. These excess expenditures were funded by greater than anticipated revenues.

**PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character	Current (further classified by function)
	Debt Service
	Capital Outlay
Proprietary Fund - By Operating and Non-Operating	

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

O. Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

P. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

2. CASH AND INVESTMENTS

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash	\$ 12,228,714
Statement of Fiduciary Net Position	
Cash	1,905,324
Investments	<u>11,143,512</u>
Total Cash and Investments	<u><u>\$ 25,277,550</u></u>

Cash and investments as of December 31, 2023, consist of the following:

Deposits with Financial Institutions	\$ 13,922,092
Money Market Funds	211,946
Investments	<u>11,143,512</u>
Total Cash and Investments	<u><u>\$ 25,277,550</u></u>

A. Cash Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township deposits are entirely insured or collateralized under a pooled asset program to secure public deposits, as required by Act 72 of the Commonwealth of Pennsylvania. As of December 31, 2023, \$13,511,772 of the Township's bank balance of \$14,014,510 was uninsured but collateralized by securities held by the bank or by its trust department or agent, but not in the Township's name.

B. Investments

At December 31, 2023, the Township's investments consisted of the following:

Fiduciary Funds	
U.S. and Municipal Government Agencies	\$ 843,229
Common Stocks	7,598,043
Corporate Bonds	1,544,070
EMF/ETF Funds	725,062
Mutual Funds	198,981
Fixed Income Funds	<u>234,127</u>
Total Investments	<u><u>\$ 11,143,512</u></u>

**PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023**

2. CASH AND INVESTMENTS (continued)

B. Investments (continued)

Investments Authorized by Township Code

The Township's Code authorizes the Township to invest in obligations of the U.S. Treasury, short-term obligations of the U.S. Government or its agencies or instrumentalities, obligations of the United States or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

In addition to the investments authorized for governmental funds, fiduciary fund investments may also be made in corporate stocks and bonds, real estate, and other investments consistent with sound business practices and state statutes.

The Township does not currently have an investment policy as all of their governmental funds are held in bank accounts. Fiduciary investments are held and managed by the Haverford Trust (Police Pension) and Pennsylvania Municipal Retirement System (PMRS)(Non-Uniform Pension).

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. With the exception of money market funds and certificates of deposit held in the fiduciary funds, all of the Township's investments are either invested in securities which are not subject to custodial credit risk because they do not involve a transferable financial instrument or are backed by the full faith and credit of the U.S. Government. The money market funds of \$211,946 are covered by Securities Investor Protection Corporation up to \$250,000.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating organizations such as Moody's Investor Services (Moody's) and Standard & Poor's (S&P). The Township does not currently have a policy with regard to credit risk. The Township's investment in bonds and bond mutual funds was rated AAA to BBB by Morningstar.

**PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023**

2. CASH AND INVESTMENTS (continued)

B. Investments (continued)

Concentration of Credit Risk

The investment policy of the Township contains no limitations on the amount that can be invested in any one issuer. The Township does not currently invest 5% of its assets in any one of its equities, corporate or international bond issuers.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates. The Township does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The Township's investments in corporate bonds and U.S. obligations have remaining maturity dates that range from the years 2024 to 2033. The securities with longer maturity dates are highly sensitive to interest rate risk.

Fair Value of Investments

Accounting principles generally accepted in the United States of America establish a fair value hierarchy that is based on the valuation inputs used in the fair value measurements. Measurements using quoted prices in active markets for identical assets and liabilities fall within Level 1 of the hierarchy; measurements using significant other observable inputs fall within Level 2; and measurements using significant unobservable inputs fall within Level 3.

**PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023**

2. CASH AND INVESTMENTS (continued)

B. Investments (continued)

Fair Value of Investments (continued)

Information related to the Township's assets measured at fair value on a recurring basis at December 31, 2023, is as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Government Obligations	\$ 621,568	\$ -	\$ 621,568	\$ -
Municipal Bonds and Notes	221,661	-	221,661	-
Common Stocks	7,598,043	7,598,043	-	-
Corporate Bonds and Notes	1,544,070	1,544,070	-	-
EMF/ETF Funds	725,062	725,062	-	-
Fixed Income Funds	234,127	234,127	-	-
Mutual Funds	198,981	198,981	-	-
Total Investments	<u>\$ 11,143,512</u>	<u>\$ 10,300,283</u>	<u>\$ 843,229</u>	<u>\$ -</u>

3. FIDUCIARY FUNDS – ESCROW FUND

The Escrow Fund is a Custodial Fund in that the Township has custodial capacity of funds deposited with it on behalf of developers, other applicants and other municipalities. Net position of \$2,069,726 in the Custodial Funds represents the net developer and other balances held at December 31, 2023.

4. PROPERTY TAXES

Taxes are levied on December 31, based on the assessed value established by the Bucks County Board of Assessments. Bills are sent out on February 1 by the Township's tax collector. Real property in the Township was originally assessed at \$220,965,080 for 2023. Property taxes attach as an enforceable lien on property as of December 31. The Township receives all tax collections through its tax collector. The Township is legally permitted to levy up to 14 mills (19 with court approval) of assessed property valuation for general purposes and 3 mills for fire tax purposes. The Township had the following millage rates for the year ended December 31, 2023: general purposes, 6.02 mills; fire tax purposes, 1.155 mills; ambulance, .40 mills; open space, 0.688 mills; debt service, 5.177 mills, Fire and EMS, 1.0 mills.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

5. LEASE RECEIVABLE

House Rent

The Township has one lease for a house at 1586 Stump Road. Under the terms of the lease agreement, monthly rent is \$1,400. The lease is on an automatic month to month renewal and can be cancelled, with notice, by either party. Due to the fact that either party can terminate at any time and that the amount of years to be renewed is unknown, this lease is not included in the lease receivable calculation.

Cell Tower Leases

The Township has entered into two leases for the rental of space for cell tower antennae. Each agreement has multiple renewal options for five year periods, and call for 4% percent increases each year. The leases both expire in 2024. These leases receivable are measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 1.36%, which is the rate on the Township's general obligation note as of January 1, 2022. In 2023, the Township recognized \$80,665 of operating lease revenue and \$2,252 of interest revenue under these leases.

The Township's future minimum lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Lease Payments</u>
2024	<u>\$ 85,014</u>	<u>\$ 1,156</u>	<u>\$ 86,170</u>

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

6. CAPITAL ASSETS

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

	Balance 1/1/23	Additions	Disposals	Balance 12/31/23
Governmental Activities				
Assets Not Being Depreciated				
Land and Conservation Easements	\$ 27,805,755	\$ -	\$ -	\$ 27,805,755
Depreciable Assets				
Land Improvements	1,773,415	-	-	1,773,415
Buildings and Improvements	5,218,773	21,386	-	5,240,159
Vehicles	2,586,502	404,778	158,312	2,832,968
Machinery and Equipment	1,242,783	144,877	61,403	1,326,257
Infrastructure	17,468,623	1,980,414	-	19,449,037
Total at Historical Cost	<u>56,095,851</u>	<u>2,551,455</u>	<u>219,715</u>	<u>58,427,591</u>
Less Accumulated Depreciation				
Land Improvements	388,701	60,540	-	449,241
Buildings and Improvements	3,063,906	111,273	-	3,175,179
Vehicles	1,697,509	257,927	158,312	1,797,124
Machinery and Equipment	949,308	78,989	51,090	977,207
Infrastructure	7,576,312	430,664	-	8,006,976
Total Accumulated Depreciation	<u>13,675,736</u>	<u>939,393</u>	<u>209,402</u>	<u>14,405,727</u>
Total Governmental Activities Net Capital Assets	<u>\$ 42,420,115</u>	<u>\$ 1,612,062</u>	<u>\$ 10,313</u>	<u>\$ 44,021,864</u>
Business-Type Activities				
Assets Not Being Depreciated				
Land	\$ 115,313	\$ -	\$ -	\$ 115,313
Depreciable Assets				
Buildings and Improvements	156,961	-	-	156,961
Machinery and Equipment	934,554	98,704	-	1,033,258
Vehicles	226,795	-	31,151	195,644
Water System	12,350,955	255,490	-	12,606,445
Total at Historical Cost	<u>13,784,578</u>	<u>354,194</u>	<u>31,151</u>	<u>14,107,621</u>
Less Accumulated Depreciation				
Buildings and Improvements	54,994	5,040	-	60,034
Machinery and Equipment	437,298	44,667	-	481,965
Vehicles	162,129	12,727	31,151	143,705
Water System	5,780,678	317,308	-	6,097,986
Total Accumulated Depreciation	<u>6,435,099</u>	<u>379,742</u>	<u>31,151</u>	<u>6,783,690</u>
Total Business-Type Activities Net Capital Assets	<u>\$ 7,349,479</u>	<u>\$ (25,548)</u>	<u>\$ -</u>	<u>\$ 7,323,931</u>

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

6. CAPITAL ASSETS (continued)

Depreciation expense was charged to programs as follows:

Governmental Activities	
General Government	\$ 141,888
Police	153,602
Highway Maintenance	543,757
Parks and Recreation	99,752
Land Preservation	394
	<u>939,393</u>
Business-Type Activities	
Water System	<u>379,742</u>
Total Depreciation Expense	<u><u>\$ 1,319,135</u></u>

7. LONG-TERM OBLIGATIONS

The Township's General Long-Term Obligations changed as follows during the year:

	Balance 1/1/23	Additions	Reductions	Balance 12/31/23	Due Within One Year
Governmental Activities					
General Obligation Bonds and Notes					
2016 General Obligation Notes	\$ 1,916,370	\$ -	\$ 103,950	\$ 1,812,420	\$ 106,050
2020 General Obligation Bonds	7,190,000	-	585,000	6,605,000	610,000
2020 General Obligation Bonds A	3,720,000	-	315,000	3,405,000	315,000
Deferred Bond Premium	177,805	-	16,164	161,641	16,164
Equipment Notes Payable	102,828	-	102,828	-	-
Subtotal	<u>13,107,003</u>	<u>-</u>	<u>1,122,942</u>	<u>11,984,061</u>	<u>1,047,214</u>
Compensated Absences	<u>450,176</u>	<u>19,463</u>	<u>-</u>	<u>469,639</u>	<u>-</u>
	<u><u>\$13,557,179</u></u>	<u><u>\$ 19,463</u></u>	<u><u>\$1,122,942</u></u>	<u><u>\$12,453,700</u></u>	<u><u>\$1,047,214</u></u>
Business-Type Activities					
General Obligation Note					
2020 General Obligation Note B	<u><u>\$ 1,350,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 75,000</u></u>	<u><u>\$ 1,275,000</u></u>	<u><u>\$ 75,000</u></u>

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

7. LONG-TERM OBLIGATIONS (continued)

A. General Obligation Bonds and Notes

The Township has issued general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and notes have been issued for both governmental and business-type activities.

General obligation bonds and notes are direct obligations and pledge the full faith and credit of the Township. The bonds are generally issued as 15-20 year serial bonds with varying amounts of principal due during the year. See below for the future debt service requirements.

B. Future Maturities of Long-Term Debt

The revised debt service requirements for the General Obligation Bonds and Notes are shown below.

Governmental Activities				
<u>Year</u>	<u>Principal</u>	<u>12/31/23 Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
2024	\$ 1,047,214	1.36 – 3.00%	\$ 227,078	\$ 1,274,292
2025	1,054,514	1.36 – 3.00%	202,595	1,257,109
2026	1,081,814	1.36 – 3.00%	184,081	1,265,895
2027	1,059,764	1.36 – 3.00%	163,762	1,223,526
2028	1,083,064	1.36 – 3.00%	143,306	1,226,370
2029-2033	5,014,721	1.36 – 3.00%	381,106	5,395,827
2034-2038	1,251,400	1.36 – 3.00%	80,809	1,332,209
2039-2041	391,570	1.36 – 3.00%	36,735	428,305
	<u>\$ 11,984,061</u>		<u>\$ 1,419,472</u>	<u>\$ 13,403,533</u>

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

7. LONG-TERM OBLIGATIONS (continued)

B. Future Maturities of Long-Term Debt (continued)

Business-Type Activities				
<u>Year</u>	<u>Principal</u>	12/31/23	<u>Interest</u>	Total Debt
		<u>Interest Rate</u>		<u>Service</u>
2024	\$ 75,000	1.62%	\$ 20,999	\$ 95,999
2025	75,000	1.62%	19,710	94,710
2025	75,000	1.62%	18,478	93,478
2027	75,000	1.62%	17,246	92,246
2028	75,000	1.62%	16,058	91,058
2029-2033	375,000	1.62%	61,624	436,624
2034-2038	375,000	1.62%	40,669	415,669
2039-2040	150,000	1.62%	3,699	153,699
	<u>\$ 1,275,000</u>		<u>\$ 198,483</u>	<u>\$ 1,473,483</u>

C. Interest Expense

Interest expense during the year on all the above-noted long-term debt totaled \$273,461.

8. EQUIPMENT NOTES PAYABLE

The Township has several lease agreements for the acquisition of vehicles and public works equipment that are considered financed purchases, and thus follow the reporting requirements for long-term debt. Annual lease payments are due through the year 2023. The capitalized cost of the leased equipment was \$612,430, and accumulated depreciation was \$409,539 at December 31, 2023. All notes were paid off in 2023.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

9. FUND BALANCE CLASSIFICATIONS

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Restricted for:				
Public Safety	\$ -	\$ -	\$ 10,382	\$ 10,382
Highways and Roads	-	-	42,743	42,743
Debt Service	-	3,411,741	-	3,411,741
Open Space	-	-	215,937	215,937
	-	3,411,741	269,062	3,680,803
Committed for:				
Park and Recreation	-	-	168,731	168,731
Stormwater	-	-	243,832	243,832
Fire and EMS	-	-	185,698	185,698
Capital Projects	-	-	356,845	356,845
	-	-	955,106	955,106
Assigned for:				
Capital Projects	-	-	-	-
Unassigned	5,933,090	-	(506,380)	5,426,710
Total Fund Balances	\$ 5,933,090	\$ 3,411,741	\$ 717,788	\$ 10,062,619

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

10. INTERFUND TRANSACTIONS

Interfund transactions are as follows:

<u>Purpose</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Due To/From			
Operating Expense	General	Water	\$ 8,235
Operating Expenses - Grant Reimbursement	General	Capital Reserve	\$ 575,000
CD closed - Money Moved	Custodial Funds	General Reserve	\$ 376,348
Water System Loan *	Debt Service	Water	\$ 512,170
Transfers			
Operating Expenses	Nonmajor	General	\$ 300,000
Operating Expenses	Nonmajor	General	\$ 6,800
Operating Expenses	Nonmajor	General	\$ 275,000
Capital Purchases	Nonmajor	General	\$ 551
ARPA Expenses	Water	General	\$ 65,194

* The Township had loaned funds from the issuance of the General Obligation Notes, Series 2010 from the Debt Service Fund to the Water Fund for improvements to the water system. During 2016, General Obligation Notes, Series 2016 were issued to refinance the General Obligation Notes, Series 2010. The receivables for this loan is recorded in the Debt Service Fund, and the liabilities in the Water Fund. All short-term interest and principal payments on the bond are paid through Debt Service. The Township made a payment of \$300,000 in 2022 but still owes the debt service fund for a portion of the 2020, 2021, and 2022 payments.

**PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023**

11. DEFINED BENEFIT PENSION PLANS

A. Summary of Significant Accounting Policies

Basis of Accounting

The Plans' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions, if required, to the Plan are recognized when due, in accordance with Act 205. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

Investments are reported at fair value. The Police Plan's assets are managed by the Haverford Trust and the Non-Uniform Plan's assets are managed by the Pennsylvania Municipal Retirement System (PMRS). The Non-Uniform Plan's assets with PMRS are pooled for investment purposes and, therefore, do not represent specific identifiable securities.

B. Plan Descriptions

Plan Administration

The Township administers two pension plans, Plumstead Township Police Pension Plan (Police Plan), a single-employer defined benefit pension plan, and Plumstead Township Non-Uniform Employees' Pension Plan (NU Plan), through PMRS, an agent multiple-employer defined benefit pension plan. The Police Plan is reported as a Pension Trust Fund in the accompanying financial statements and does not issue a standalone report.

Police Pension Defined Benefit Pension Plan

The Police Plan is a single employer defined benefit plan that covers all full time police employees. Management of the plan is vested in the Police Pension Committee, which consists of five members – one representative of the Police force, who is a Township resident as well, one member of the Board of Supervisors, the Township Manager, and two Supervisor-appointed Township residents knowledgeable in the funding and operation of pension plans.

Non-Uniform Defined Benefit Pension Plan

The Non-Uniform Plan participates in the PMRS, which is an agent multiple-employer public employee retirement system, which consists of over 900 participating employer plans. It is the responsibility of PMRS to act as a common investment agent for participating municipal pension plans. PMRS maintains each municipality's plans separately with that municipality's contributions and related employees' contributions and account earnings and activity. Assets are held separately and may only be used for the payment of plan benefits to its members. Management of the plan is vested with PMRS, which consists of an 11 member Board – the State Treasurer, Secretary of the Commonwealth, and nine other members appointed by the Governor. A copy of the plan's financial statements can be obtained by writing to the Pennsylvania Municipal Retirement System, PO Box 1165, Harrisburg, PA 17108.

**PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023**

11. DEFINED BENEFIT PENSION PLANS (continued)

B. Plan Descriptions (continued)

Plan Membership

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

	<u>Police</u>	<u>Non-Uniform</u>
Active Employees	14	21
Retirees and Beneficiaries Currently Receiving Benefits	9	2
Terminated Employees Entitled to Benefits but Not Yet Receiving Them	<u>-</u>	<u>4</u>
Total	<u>23</u>	<u>27</u>

Benefits Provided

The following table provides information concerning the **Township's Police Pension Plan**:

Covered Employees:	All full-time uniformed employees.
Normal Retirement:	Age 50 and the completion of 25 years of service for participants hired after January 1, 2006. Age 50 and the completion of 12 years of service for participants hired between January 1, 1984 and December 31, 2005. Age 59 and completion of 11 years of service for participants hired prior to January 1, 1984.
Early Retirement:	After 24 years of service for employees hired before January 1, 2006.
Vesting:	None for the first 12 years of service; thereafter, 100%.
Retirement Benefit:	The monthly pension shall be 50% of the average compensation of the participant's last 36 months of employment, plus a service increment of \$25 per month, if officer completes 26 years or more of benefit service.
Death Benefit:	A pension shall be provided to a retired officer's spouse or to the spouse of an officer eligible to retire, equal to 50% of the eligible pension. If no spouse, then payable to an eligible child.
Disability Benefit Service Related:	A disability pension shall be provided to an officer with a total and permanent service related disability equal to 50% of the officer's monthly salary at the time of disability, reduced by Social Security disability benefits provided for the same illness or injury.
Non-Service Related:	None.
Member Contribution Rate:	3.5% of compensation.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

11. DEFINED BENEFIT PENSION PLANS (continued)

B. Plan Descriptions (continued)

Benefits Provided (continued)

The following table provides information concerning the **Township's Non-Uniform Employees' Pension Plan**:

Covered Employees:	All full-time non-uniformed employees.
Normal Retirement:	Age 65 and the completion of 10 years of credited service, or at age 60 and the completion of 25 years of credited service.
Vesting:	None for the first ten years of service; thereafter 100%.
Retirement Benefit:	Monthly benefit equal to 1.75% times credit service times final average salary, but no greater than 50% of final average salary. Final average salary is based upon the last two years' annualized salary.
Disability Benefit:	Equal to 40% of the rates set forth in the 1964 OASDI (social security) Experience for Males.

Contributions

For the Police Plan, participating employees are required to contribute a percentage of pay to be determined annually. For the year ended December 31, 2023, participating employees contributed 3.5% of their salary to the Plan. If a participating employee leaves covered employment of the Township, other than due to employment-connected death or disability, before 12 years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or to a designated beneficiary.

For the Non-Uniform Plan, no employee contributions are required. If a participating employee leaves covered employment of the Township, other than due to employment-connected death or disability, before five years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or to a designated beneficiary.

The Township's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The employer's contribution rate for normal cost is determined using the Entry Age Normal Actuarial Funding Method.

The Commonwealth of Pennsylvania provides funds (foreign casualty insurance premium taxes) to the Township, which are used in making contributions to the plans. The Township is required to contribute any remaining amounts necessary to fund the plans, using the actuarial basis specified by the state statute.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

11. DEFINED BENEFIT PENSION PLANS (continued)

C. Investments

Investment Policy

The Police Plan's policy regarding the allocation of invested assets is established and may be amended by the Board of Supervisors. The policy is to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The Committees' adopted asset allocation policy as of December 31, 2023, is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	61%
Fixed Income	35%
Cash	4%
	<u>100%</u>

The Non-Uniform Plan's assets are managed by the Pennsylvania Municipal Retirement System (PMRS). The Plan's assets with PMRS are pooled for investment purposes and, therefore, do not represent specific identifiable investment securities. Disclosures required by GASB Statement No. 3 for aggregate PMRS investments are included in PMRS' separately issued Comprehensive Annual Financial Report (CAFR). A copy of the CAFR can be obtained from the PMRS or contacting their accounting office.

The PMRS Board is governed by the "prudent investor" rule in establishing investment policy. The "prudent investor" rule requires the exercise of that degree of judgment, skill, and care under the circumstances then prevailing which investors of prudence, discretion, and intelligence, who are familiar with such matters, exercise in the management of their own affairs not in regard to speculation, but in regard to permanent disposition of the funds, considering the probable income to be derived there from, as well as the probable safety of their capital.

**PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023**

11. DEFINED BENEFIT PENSION PLANS (continued)

C. Investments (continued)

Investment Policy (continued)

The Board has adopted its Statement of Investment Policy to formally document investment objectives and responsibilities. This policy, as well as applicable state law, established guidelines for permissible investments of PMRS. The pension plan's policy in regards to the allocation of invested plan assets is established and may be amended by the Board. The Board has established its allocation goals as follows:

Domestic Equities (Large Capitalized Firms)	24.5%
Domestic Equities (Small Capitalized Firms)	8.0%
International Equities (Developed Markets)	14.5%
International Equities (Emerging Markets)	3.0%
Global Equities	5.0%
Real Estate	10.0%
Timber	5.0%
Fixed Income (Core Investment Grade)	24.0%
Fixed Income (Opportunistic Credit)	5.0%
Cash	1.0%

Concentrations

The investment policy of the Township contains no limitations on the amount that can be invested in any one issuer. The Township does not currently invest 5% of its assets in any one of its equities, corporate or international bond issuers.

Rate of Return

For the year ended December 31, 2023, the annual money-weighted rate of return on Police Plan investments, net of pension plan investment expense, was 9.36%. The Non-Uniform Plan annual money-weighted rate of return was (12.83)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

D. Deferred Retirement Option Program (DROP)

An active member who has met the eligibility requirements for the program, which are age 50 and 25 years of service, may elect to participate in the deferred retirement option program for a period of at least one year, but not more than five years. Monthly pension shall be calculated as of the date of participation in the program and shall be accumulated in a self-directed account and distributed in a lump sum at retirement.

As of December 31, 2023, there were two participants in the DROP program, and the balance held by the Plan for the DROP program was \$319,085.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

11. DEFINED BENEFIT PENSION PLANS (continued)

E. Net Pension Liability of the Township

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

	<u>Police</u>	<u>Non-Uniform</u>
Total Pension Liability	\$ 12,191,280	\$ 4,571,023
Plan Fiduciary Net Position	<u>(11,381,678)</u>	<u>(4,099,798)</u>
Township's Net Pension Liability (Asset)	<u>\$ 809,602</u>	<u>\$ 471,225</u>
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	93.4%	89.7%

Actuarial Assumptions

The total pension liability for the Police Plan was determined by rolling forward the liability from an actuarial valuation as of January 1, 2023. The total pension liability for the Non-Uniform Plan is measured as of December 31, 2023, based on the January 1, 2023 actuarial valuation. The liabilities were calculated by using the following actuarial assumptions, applied to all periods included in the measurement.

	<u>Police Per Year</u>	<u>Non-Uniform Per Year</u>
Salary Increases	4.5%	Age-related scale with merit and inflation component
Investment Rate of Return	6.75%	5.25%
Inflation	3%	2.8%

See Schedule of Township Contributions for details on mortality rates assumptions.

The actuarial assumptions used in the December 31, 2023, Police Plan valuation were based on the results of an actuarial experience study for the two-year period ended January 1, 2021.

The actuarial assumptions used in the December 31, 2022, Non-Uniform Plan valuation were based on the January 1, 2019, actuarial valuation. These assumptions have been changed for the current measurement.

The net pension liability for the Police Plan was measured as of December 31, 2023, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2023. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

11. DEFINED BENEFIT PENSION PLANS (continued)

E. Net Pension Liability of the Township (continued)

Actuarial Assumptions (continued)

The net pension liability for Non-Uniform Pension Plans were measured as of December 31, 2022. Because the beginning and end of year total pension liabilities are based upon different actuarial valuation dates, there is a difference between expected and actual experiences reported in 2022. The beginning of the year total pension assets are based upon the January 1, 2021, actuarial valuation. The end of year total pension liabilities is based upon the January 1, 2023, actuarial valuation

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

Asset Class	Police Long-Term Expected Real Rate of Return, Per Year	Non-Uniform Long-Term Expected Real Rate of Return, Per Year
Domestic Equity	5.5-7.5%	5.00-5.70%
Fixed Income	1.0-3.0%	2.10-5.50%
International Equity	N/A	5.10-5.51%
Real Estate	N/A	4.92%
Timber	N/A	4.00%
Cash	0.0-1.0%	0.0%

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

11. DEFINED BENEFIT PENSION PLANS (continued)

E. Net Pension Liability of the Township (continued)

Changes in the Net Pension Liability

Changes in the net pension liability for the year ended December 31, 2023, for the police plan and the measurement date of December 31, 2022, for the non-uniform plan, are as follows:

	Police Pension Plan		
	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability (Asset)
	(a)	(b)	(a) – (b)
Balance at December 31, 2022	\$ 11,644,859	\$ 10,687,065	\$ 957,794
Changes for the Year			
Service Cost	213,023	-	213,023
Interest	791,714	-	791,714
Difference Between Expected and Actual Experience	-	-	-
Changes for Experience	(46,985)	-	(46,985)
Changes in Assumptions	-	-	-
Contributions - Employer	-	120,226	(120,226)
Contributions - Employee	-	68,795	(68,795)
Net Investment Income	-	916,923	(916,923)
Benefit Payments	(411,331)	(411,331)	-
Administrative Expense	-	-	-
Net Changes	546,421	694,613	(148,192)
Balances at December 31, 2023	<u>\$ 12,191,280</u>	<u>\$ 11,381,678</u>	<u>\$ 809,602</u>

	Non-Uniform Pension Plan		
	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability (Asset)
	(a)	(b)	(a) – (b)
Balance at December 31, 2021	\$ 4,084,575	\$ 4,515,197	\$ (430,622)
Changes for the Year			
Service Cost	138,810	-	138,810
Interest	220,376	-	220,376
Difference Between Expected and Actual Experience	167,586	-	167,586
Changes in Assumptions	-	-	-
Contributions - Employer	-	181,732	(181,732)
Contributions - Employee	-	11,539	(11,539)
Net Investment Income	-	205,249	(205,249)
Market Value Investment Income	-	(762,190)	762,190
Benefit Payments	(40,324)	(40,324)	-
Administrative Expense	-	(11,405)	11,405
Net Changes	486,448	(415,399)	901,847
Balances at December 31, 2022	<u>\$ 4,571,023</u>	<u>\$ 4,099,798</u>	<u>\$ 471,225</u>

**PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023**

11. DEFINED BENEFIT PENSION PLANS (continued)

E. Net Pension Liability of the Township (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75% for the Police Plan and 5.25% for the Non-Uniform Plan. The pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Expense and the Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended December 31, 2023, the Township recognized pension expense of \$256,656. At December 31, 2023, the Township reported deferred outflows and inflows of resources related to pensions from the following sources:

	Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ (131,198)
Changes of Assumptions	182,474	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>1,098,508</u>	<u>(162,439)</u>
	<u><u>\$ 1,280,982</u></u>	<u><u>\$ (293,637)</u></u>

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

Year Ending December 31,	Amount
2024	\$ 248,406
2025	371,579
2026	428,101
2027	<u>(60,741)</u>
	<u><u>\$ 987,345</u></u>

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

11. DEFINED BENEFIT PENSION PLANS (continued)

E. Net Pension Liability of the Township (continued)

Pension Expense and the Deferred Outflows and Inflows of Resources Related to Pensions (continued)

	Non-Uniform	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 204,335	\$ (109,101)
Changes of Assumptions	53,245	(3,443)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	233,891	
Contributions by Employer After the Measurement Date	167,485	-
	<u>\$ 658,956</u>	<u>\$ (112,544)</u>

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

Year Ending December 31,	Amount
2023	\$ (6,945)
2024	62,604
2025	118,225
2026	156,437
2027	3,997
Thereafter	<u>44,609</u>
	<u>\$ 378,927</u>

**PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023**

11. DEFINED BENEFIT PENSION PLANS (continued)

E. Net Pension Liability of the Township (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liabilities of the Township, calculated using the discount rate of 6.75% (Police Plan) and 5.25% (Non-Uniform Plan), as well as what the Township's net pension liabilities would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Police Pension Liability (Asset)	<u>\$2,424,574</u>	<u>\$809,602</u>	<u>\$(379,036)</u>
	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
Net Non-Uniform Pension Liability (Asset)	<u>\$1,087,066</u>	<u>\$471,225</u>	<u>\$(49,937)</u>

12. OTHER POST-EMPLOYMENT BENEFITS

In accordance with the Police Labor Contract, effective January 1, 2009, the Township adopted a defined contribution plan to contribute to a post-employment health plan on behalf of each eligible employee. The contribution amounts are prescribed by the labor contract. For the year ended December 31, 2023, the Township was required to contribute \$1,000 per employee. This amount is prorated for a new employee. The amount contributed for 2023 totaled \$16,000. Employees are not required to contribute to the plan. The plan does not issue a standalone report.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Financial Statements
December 31, 2023

13. RISK MANAGEMENT

The Township is exposed to various kinds of loss related to limited torts; theft of, and damage to and destruction of assets; errors and omissions; and natural disasters for which the Township carries commercial insurance.

a. Health Care Coverage

The Township participates in the Delaware Valley Health Trust (DVHT). DVHT is a regional risk sharing pool providing health insurance benefits to employees and dependents of participating municipalities.

b. Workers' Compensation Coverage

The Township participates in the Delaware Valley Workers' Compensation Trust (DVWCT). DVWCT is a regional risk sharing pool providing workers' compensation benefits to employees.

c. Insurance Coverage

The Township participates in the Delaware Valley Property Liability Trust (DVPLT). DVPLT is a regional risk sharing pool that provides commercial, liability and bonding coverage for the Township.

Management believes the above coverages are sufficient to preclude any significant uninsured losses to the Township. There have been no significant reductions in coverage from the prior year.

14. CONTINGENCIES

The Township is party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accruals or provisions for loss contingencies that may result from these proceedings. While the outcome of the above-noted proceedings cannot be predicted due to the insurance coverage maintained by the Township, management feels that any settlement or judgment not covered by insurance would not materially affect the financial condition of the Township.

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 13, 2024, the date which the financial statements were available to be issued.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Required Supplementary Information
Schedule of Changes in the Township's Net Pension Liability and Related Ratios
Police Pension Plan
December 31, 2023
(Unaudited)

	Measurement Date as of December 31,				
	2023	2022	2021	2020	2019
Total Pension Liability					
Service Cost	\$ 213,023	\$ 184,946	\$ 176,982	\$ 144,472	\$ 138,251
Interest	791,714	677,431	744,539	685,023	731,429
Changes of Benefit Terms	-	-	-	-	-
Changes for Experience	(46,985)	-	-	-	-
Differences Between Expected and Actual Experience	-	-	(181,965)	-	(108,830)
Changes of Assumptions	-	-	456,185	-	-
Benefit Payments (Including Refunds of Member Contributions)	(411,331)	(486,720)	(192,370)	(608,294)	(127,486)
Net Change in Total Pension Liability	546,421	375,657	1,003,371	221,201	633,364
Total Pension Liability					
Beginning of Year	11,644,859	11,269,202	10,265,831	10,044,630	9,411,266
End of Year	<u>\$12,191,280</u>	<u>\$11,644,859</u>	<u>\$11,269,202</u>	<u>\$10,265,831</u>	<u>\$10,044,630</u>
Plan Fiduciary Net Position					
Contributions					
Employer	\$ 120,226	\$ 129,091	\$ 470,539	\$ 376,660	\$ 360,073
Member	68,795	62,221	67,373	62,828	60,546
Net Investment Income (Loss)	916,923	(1,541,709)	1,302,631	1,208,168	1,633,751
Benefit Payments (Including Refunds of Member Contributions)	(411,331)	(486,720)	(192,370)	(608,294)	(127,486)
Administrative Expense	-	-	-	(10,175)	-
Net Change in Plan Fiduciary Net Position	694,613	(1,837,117)	1,648,173	1,029,187	1,926,884
Plan Fiduciary Net Position					
Beginning of Year	10,687,065	12,524,182	10,876,009	9,846,822	7,919,938
End of Year	<u>\$11,381,678</u>	<u>\$10,687,065</u>	<u>\$12,524,182</u>	<u>\$10,876,009</u>	<u>\$ 9,846,822</u>

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Required Supplementary Information
Schedule of Changes in the Township's Net Pension Liability and Related Ratios
Police Pension Plan
December 31, 2023
(Unaudited)

	Measurement Date as of December 31,				
	2023	2022	2021	2020	2019
(Continued)					
Township's Ending Net Pension Liability (Asset)	<u>\$ 809,602</u>	<u>\$ 957,794</u>	<u>\$ (1,254,980)</u>	<u>\$ (610,178)</u>	<u>\$ 197,808</u>
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	93.36%	91.77%	111.10%	105.94%	98.03%
Covered Employee Payroll	<u>\$ 1,858,813</u>	<u>\$ 1,670,066</u>	<u>\$ 1,725,610</u>	<u>\$ 1,872,616</u>	<u>\$ 1,735,538</u>
Township's Net Pension Liability As a Percentage of Covered Employee Payroll	43.55%	57.35%	72.73%	32.50%	11.40%

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Required Supplementary Information
Schedule of Changes in the Township's Net Pension Liability and Related Ratios
Police Pension Plan
December 31, 2023
(Unaudited)

	Measurement Date as of December 31,				
	2018	2017	2016	2015	2014
Total Pension Liability					
Service Cost	\$ 153,904	\$ 147,277	\$ 180,139	\$ 172,382	\$ 163,750
Interest	570,539	610,562	600,893	497,205	476,008
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	-	(151,533)	-	(245,390)	-
Changes of Assumptions	-	206,053	-	-	-
Benefit Payments (Including Refunds of Member Contributions)	(127,486)	(127,486)	(127,486)	(183,156)	(82,547)
Net Change in Total Pension Liability	596,957	684,873	653,546	241,041	557,211
Total Pension Liability					
Beginning of Year	8,814,309	8,129,436	7,475,890	7,234,849	6,667,638
End of Year	<u>\$ 9,411,266</u>	<u>\$ 8,814,309</u>	<u>\$ 8,129,436</u>	<u>\$ 7,475,890</u>	<u>\$ 7,224,849</u>
Plan Fiduciary Net Position					
Contributions					
Employer	\$ 284,904	\$ 280,152	\$ 282,362	\$ 282,944	\$ 284,061
Member	60,281	58,390	53,877	54,941	54,537
Net Investment Income (Loss)	(536,620)	970,641	364,111	(284,346)	302,996
Benefit Payments (Including Refunds of Member Contributions)	(127,486)	(127,486)	(127,486)	(183,156)	(82,547)
Administrative Expense	(3,350)	(6,500)	(5,314)	(9,804)	(55,107)
Net Change in Plan Fiduciary Net Position	(322,271)	1,175,197	567,550	(139,421)	503,940
Plan Fiduciary Net Position					
Beginning of Year	8,242,209	7,067,012	6,499,462	6,638,883	6,134,943
End of Year	<u>\$ 7,919,938</u>	<u>\$ 8,242,209</u>	<u>\$ 7,067,012</u>	<u>\$ 6,499,462</u>	<u>\$ 6,638,883</u>

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Required Supplementary Information
Schedule of Changes in the Township's Net Pension Liability and Related Ratios
Police Pension Plan
December 31, 2023
(Unaudited)

	Measurement Date as of December 31,				
	2018	2017	2016	2015	2014
(Continued)					
Township's Ending Net Pension Liability	<u>\$ 1,491,328</u>	<u>\$ 572,100</u>	<u>\$ 1,062,424</u>	<u>\$ 976,428</u>	<u>\$ 595,966</u>
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	84.15%	93.50%	86.90%	86.90%	91.80%
Covered Employee Payroll	<u>\$ 1,663,398</u>	<u>\$ 1,667,126</u>	<u>\$ 1,649,834</u>	<u>\$ 1,530,052</u>	<u>\$ 1,418,564</u>
Township's Net Pension Liability As a Percentage of Covered Employee Payroll	89.70%	34.30%	64.40%	63.80%	42.00%

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Required Supplementary Information
Schedule of Changes in the Township's Net Pension Liability and Related Ratios
Non-Uniform Pension Plan
December 31, 2023
(Unaudited)

	Measurement Date as of December 31,				
	2022	2021	2020	2019	2018
Total Pension Liability					
Service Cost	\$ 138,810	\$ 132,815	\$ 125,858	\$ 128,985	\$ 133,704
Interest	220,376	204,241	191,213	177,059	168,321
Differences Between Expected and Actual Experience	167,586	-	(75,251)	-	(108,722)
Changes of Assumptions	-	-	34,000	-	-
Transfers	-	-	-	-	650
Benefit Payments (Including Refunds of Member Contributions)	(40,324)	(33,045)	(33,045)	(32,331)	(14,944)
Net Change in Total Pension Liability	486,448	304,011	242,775	273,713	179,009
Total Pension Liability					
Beginning of Year	4,084,575	3,780,564	3,537,789	3,264,076	3,085,067
End of Year	<u>\$ 4,571,023</u>	<u>\$ 4,084,575</u>	<u>\$ 3,780,564</u>	<u>\$ 3,537,789</u>	<u>\$ 3,264,076</u>
Plan Fiduciary Net Position					
Contributions					
Employer	\$ 181,732	\$ 172,508	\$ 174,397	\$ 176,533	\$ 145,354
Member	11,539	13,366	10,252	8,994	11,074
PMRS Investment Income	205,249	186,508	162,215	141,361	133,892
Market Value Investment Income (Loss)	(762,190)	299,588	316,406	347,734	(318,108)
Transfers	-	-	-	-	650
Benefit Payments (Including Refunds of Member Contributions)	(40,324)	(33,045)	(33,045)	(32,331)	(14,944)
Administrative Expense	(11,405)	(11,123)	(7,608)	(5,386)	(6,455)
Net Change in Plan Fiduciary Net Position	(415,399)	627,802	622,617	636,905	(48,537)
Plan Fiduciary Net Position					
Beginning of Year	4,515,197	3,887,395	3,264,778	2,627,873	2,676,410
End of Year	<u>\$ 4,099,798</u>	<u>\$ 4,515,197</u>	<u>\$ 3,887,395</u>	<u>\$ 3,264,778</u>	<u>\$ 2,627,873</u>

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Required Supplementary Information
Schedule of Changes in the Township's Net Pension Liability and Related Ratios
Non-Uniform Pension Plan
December 31, 2023
(Unaudited)

	Measurement Date as of December 31,				
	2022	2021	2020	2019	2018
(Continued)					
Township's Ending Net Pension Liability	<u>\$ 471,225</u>	<u>\$ (430,622)</u>	<u>\$ (106,831)</u>	<u>\$ 273,011</u>	<u>\$ 636,203</u>
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	89.69%	110.54%	102.83%	92.28%	80.51%
Covered Employee Payroll	<u>\$ 1,338,442</u>	<u>\$ 1,256,179</u>	<u>\$ 1,153,890</u>	<u>\$ 1,917,656</u>	<u>\$ 1,227,406</u>
Township's Net Pension Liability As a Percentage of Covered Employee Payroll	35.21%	34.28%	9.26%	22.80%	51.83%

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Required Supplementary Information
Schedule of Changes in the Township's Net Pension Liability and Related Ratios
Non-Uniform Pension Plan
December 31, 2023
(Unaudited)

	Measurement Date as of December 31,			
	2017	2016	2015	2014
Total Pension Liability				
Service Cost	\$ 120,783	\$ 111,861	\$ 102,314	\$ 96,125
Interest	153,658	136,491	126,627	112,809
Differences Between Expected and Actual Experience	-	133,520	(27)	84,209
Changes of Assumptions	-	95,053	(12,619)	-
Transfers	-	-	-	-
Benefit Payments (Including Refunds of Member Contributions)	(560)	(79,695)	(12,080)	(82,851)
Net Change in Total Pension Liability	273,881	397,230	204,215	210,292
Total Pension Liability				
Beginning of Year	2,811,186	2,413,956	2,209,741	1,999,449
End of Year	<u>\$ 3,085,067</u>	<u>\$ 2,811,186</u>	<u>\$ 2,413,956</u>	<u>\$ 2,209,741</u>
Plan Fiduciary Net Position				
Contributions				
Employer	\$ 137,045	\$ 115,633	\$ 111,485	\$ 87,947
Member	9,630	9,582	7,421	7,163
PMRS Investment Income	120,529	111,072	107,084	96,101
Market Value Investment Income (Loss)	266,333	103,158	(181,614)	(1,735)
Transfers	-	-	-	-
Benefit Payments (Including Refunds of Member Contributions)	(560)	(79,695)	(12,080)	(82,851)
Administrative Expense	(6,003)	(5,842)	(4,904)	(4,126)
Net Change in Plan Fiduciary Net Position	526,974	253,908	27,392	102,499
Plan Fiduciary Net Position				
Beginning of Year	2,149,436	1,895,528	1,868,136	1,765,637
End of Year	<u>\$ 2,676,410</u>	<u>\$ 2,149,436</u>	<u>\$ 1,895,528</u>	<u>\$ 1,868,136</u>

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Required Supplementary Information
Schedule of Changes in the Township's Net Pension Liability and Related Ratios
Non-Uniform Pension Plan
December 31, 2023
(Unaudited)

	Measurement Date as of December 31,			
	2017	2016	2015	2014
(Continued)				
Township's Ending Net Pension Liability	<u>\$ 408,657</u>	<u>\$ 661,750</u>	<u>\$ 518,428</u>	<u>\$ 341,605</u>
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	86.75%	76.46%	78.52%	84.54%
Covered Employee Payroll	<u>\$ 1,112,535</u>	<u>\$ 1,093,113</u>	<u>\$ 948,417</u>	<u>\$ 887,810</u>
Township's Net Pension Liability As a Percentage of Covered Employee Payroll	36.73%	60.54%	54.66%	38.48%

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Required Supplementary Information
Schedule of Township Contributions
Police Pension Plan
December 31, 2023
(Unaudited)

Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions As a Percentage of Covered Employee Payroll
2014	\$ 284,681	\$ 284,681	\$ -	\$ 1,418,564	20.02%
2015	\$ 282,944	\$ 282,944	\$ -	\$ 1,530,052	18.49%
2016	\$ 282,362	\$ 282,362	\$ -	\$ 1,649,834	17.11%
2017	\$ 280,152	\$ 280,152	\$ -	\$ 1,667,126	16.80%
2018	\$ 284,904	\$ 284,904	\$ -	\$ 1,663,398	17.13%
2019	\$ 360,073	\$ 360,073	\$ -	\$ 1,735,538	20.75%
2020	\$ 376,660	\$ 376,660	\$ -	\$ 1,872,616	20.11%
2021	\$ 470,539	\$ 470,539	\$ -	\$ 1,725,610	27.27%
2022	\$ 129,091	\$ 129,091	\$ -	\$ 1,670,066	7.73%
2023	\$ 120,226	\$ 120,226	\$ -	\$ 1,858,813	6.47%

Notes to Schedule

Valuation Date

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

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Valuation Date	January 1, 2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Closed
Remaining Amortization Period	N/A
Asset Valuation Method	Market Value of Assets
Inflation	3.0%
Salary Increases	4.5% per year
Investment Rate of Return	6.75%
Retirement Age	Normal Retirement Age
Mortality	PubS-2010 Mortality Table

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Required Supplementary Information
Schedule of Township Contributions
Non-Uniformed Pension Plan
December 31, 2023
(Unaudited)

<u>Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions As a Percentage of Covered Employee Payroll</u>
2014	\$ 87,927	\$ 87,947	\$ (20)	\$ 887,810	9.91%
2015	\$ 111,465	\$ 111,485	\$ (20)	\$ 948,417	11.75%
2016	\$ 115,533	\$ 115,633	\$ (100)	\$ 1,093,113	10.58%
2017	\$ 137,025	\$ 137,045	\$ (20)	\$ 1,112,535	12.32%
2018	\$ 145,334	\$ 145,354	\$ (20)	\$ 1,227,406	11.84%
2019	\$ 176,513	\$ 176,533	\$ (20)	\$ 1,197,656	14.74%
2020	\$ 174,357	\$ 174,397	\$ (40)	\$ 1,153,890	15.11%
2021	\$ 172,488	\$ 172,508	\$ (20)	\$ 1,256,179	13.73%
2022	\$ 181,652	\$ 181,732	\$ (80)	\$ 1,338,442	13.58%

Notes to Schedule

Valuation Date

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

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Valuation Date	January 1, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Closed
Remaining Amortization Period	12 years
Asset Valuation Method	Based Upon Municipal Reserves
Inflation	2.8%
Salary Increases	Age-related scale with merit and inflation component
Investment Rate of Return	5.25%
Retirement Age	Normal Retirement Age
Pre-Retirement Mortality	Males – RP2000 non-annuitant table projected 15 years with scale AA, Females – RP2000 non-annuitant table projected 15 years with scale AA, setback 5 years
Post-Retirement Mortality	Males – RP2000 annuitant table projected 5 years with scale AA, Females – RP2000 annuitant table projected 10 years with scale AA

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Required Supplementary Information
Schedule of Investment Returns
December 31, 2023
(Unaudited)

	<u>Police</u>	<u>Non-Uniform</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense		
2023	9.36%	(12.83)%
2022	(11.86)%	13.10%
2021	12.48%	14.50%
2020	12.64%	20.90%
2019	20.26%	(4.57)%
2018	(6.14)%	17.84%
2017	13.53%	8.23%
2016	5.53%	(0.27)%
2015	(4.16)%	5.20%
2014	7.16%	7.28%

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
Year Ended December 31, 2023

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 5,922,000	\$ 6,528,852	\$ 606,852
Intergovernmental	401,340	659,927	258,587
Charges for Services	225,550	316,290	90,740
Fines, Licenses and Permits	278,000	289,079	11,079
Interest Income and Rents	107,801	306,750	198,949
Miscellaneous Revenues	156,208	274,726	118,518
Total Revenues	<u>7,090,899</u>	<u>8,375,624</u>	<u>1,284,725</u>
Expenditures			
General Government	1,107,593	880,138	227,455
Public Safety	4,243,562	4,151,639	91,923
Public Works	1,008,043	944,888	63,155
Parks and Recreation	502,875	428,471	74,404
Debt Service - Principal	28,038	29,172	(1,134)
Debt Service - Interest	967	958	9
Capital Expenditures	168,541	166,263	2,278
Miscellaneous Governmental	207,715	198,698	9,017
Total Expenditures	<u>7,267,334</u>	<u>6,800,227</u>	<u>467,107</u>
Excess (Deficiency) of Revenues Over Over Expenditures	(176,435)	1,575,397	1,751,832
Other Financing Sources (Uses)			
Operating Transfers In (Out)	<u>(1,232,000)</u>	<u>(647,545)</u>	<u>584,455</u>
Net Change in Fund Balances	(1,408,435)	927,852	2,336,287
Fund Balances			
Beginning of Year	<u>5,424,521</u>	<u>5,005,238</u>	<u>(419,283)</u>
End of Year	<u>\$ 4,016,086</u>	<u>\$ 5,933,090</u>	<u>\$ 1,917,004</u>

See notes to schedules of budget to actual comparisons.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Notes to Schedules of Budget to Actual Comparisons
December 31, 2023

1. BASIS OF PRESENTATION

The Township has prepared the Schedule of Budget to Actual Comparisons using the same format as the Statement of Revenues, Expenditures, and Changes in Fund Balances.

The Township did not amend its 2023 budget as originally adopted and, therefore, is presenting its original and final budget in one column.

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023

	<u>Local Services Tax Fund</u>	<u>Emergency Services Fund</u>	<u>Park and Recreation Fund</u>
Assets			
Cash and Cash Equivalents	\$ 285,202	\$ 9,681	\$ 168,731
Taxes Receivable	<u>80,000</u>	<u>7,143</u>	<u>-</u>
Total Assets	<u><u>\$ 365,202</u></u>	<u><u>\$ 16,824</u></u>	<u><u>\$ 168,731</u></u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	\$ -	\$ -	\$ -
Due to Other Funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources			
Deferred Tax Receipts	<u>8,357</u>	<u>6,442</u>	<u>-</u>
Fund Balances			
Restricted	-	10,382	-
Committed	356,845	-	168,731
Assigned	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>356,845</u>	<u>10,382</u>	<u>168,731</u>
Total Liabilities and Fund Balances	<u><u>\$ 365,202</u></u>	<u><u>\$ 16,824</u></u>	<u><u>\$ 168,731</u></u>

Open Space Fund	State Highway Aid Fund	Capital Reserve Fund	Fire and EMS Capital Fund	Stormwater Fund	Total Nonmajor Governmental Funds
\$ 216,682	\$ 42,743	\$ 68,620	\$ 185,203	\$ 246,084	\$ 1,222,946
2,490	-	-	3,235	1,617	94,485
<u>\$ 219,172</u>	<u>\$ 42,743</u>	<u>\$ 68,620</u>	<u>\$ 188,438</u>	<u>\$ 247,701</u>	<u>\$ 1,317,431</u>
\$ 1,100	\$ -	\$ -	\$ -	\$ 2,500	\$ 3,600
-	-	575,000	-	-	575,000
<u>1,100</u>	<u>-</u>	<u>575,000</u>	<u>-</u>	<u>2,500</u>	<u>578,600</u>
2,135	-	-	2,740	1,369	21,043
215,937	42,743	-	-	-	269,062
-	-	-	185,698	243,832	955,106
-	-	-	-	-	-
-	-	(506,380)	-	-	(506,380)
<u>215,937</u>	<u>42,743</u>	<u>(506,380)</u>	<u>185,698</u>	<u>243,832</u>	<u>717,788</u>
<u>\$ 219,172</u>	<u>\$ 42,743</u>	<u>\$ 68,620</u>	<u>\$ 188,438</u>	<u>\$ 247,701</u>	<u>\$ 1,317,431</u>

PLUMSTEAD TOWNSHIP
BUCKS COUNTY, PA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2023

	Local Services Tax Fund	Emergency Services Fund	Park and Recreation Fund
Revenues			
Taxes	\$ 328,697	\$ 341,066	\$ -
Intergovernmental	-	-	-
Charges for Services	-	-	-
Interest Income and Rents	8,668	1,277	5,279
Miscellaneous Revenues	35,916	-	29,093
Total Revenues	<u>373,281</u>	<u>342,343</u>	<u>34,372</u>
Expenditures			
General Government	5,624	-	-
Public Safety	-	338,024	-
Public Works	18,934	-	-
Parks and Recreation	-	-	19,696
Conservation and Development	-	-	-
Debt Service - Principal	14,214	-	-
Debt Service - Interest	176	-	-
Capital Expenditures	560,375	-	-
Total Expenditures	<u>599,323</u>	<u>338,024</u>	<u>19,696</u>
Excess (Deficiency) of Revenues Over Expenditures	(226,042)	4,319	14,676
Other Financing Sources (Uses)			
Operating Transfers In	<u>275,551</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	49,509	4,319	14,676
Fund Balances			
Beginning of Year	<u>307,336</u>	<u>6,063</u>	<u>154,055</u>
End of Year	<u><u>\$ 356,845</u></u>	<u><u>\$ 10,382</u></u>	<u><u>\$ 168,731</u></u>

Open Space Fund	State Highway Aid Fund	Capital Reserve Fund	Fire and EMS Capital Fund	Stormwater Fund	Total Nonmajor Governmental Funds
\$ 149,802	\$ -	\$ -	\$ 217,057	\$ 108,529	\$ 1,145,151
-	476,258	442,591	-	-	918,849
-	-	-	-	16,734	16,734
5,502	8,384	4,633	5,081	6,679	45,503
-	323	5,000	-	-	70,332
<u>155,304</u>	<u>484,965</u>	<u>452,224</u>	<u>222,138</u>	<u>131,942</u>	<u>2,196,569</u>
-	-	3,853	-	25,994	35,471
-	-	-	36,440	-	374,464
-	104,991	3,313	-	-	127,238
-	-	-	-	-	19,696
17,704	-	-	-	-	17,704
-	59,442	-	-	-	73,656
-	-	-	-	-	176
-	420,365	1,404,452	-	-	2,385,192
<u>17,704</u>	<u>584,798</u>	<u>1,411,618</u>	<u>36,440</u>	<u>25,994</u>	<u>3,033,597</u>
137,600	(99,833)	(959,394)	185,698	105,948	(837,028)
-	-	300,000	-	6,800	582,351
137,600	(99,833)	(659,394)	185,698	112,748	(254,677)
78,337	142,576	153,014	-	131,084	972,465
<u>\$ 215,937</u>	<u>\$ 42,743</u>	<u>\$ (506,380)</u>	<u>\$ 185,698</u>	<u>\$ 243,832</u>	<u>\$ 717,788</u>