



**ASTON TOWNSHIP**  
**Aston, Pennsylvania**  
**Delaware County**  
**Financial Statements**  
**December 31, 2023**  
**With Independent Auditor's Report**

**Aston Township**  
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**December 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of  
Aston Township:

### 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 Aston Township, Aston, Pennsylvania, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Aston Township's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above 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 Aston Township, Aston, Pennsylvania, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund 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 and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Aston 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

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 Aston Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 Aston 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 Aston 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.

## **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and the required supplementary information presented on pages 51 through 59 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 and other auditors 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 Aston Township's basic financial statements. The combining fund statements and budgetary comparison schedules are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining fund statements and budgetary comparison schedules 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining fund statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2025, on our consideration of Aston Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Aston Township's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC". The signature is written in a cursive style.

March 21, 2025

# **Aston Township Management's Discussion and Analysis – Unaudited December 31, 2023**

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Management's discussion and analysis ("MD&A") of the financial performance of Aston Township, Aston, Pennsylvania (the "Township") provides an overview of the Township's financial performance for fiscal year ended December 31, 2023. Readers should also review the basic financial statements and related notes to enhance their understanding of the Township's financial performance.

## **TOWNSHIP PROFILE**

Aston Township was first settled in 1682 as a municipality and was incorporated as a township in 1688. In 1906, Aston became a first-class township. The Township is governed by a seven-member Board of Commissioners. The Township is located in Delaware County, Pennsylvania, adjacent to the City of Philadelphia and is the 140th largest municipality in the state of Pennsylvania. The Township encompasses 5.74 square miles and has a population of approximately 16,592 residents. The Township provides the following services: general government; public safety – police, fire, codes and planning and zoning; public works – highways and street and sanitation and culture and recreation.

## **FINANCIAL HIGHLIGHTS**

- On a government-wide basis including all governmental activities, the liabilities and deferred inflows of resources of the Township exceeded assets and deferred outflows of resources resulting in total deficit in net position at the close of the 2023 fiscal year of \$6,709,209. During the 2023 fiscal year, the Township had an increase in total net position of \$4,715,081. The net position of the governmental activities increased by \$4,507,186 and net position of business-type activities increased by \$207,895.
- As of the close of the 2023 fiscal year, the Township's governmental funds reported combined ending fund balances of \$13,828,401, an increase of \$679,320 in comparison with the prior year.
- The General Fund reported a decrease in fund balance of \$1,111,643, bringing the cumulative fund balance to \$3,005,078 or 22.25% of total General Fund expenditures at the conclusion of the 2023 fiscal year.
- General Fund revenues and other financing sources were \$3,891,472 or 34.51% more than budgeted amounts and General Fund expenditures and other financing uses were \$3,465,766 or 27.05% more than budgeted amounts resulting in a net positive variance of \$425,706.

## **OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

The MD&A is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Township's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the Township is improving or deteriorating. To assess the Township's overall health, the reader will need to consider additional nonfinancial factors such as changes in the Township's tax base and the condition of the Township's assets.

**Aston Township  
Management's Discussion and Analysis – Unaudited  
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The statement of activities presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish the functions of the Township that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

In the government-wide financial statements, the Township's activities are presented within one category.

**Governmental Activities**

Most of the Township's basic services are included here, such as general administration, public safety, public works, culture and recreation and community development.

**Business-Type Activities**

These include the sanitation services provided by the Township for a fee to customers to help cover the cost of the service.

The net position of the governmental activities differs from the governmental fund balances as the governmental fund level statements only report the current financial resources, they expense capital assets when financial resources (money) are expended to purchase or build said assets, and financial resources that have been borrowed are considered revenue when they are received. The principal and interest are expensed when paid.

Government-wide statements are reported using an economic resources measurement focus and full accrual basis of accounting that involves capitalizing current outlays of capital assets, reporting long term debt as a liability, depreciating capital assets and allocating those costs to the proper program and/or activities. Revenues and expenses are reported using the accrual basis of accounting which includes real estate and income tax receivables due from residents and businesses, and open account payables due from the Township to various vendors. Net position balances include the net investment in capital assets less debt associated with the purchase of the capital assets, and the unrestricted net position of the Township. Restricted positions include amounts restricted for the construction and maintenance of public roads and amounts restricted by grantors.

The government-wide financial statements can be found on pages 15 and 16 of this report.

**FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the Township's funds. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Township's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

# **Aston Township Management's Discussion and Analysis – Unaudited December 31, 2023**

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## **Governmental Funds**

Most of the Township's basic services are included in the governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Township's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the governmental near-term financing decisions. Both the Balance Sheet – Governmental Funds and Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Township maintains four major governmental funds: the General Fund, Grant Fund, the American Recovery Plan Act (“ARPA”) Fund, and the Capital Projects Fund. Other Governmental Funds include the Debt Service, Highway Aid, Library and Fire Funds.

The governmental fund financial statements can be found on pages 17 through 21 of this report.

## **Proprietary Funds**

The Township maintains one type of proprietary fund. The Township's proprietary fund is an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Township charges customers for sanitation services for the collection and disposal of refuse provided by the Township.

The proprietary fund financial statements can be found on pages 22 through 24 of this report.

## **Fiduciary Funds**

The Township is the trustee, or fiduciary, for its Police Pension Plan and Non-Uniform Pension Plan. Fiduciary funds are not reflected in the government-wide 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.

The fiduciary fund financial statements can be found on pages 25 and 26 of this report.

## **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

The notes to the financial statements can be found on pages 27 through 50 of this report.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which consists of the budgetary comparison schedules, schedules concerning the Township's net pension liabilities, pension contributions and pension investment returns and changes in its other post-employment benefits liability, as well as additional analysis which consists of combining and individual fund financial statements and additional budgetary comparison schedules.

The required supplementary information and additional analysis can be found on pages 51 through 59 of this report.

**Aston Township  
Management's Discussion and Analysis – Unaudited  
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted above, net position may serve over time as a useful indicator of the Township's financial condition. At the close of the 2023 fiscal year the Township's liabilities and deferred inflows exceeded assets and deferred outflows by \$6,709,209. The following table presents condensed information for the *statements of net position (deficit)* of the Township at December 31, 2023 and 2022.

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and other assets	\$ 16,366,131	\$ 15,990,896	\$ 295,824	\$ 260,153	\$ 16,661,955	\$ 16,251,049
Capital assets, net	30,860,347	27,844,598	617,424	528,561	31,477,771	28,373,159
Total assets	<u>47,226,478</u>	<u>43,835,494</u>	<u>913,248</u>	<u>788,714</u>	<u>48,139,726</u>	<u>44,624,208</u>
Deferred outflows of resources	<u>7,649,305</u>	<u>6,375,646</u>	<u>173,958</u>	<u>194,114</u>	<u>7,823,263</u>	<u>6,569,760</u>
<b>Liabilities</b>						
Current liabilities	3,433,141	3,679,030	57,977	54,619	3,491,118	3,733,649
Noncurrent liabilities	<u>50,606,296</u>	<u>48,503,792</u>	<u>(61,217)</u>	<u>136,498</u>	<u>50,545,079</u>	<u>48,640,290</u>
Total liabilities	<u>54,039,437</u>	<u>52,182,822</u>	<u>(3,240)</u>	<u>191,117</u>	<u>54,036,197</u>	<u>52,373,939</u>
Deferred inflows of resources	<u>8,462,043</u>	<u>10,161,201</u>	<u>173,958</u>	<u>83,118</u>	<u>8,636,001</u>	<u>10,244,319</u>
<b>Net position</b>						
Net investment in capital assets	8,142,230	4,516,416	617,424	528,561	8,759,654	5,044,977
Restricted	11,090,341	9,989,043	-	-	11,090,341	9,989,043
Unrestricted	<u>(26,858,268)</u>	<u>(26,638,342)</u>	<u>299,064</u>	<u>180,032</u>	<u>(26,559,204)</u>	<u>(26,458,310)</u>
Total net position	<u>\$ (7,625,697)</u>	<u>\$ (12,132,883)</u>	<u>\$ 916,488</u>	<u>\$ 708,593</u>	<u>\$ (6,709,209)</u>	<u>\$ (11,424,290)</u>

The Township's total assets as of December 31, 2023 were \$48,139,726 of which \$14,562,364 or 30.25% consisted of cash and equivalents and \$31,477,771 or 65.39% consisted of the Township's investment in capital assets. The Township's total liabilities as of December 31, 2023 were \$54,036,197 of which \$22,220,000 or 41.12% consisted of general obligation debt used to acquire and construct capital assets, \$4,447,790 or 8.23% consists of the actuarially determined net pension liability and \$23,612,491 or 43.70% consists of the actuarially determined liability for other post-employment benefits.

The Township had a deficit in unrestricted net position of \$26,559,204 at December 31, 2023. The Township's unrestricted net position decreased by \$100,894 during 2023.

A portion of the Township's net position reflects its restricted net position which totaled \$11,090,341 as of December 31, 2023. All of the Township's restricted net position relate to the net position of the Township's Capital Projects Fund, Highway Aid Fund and American Rescue Plan Act Fund which have external constraints imposed by grantors, contributors, or enabling legislation.

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The largest portion of the Township's net position reflects its net investment in capital assets net of accumulated depreciation less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to residents of the Township; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. For the year ended December 31, 2023, the Township's net investment in capital assets increased by \$3,714,677 primarily because capital assets were acquired with funding sources other than long-term debt.

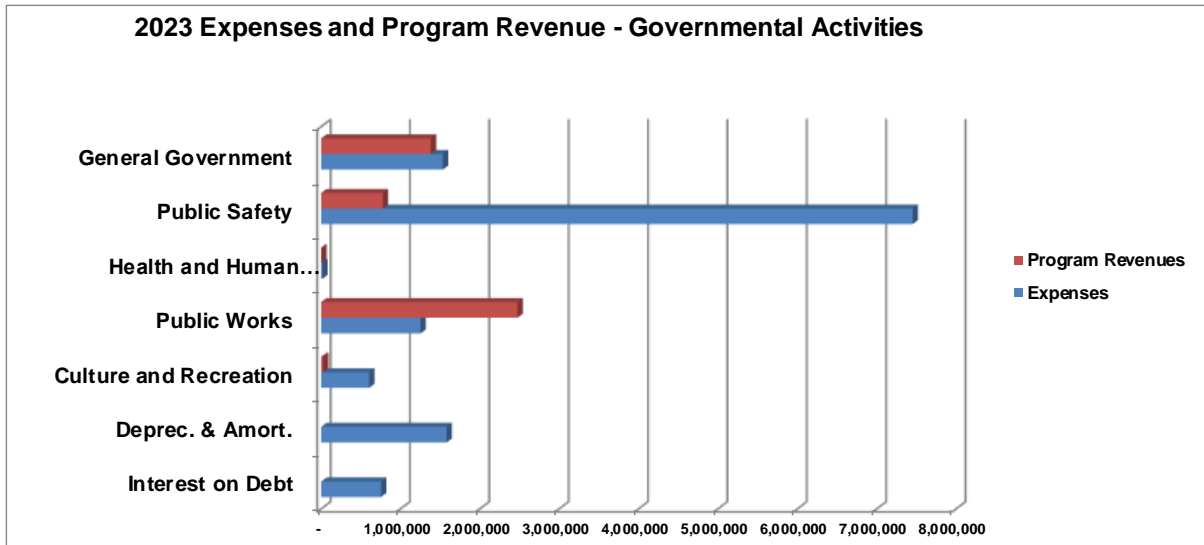
The following table presents condensed information for the *statements of activities* of the Township for 2023 and 2022:

	<u>Governmental Activities</u>		<u>Business -type Activities</u>		<u>Totals</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>REVENUES</b>						
Program Revenues						
Charges for services	\$ 1,412,019	\$ 1,325,427	\$ 1,420,775	\$ 1,300,807	\$ 2,832,794	\$ 2,626,234
Operating grants and contributions	1,009,922	890,330	86,719	36,056	1,096,641	926,386
Capital grants and contributions	2,233,730	985,526	-	-	2,233,730	985,526
General revenues						
Real estate taxes	5,964,998	5,498,610	-	-	5,964,998	5,498,610
Local enabling act taxes	6,153,664	5,801,768	-	-	6,153,664	5,801,768
Rent and other	204,850	219,319	-	1,030	204,850	220,349
Investment income	713,668	67,887	-	-	713,668	67,887
Total revenues	<u>17,692,851</u>	<u>14,788,867</u>	<u>1,507,494</u>	<u>1,337,893</u>	<u>19,200,345</u>	<u>16,126,760</u>
<b>EXPENSES</b>						
General government	1,532,084	1,643,509	-	-	1,532,084	1,643,509
Public safety	7,451,728	7,537,649	-	-	7,451,728	7,537,649
Health and human services	14,820	13,882	-	-	14,820	13,882
Public works	1,250,664	1,342,034	-	-	1,250,664	1,342,034
Culture and recreation	603,613	660,994	-	-	603,613	660,994
Sanitation	-	-	1,299,599	1,368,375	1,299,599	1,368,375
Interest on long-term debt	752,464	422,887	-	-	752,464	422,887
Debt issuance costs	-	51,863	-	-	-	51,863
Non-allocated depreciation and amortization	<u>1,580,292</u>	<u>1,410,423</u>	<u>-</u>	<u>-</u>	<u>1,580,292</u>	<u>1,410,423</u>
Total expenses	<u>13,185,665</u>	<u>13,083,241</u>	<u>1,299,599</u>	<u>1,368,375</u>	<u>14,485,264</u>	<u>14,451,616</u>
Change in net position	<u>\$ 4,507,186</u>	<u>\$ 1,705,626</u>	<u>\$ 207,895</u>	<u>\$ (30,482)</u>	<u>\$ 4,715,081</u>	<u>\$ 1,675,144</u>

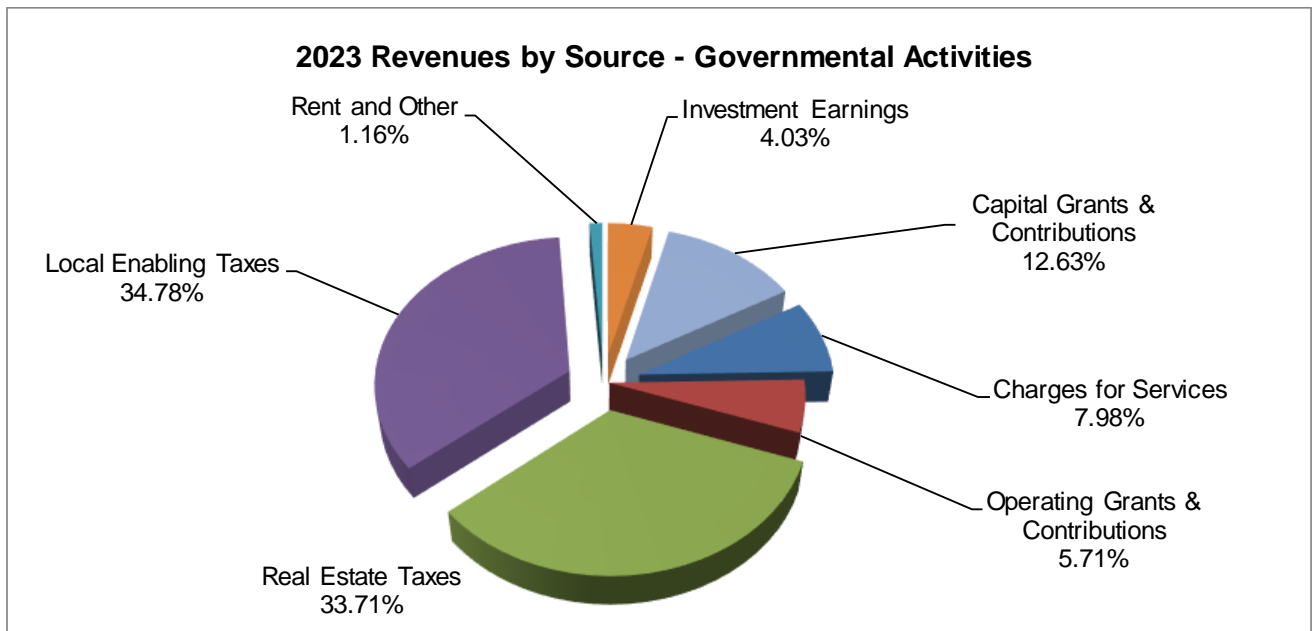
Overall, the Township's financial position has been improving, but challenges such as increased medical costs and pension contributions, rising costs associated with inflation and negotiated contracts have a potential to offset these gains in future fiscal years. Management of the Township continues to aggressively implement cost efficiencies and revenue-generating strategies to combat these factors.

The *statement of activities* provides detail that focuses on how the Township finances its services. The *statement of activities* compares the costs of the Township functions and programs with the resources those functions and programs generate themselves in the form of program revenues. As demonstrated by the following graph, all of the Township's governmental activities are not self-supporting, raising enough program revenue to cover their costs, as most traditional governmental services are not.

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To the degree that the Township's functions or programs cost more than they raise, the statement of activities shows how the Township chose to finance the difference through general revenues. The following chart shows that the Township relies predominantly on tax revenues to finance its governmental activities. Two-thirds of the taxes are property based. These are limited by county dictated assessment rates and the almost fully built out nature of the Township.



**GOVERNMENTAL FUNDS**

The governmental fund financial statements provide detailed information of the Township's major funds. Some funds are required to be established by State statute while other funds are established by the Township to manage monies restricted for a specific purpose. As of December 31, 2023, the Township's governmental funds reported a combined fund balance of \$13,828,401 which is an increase of \$679,320 from the prior year. The following table summarizes the Township's total governmental fund balances as of December 31, 2023 and 2022 and the total 2023 change in governmental fund balances.

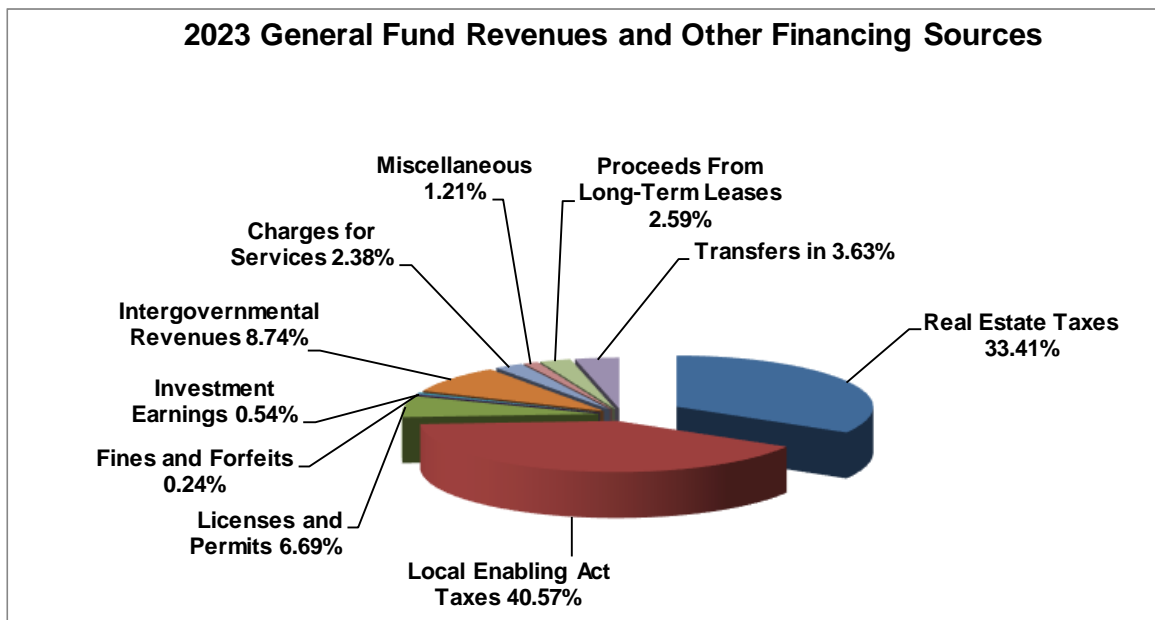
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	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>
General fund	\$ 3,005,078	\$ 4,116,721	\$ (1,111,643)
Capital projects fund	11,057,293	9,402,015	1,655,278
Matching grant fund	(281,423)	(397,005)	115,582
ARPA fund	29,486	8,628	20,858
Debt service fund	3,853	3,853	-
Nonmajor governmental funds	14,114	14,869	(755)
	<u>\$ 13,828,401</u>	<u>\$ 13,149,081</u>	<u>\$ 679,320</u>

**GENERAL FUND**

The General Fund is the Township's primary operating fund. At the conclusion of the 2023 fiscal year the General Fund fund balance was \$3,005,078 representing a decrease of \$1,111,643 in relation to the prior year. The following analysis has been provided to assist the reader in understanding the financial activities of the General Fund during the 2023 fiscal year.

The Township's reliance upon real estate tax revenues is demonstrated by the graph below that indicates 73.98% of General Fund revenues and other financing sources are derived from real estate and local enabling act taxes.



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	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Real estate taxes	\$ 5,067,705	\$ 4,732,007	\$ 335,698	7.09%
Local enabling act taxes	6,153,664	5,801,768	351,896	6.07%
Licenses and permits	1,014,715	947,449	67,266	7.10%
Finds and forfeits	36,365	47,139	(10,774)	-22.86%
Investment earnings	82,328	26,067	56,261	215.83%
Intergovernmental revenues	1,324,879	340,917	983,962	288.62%
Charges for services	360,938	330,839	30,099	9.10%
Miscellaneous	183,550	184,381	(831)	-0.45%
Proceeds from long-term leases	392,415	133,867	258,548	193.14%
Transfers in	550,546	-	550,546	100.00%
	<u>\$ 15,167,105</u>	<u>\$ 12,544,434</u>	<u>\$ 2,622,671</u>	<u>20.91%</u>

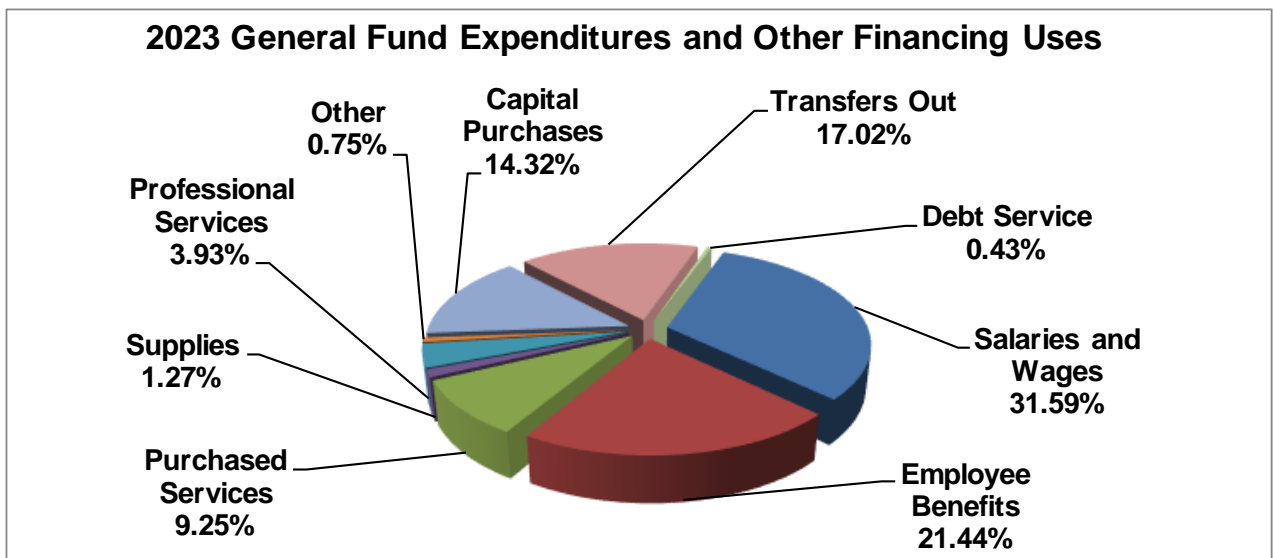
Real estate taxes increased by \$335,698 or 7.09% primarily due to a 6.53% increase in the millage rate in 2023.

Local enabling act taxes increased by \$351,896 or 6.07% due to an increase in collections for earned income and business privilege taxes in 2023 compared to 2022.

Intergovernmental revenues increased by \$983,962 or 288.62% as a direct result of grant revenue received for one-time capital expenditures for open space, community amphitheater and a new multi-purpose trail. Transfers in include one-time transfers from the Grant Fund for these capital expenditures.

Investment earnings increased commensurate with an increase in interest rates.

As the graph below illustrates, the largest portion of General Fund expenditures is for salaries and benefits. The Township is a service entity and as such is labor intensive.



**Aston Township  
Management's Discussion and Analysis – Unaudited  
December 31, 2023**

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**General Fund Expenditures and Other Financing Uses**

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Salaries and wages	\$ 5,142,956	\$ 5,061,827	\$ 81,129	1.60%
Employee benefits	3,490,417	3,451,526	38,891	1.13%
Purchased services	1,505,940	1,259,126	246,814	19.60%
Supplies	204,020	245,606	(41,586)	-16.93%
Professional services	640,384	510,490	129,894	25.44%
Other	122,361	172,894	(50,533)	-29.23%
Capital purchases	2,331,776	182,298	2,149,478	1179.10%
Debt service	70,462	36,276	34,186	94.24%
Transfers out	2,770,433	1,586,744	1,183,689	74.60%
	<u>\$ 16,278,749</u>	<u>\$ 12,506,787</u>	<u>\$ 3,771,962</u>	<u>30.16%</u>

Professional services increased by \$129,894 or 25.44% primarily due to an increase in both legal and engineering in 2023 compared to 2022.

Capital purchases increased by \$2,149,478 or 1,179.10% primarily due to the purchase \$1.7 million purchase of opens space land that was purchased with intergovernmental revenues as noted above.

Transfers out increased due to better than anticipated excess revenues over expenditures and other financing sources which were appropriated for future capital and debt service expenditures.

**GRANT FUND**

The Grant Fund accounts for financial resources committed to be used for capital expenditures or for the acquisition, construction of capital facilities, improvements and/or equipment. The Grant Fund is primarily funded through intergovernmental revenues. During 2023, the Grant Fund fund balance increased by \$115,582 for a cumulative deficit of \$281,423 as of December 31, 2023.

**CAPITAL PROJECTS FUND**

The Capital Projects Fund accounts for financial resources restricted to be used for capital expenditures or for the acquisition, construction of capital facilities, improvements and/or equipment. The Capital Projects Fund is primarily funded through the issuance of general obligation debt and transfers from the General Fund. During 2023, the Capital Projects Fund fund balance increased by \$1,655,278 for a cumulative balance of \$11,057,293 as of December 31, 2023 which is restricted for future capital purchases.

**AMERICAN RESCUE PLAN ACT FUND**

The American Rescue Plan Act (“ARPA”) Fund accounts for the Township’s federal appropriation designed to provide economic assistance to state and local governments to support COVID-19 pandemic recovery efforts. ARPA appropriations are deferred and recognized as revenue when the related expenditures are incurred. During 2023, the Township’s deferred appropriation decreased by \$108,405 and totaled \$654,420 as of December 31, 2023. The decrease represents the expenditure of funds which were unearned as of December 31, 2022.

**Aston Township  
Management's Discussion and Analysis – Unaudited  
December 31, 2023**

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**DEBT SERVICE FUND**

The Debt Service Fund accounts for the interest and principal payments due on the Township's outstanding general obligation debt. Real estate taxes are levied and transfers are made from the General Fund to finance debt service payments as they become due. As of December 31, 2023, the Debt Service Fund reported a fund balance of \$3,853 which did not change from the balance at December 31, 2022.

**NONMAJOR SPECIAL REVENUE FUNDS**

The Nonmajor Governmental Funds consist of special revenue funds which are maintained to account for the proceeds of specific revenue sources that are to be expended for specified purposes. The nonmajor special revenue funds include the Highway Aid Fund, the Fire Fund and the Library Fund. Major revenue sources for these funds include taxes and intergovernmental revenues. During 2023, the Nonmajor Governmental Fund fund balance decreased by \$755 for a cumulative balance of \$14,114 as of December 31, 2023. Of the cumulative balance at December 31, 2023, \$3,562 is restricted for the Highway Aid Fund. The Highway Aid Fund accounts for appropriations from the Commonwealth of Pennsylvania Department of Transportation to be used for road improvements, snow and ice removal and road related capital projects through the Public Works Department. Also, within the nonmajor governmental funds the Fire Fund and Library Fund represent \$6,141 and \$4,411 of the cumulative fund balance as of December 31, 2023.

**GENERAL FUND BUDGET INFORMATION**

The Township maintains its financial records and prepares its financial reports on the modified accrual basis of accounting. The Township budgets and expends funds according to procedures mandated by the First Class Township Code. An annual operating budget is prepared by management and submitted to the Township Board of Commissioners for approval prior to the beginning of the fiscal year on January 1. The most significant budgeted fund is the General Fund.

More detailed information regarding the General Fund budget can be found in the Budgetary Comparison Schedule – General Fund on page 51. The Budgetary Comparison Schedule – General Fund shows the original budget, final budget and actual revenues, expenditures and other financing sources for the fiscal year. There were no differences between the original and final budgets.

General Fund revenues and other financing sources were \$3,891,473 or 34.51% more than budgeted amounts and General Fund expenditures and other financing uses were \$3,465,767 or 27.05% more than budgeted amounts resulting in a net positive variance of \$425,706. Major budget highlights for 2023 were as follows:

Local enabling taxes were \$1,934,664 more than budgeted amounts due to earned income tax collections being more than budget.

Intergovernmental revenues were \$901,746 more than budgeted amounts due to one-time grants received for capital expenditures.

Community development expenditures were over budget by \$1,734,478 consisted entirely of the unbudgeted purchase of the open space that was funded with intergovernmental revenues as noted above.

Transfers out were more than budget due to better than anticipated excess revenues over expenditures and other financing sources which were appropriated for future capital and debt service expenditures.

**Aston Township  
Management's Discussion and Analysis – Unaudited  
December 31, 2023**

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**CAPITAL ASSETS**

The Township's investment in capital assets as of December 31, 2023, amounted to \$31,477,771, net of accumulated depreciation. This investment in capital assets includes land, land improvements, buildings and improvements, infrastructure, machinery and equipment, vehicles and right-to-use lease assets. The total net increase in the Township's investment in capital assets for 2023 was \$3,129,780 or 11.04%. The increase was the result of current year capital additions in excess of depreciation expense. Current year capital additions were \$4,768,076, depreciation and amortization expense was \$1,626,567 and the net book value of disposed of capital assets was \$11,729. Major capital additions for the current fiscal year included the purchase of the Red Hill open space land and construction for the new fire station, public works building and municipal complex.

**NONCURRENT LIABILITIES**

As of December 31, 2023, the Township had total general obligation debt of \$22,220,000. The entire amount is backed by the full faith and credit of the Township. General obligation debt was primarily issued to finance capital expenditures or to finance the retirement (refund) of prior obligation debt. The total net decrease in the Township's general obligation debt for the current fiscal year was \$873,000 or 3.78%.

The Township reports its defined benefit unfunded net pension liability related to its pension plans and its liability for post-employment benefit plans on its statement of net position (deficit). The Township's unfunded net pension liability and net liability for postemployment benefits are actuarially determined liabilities and totaled \$4,447,790 and \$23,612,491, respectively, as of December 31, 2023. The net pension liability decreased by \$799,397 or 15.23% due to positive market performance while the post-employment benefits liability increased by \$3,139,795 or 15.34% due to negative changes in actuarial assumptions.

Other noncurrent liabilities consist of the Township's liability for compensated absences, loan payable, and leases payable which totaled \$1,312,624 as of December 31, 2023. These liabilities increased by \$451,880 or 52.50% primarily due to 7 new vehicle leases.

**FACTORS BEARING ON THE TOWNSHIP'S FUTURE**

The Township adopted a balanced 2024 General Fund budget totaling approximately \$11.9 million with a budgeted shortfall coming from cash on hand. The real estate tax millage was increased from 3.5534 mills to 3.6741 mills or 3.40%. In addition, the trash fee was increased to \$340, up from \$310.

There are presently 102 full-time employees in the Township, of which 26 employees are members of the Fraternal Order of Police ("FOP"). The current collective bargaining agreement with the FOP expires December 31, 2027.

The Township is building a new municipal complex and police station on the grounds of the James W. McGinn Community Center with the groundbreaking ceremony on June 10, 2024. The new building will be a 21,375 square-foot facility with an estimated cost of \$14 million and is being funded with the 2022 \$10 million general obligation debt issue, the sale of the old Township building on Pennell Road for \$1.75 million and grants. Construction started in August 2024 and is anticipated to be completed by September 2025.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Aston Township, 2 New Road, Aston, PA 19014.

**Aston Township**  
**Statement of Net Position**  
**December 31, 2023**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets and Deferred Outflows of Resources</b>			
Current assets			
Cash and equivalents	\$ 14,562,364	\$ -	\$ 14,562,364
Taxes receivable	1,412,415	-	1,412,415
Other receivables (net of allowance for uncollectible amounts)	437,112	192,232	629,344
Prepaid expenses	32,664	-	32,664
Internal balances	(103,592)	103,592	-
Total current assets	<u>16,340,963</u>	<u>295,824</u>	<u>16,636,787</u>
Noncurrent assets			
Capital assets, net	30,860,347	617,424	31,477,771
Deposits	25,168	-	25,168
Total noncurrent assets	<u>30,885,515</u>	<u>617,424</u>	<u>31,502,939</u>
Total assets	<u>47,226,478</u>	<u>913,248</u>	<u>48,139,726</u>
Deferred outflows of resources			
Deferred charges - OPEB	4,538,867	-	4,538,867
Deferred charges - pensions	3,110,438	173,958	3,284,396
Total deferred outflows of resources	<u>7,649,305</u>	<u>173,958</u>	<u>7,823,263</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position (Deficit)</b>			
Current liabilities			
Accounts payable	\$ 433,968	\$ 46,544	\$ 480,512
Accrued payroll and benefits	168,992	11,433	180,425
Unearned revenue	1,384,331	-	1,384,331
Developer escrow	393,117	-	393,117
Other liabilities	4,907	-	4,907
Current portion of lease obligations	123,350	-	123,350
Current portion of bonds payable	890,000	-	890,000
Current portion of loan payable	34,476	-	34,476
Total current liabilities	<u>3,433,141</u>	<u>57,977</u>	<u>3,491,118</u>
Noncurrent liabilities			
Lease obligations	298,263	-	298,263
General obligation debt	21,330,000	-	21,330,000
Loan payable	42,028	-	42,028
Compensated absences	814,507	-	814,507
Net pension liability (asset)	4,520,822	(73,032)	4,447,790
OPEB liability	23,600,676	11,815	23,612,491
Total noncurrent liabilities	<u>50,606,296</u>	<u>(61,217)</u>	<u>50,545,079</u>
Total liabilities	<u>54,039,437</u>	<u>(3,240)</u>	<u>54,036,197</u>
Deferred inflows of resources			
Deferred credits - OPEB	7,557,452	-	7,557,452
Deferred credits - pensions	904,591	173,958	1,078,549
Total deferred inflows of resources	<u>8,462,043</u>	<u>173,958</u>	<u>8,636,001</u>
Net position (deficit)			
Net investment in capital assets	8,142,230	617,424	8,759,654
Restricted	11,090,341	-	11,090,341
Unrestricted	(26,858,268)	299,064	(26,559,204)
Total net position (deficit)	<u>\$ (7,625,697)</u>	<u>\$ 916,488</u>	<u>\$ (6,709,209)</u>

The Notes to Financial Statements are an integral part of this statement.

**Aston Township  
Statement of Activities  
Year Ended December 31, 2023**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position (Deficit)			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
<b>Governmental activities</b>							
General government	1,532,084	1,014,716	5,950	\$ -	\$ (511,418)	\$ -	\$ (511,418)
Public safety	7,451,728	362,050	492,646	35,000	(6,562,032)	-	(6,562,032)
Health and human services	14,820	1,110	-	-	(13,710)	-	(13,710)
Public works	1,250,664	9,970	511,326	194,818	(534,550)	-	(534,550)
Culture and recreation	603,613	24,173	-	448,262	(131,178)	-	(131,178)
Community development	-	-	-	1,555,650	1,555,650	-	1,555,650
Interest on long-term debt	752,464	-	-	-	(752,464)	-	(752,464)
Unallocated depreciation and amortization	1,580,292	-	-	-	(1,580,292)	-	(1,580,292)
Total governmental activities	<u>13,185,665</u>	<u>1,412,019</u>	<u>1,009,922</u>	<u>2,233,730</u>	<u>(8,529,994)</u>	<u>-</u>	<u>(8,529,994)</u>
<b>Business-type activities</b>							
Sanitation	1,299,599	1,420,775	86,719	-	-	207,895	207,895
Total primary government	<u>\$ 14,485,264</u>	<u>\$ 2,832,794</u>	<u>\$ 1,096,641</u>	<u>\$ 2,233,730</u>	<u>(8,529,994)</u>	<u>207,895</u>	<u>(8,322,099)</u>
<b>General revenues</b>							
Taxes							
Real estate taxes					5,964,998	-	5,964,998
Local enabling act taxes					6,153,664	-	6,153,664
Rent					62,745	-	62,745
Investment earnings					713,668	-	713,668
Grants, subsidies and contributions not restricted to a specific program					8,698	-	8,698
Gain on sale of capital assets					67,263	-	67,263
Other revenue					66,144	-	66,144
Total general revenues					<u>13,037,180</u>	<u>-</u>	<u>13,037,180</u>
Change in net position (deficit)					4,507,186	207,895	4,715,081
<b>Net position (deficit)</b>							
Beginning of year					(12,132,883)	708,593	(11,424,290)
End of year					<u>\$ (7,625,697)</u>	<u>\$ 916,488</u>	<u>\$ (6,709,209)</u>

The Notes to Financial Statements are an integral part of this statement.

**Aston Township  
Balance Sheet – Governmental Funds  
December 31, 2023**

	Major Funds						Total
	General Fund	Capital Projects Fund	Grant Fund	ARPA Fund	Debt Service Fund	Nonmajor Special Revenue Funds	
<b>Assets</b>							
Cash and equivalents	\$ 1,815,242	\$ 11,835,903	\$ 220,899	\$ 686,758	\$ -	\$ 3,562	\$ 14,562,364
Taxes receivables	1,402,069	-	-	-	-	10,346	1,412,415
Other receivables	418,933	-	-	-	18,179	-	437,112
Due from other funds	507,242	-	-	-	112	64,976	572,330
Prepaid items	32,664	-	-	-	-	-	32,664
Deposits	25,168	-	-	-	-	-	25,168
<b>Total assets</b>	<b>\$ 4,201,318</b>	<b>\$ 11,835,903</b>	<b>\$ 220,899</b>	<b>\$ 686,758</b>	<b>\$ 18,291</b>	<b>\$ 78,884</b>	<b>\$ 17,042,053</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 330,781	\$ 23,049	\$ 23,306	\$ 276	\$ -	\$ 56,556	\$ 433,968
Accrued payroll and benefits	168,992	-	-	-	-	-	168,992
Due to other funds	168,680	25,650	479,016	2,576	-	-	675,922
Developer escrow	393,117	-	-	-	-	-	393,117
Other liabilities	4,907	-	-	-	-	-	4,907
Unearned revenue	-	729,911	-	654,420	-	-	1,384,331
<b>Total liabilities</b>	<b>1,066,477</b>	<b>778,610</b>	<b>502,322</b>	<b>657,272</b>	<b>-</b>	<b>56,556</b>	<b>3,061,237</b>
<b>Deferred inflows of resources</b>							
Unavailable revenues - taxes	129,763	-	-	-	14,438	8,214	152,415
<b>Fund balances</b>							
Nonspendable	32,664	-	-	-	-	-	32,664
Restricted							
Capital expenditures	-	11,057,293	-	-	-	-	11,057,293
Public works - roads	-	-	-	-	-	3,562	3,562
Grant expenditures	-	-	-	29,486	-	-	29,486
Committed to							
Fire protection	-	-	-	-	-	6,141	6,141
Library	-	-	-	-	-	4,411	4,411
Debt service	-	-	-	-	3,853	-	3,853
Unassigned	2,972,414	-	(281,423)	-	-	-	2,690,991
<b>Total fund balances</b>	<b>3,005,078</b>	<b>11,057,293</b>	<b>(281,423)</b>	<b>29,486</b>	<b>3,853</b>	<b>14,114</b>	<b>13,828,401</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 4,201,318</b>	<b>\$ 11,835,903</b>	<b>\$ 220,899</b>	<b>\$ 686,758</b>	<b>\$ 18,291</b>	<b>\$ 78,884</b>	<b>\$ 17,042,053</b>

The Notes to Financial Statements are an integral part of this statement.

**Aston Township**  
**Reconciliation of Governmental Funds Balance Sheet to Net Position (Deficit) of**  
**Governmental Activities on the Statement of Net Position (Deficit)**  
**December 31, 2023**

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Total governmental fund balances	\$ 13,828,401
Amounts reported for governmental activities in the statement of net position (deficit) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet.	30,860,347
Some of the Township's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources on the governmental funds balance sheet.	152,415
Deferred outflows of resources and deferred inflows of resources related to pensions and other post-employment benefits are not reported as assets and liabilities in the governmental funds balance sheet.	(812,738)
Noncurrent liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet.	<u>(51,654,122)</u>
Net position (deficit) of governmental activities	<u>\$ (7,625,697)</u>

The Notes to Financial Statements are an integral part of this statement.

**Aston Township**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds**  
**Year Ended December 31, 2023**

	Major Funds				Debt Service Fund	Nonmajor Special Revenue Funds	Total
	General Fund	Capital Projects Fund	Grant Fund	ARPA Fund			
<b>Revenues</b>							
Taxes and assessments							
Real estate taxes	\$ 5,067,705	\$ -	\$ -	\$ -	\$ 561,513	\$ 321,538	\$ 5,950,756
Local enabling act taxes	6,153,664	-	-	-	-	-	6,153,664
Licenses and permits	1,014,715	-	-	-	-	-	1,014,715
Fines and forfeits	36,365	-	-	-	-	-	36,365
Rent	38,414	24,330	-	-	-	-	62,744
Investment earnings	82,328	599,383	6,535	20,858	-	4,566	713,670
Intergovernmental revenues	1,324,879	250,000	979,613	108,405	-	589,451	3,252,348
Charges for services	360,938	-	-	-	-	-	360,938
Miscellaneous	66,144	-	-	-	-	-	66,144
Total revenues	<u>14,145,152</u>	<u>873,713</u>	<u>986,148</u>	<u>129,263</u>	<u>561,513</u>	<u>915,555</u>	<u>17,611,344</u>
<b>Expenditures</b>							
Current							
General government	2,281,431	-	-	-	-	-	2,281,431
Public safety	7,290,258	514,185	-	-	-	388,681	8,193,124
Health and human services	14,820	-	-	-	-	-	14,820
Public works - highways and streets	1,559,081	375,968	-	108,405	-	482,338	2,525,792
Culture and recreation	556,166	-	320,020	-	-	46,206	922,392
Community development	1,734,478	-	-	-	-	-	1,734,478
Debt service							-
Principal	60,716	43,596	-	-	873,000	-	977,312
Interest	9,746	-	-	-	742,717	-	752,463
Miscellaneous	1,619	-	-	-	-	-	1,619
Total expenditures	<u>13,508,315</u>	<u>933,749</u>	<u>320,020</u>	<u>108,405</u>	<u>1,615,717</u>	<u>917,225</u>	<u>17,403,431</u>
Excess (deficiency) of revenues over (under) expenditures	636,837	(60,036)	666,128	20,858	(1,054,204)	(1,670)	207,913

The Notes to Financial Statements are an integral part of this statement.

**Aston Township**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds**  
**Year Ended December 31, 2023**

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**Other financing sources (uses)**

Proceeds from sale of capital assets	\$ 78,992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,992
Transfers in	550,546	1,715,314	-	-	1,054,204	915	3,320,979
Transfers out	(2,770,433)	-	(550,546)	-	-	-	(3,320,979)
Proceeds from long-term leases	<u>392,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>392,415</u>
 Total other financing sources (uses)	 <u>(1,748,480)</u>	 <u>1,715,314</u>	 <u>(550,546)</u>	 <u>-</u>	 <u>1,054,204</u>	 <u>915</u>	 <u>471,407</u>
 Net change in fund balances	 (1,111,643)	 1,655,278	 115,582	 20,858	 -	 (755)	 679,320

**Fund balance**

Beginning of year	<u>4,116,721</u>	<u>9,402,015</u>	<u>(397,005)</u>	<u>8,628</u>	<u>3,853</u>	<u>14,869</u>	<u>13,149,081</u>
End of year	<u>\$ 3,005,078</u>	<u>\$ 11,057,293</u>	<u>\$ (281,423)</u>	<u>\$ 29,486</u>	<u>\$ 3,853</u>	<u>\$ 14,114</u>	<u>\$ 13,828,401</u>

The Notes to Financial Statements are an integral part of this statement.

**Aston Township**  
**Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to Change in Net Position (Deficit) of Governmental Activities**  
**on the Statement of Activities**  
**Year Ended December 31, 2023**

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Net change in fund balances - governmental funds \$ 679,320

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense and the net book value of disposed assets in the current period.

Capital outlay expenditures	4,632,938	
Net book value of disposed capital assets	(11,729)	
Depreciation and amortization expense	<u>(1,580,292)</u>	3,040,917

Because some taxes, sewer assessments and trash fees will not be collected for several months after the Township's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred inflows of resources increased by this amount this year.

Deferred inflows of resources December 31, 2022	(138,172)	
Deferred inflows of resources December 31, 2023	<u>152,415</u>	14,243

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on the change in net position of governmental activities. Also, governmental funds report the effect of premiums, discounts and similar items when long-term debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of general obligation debt	873,000	
Proceeds from long-term leases	(392,415)	
Repayment of leases and loan payable	<u>104,312</u>	584,897

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 the governmental funds.

Current year change in compensated absences	(163,777)	
Change in net OPEB liability and related deferred inflows and outflows	299,122	
Change in net pension liability and related deferred inflows and outflows	<u>52,464</u>	<u>187,809</u>

Change in net position of governmental activities \$ 4,507,186

The Notes to Financial Statements are an integral part of this statement.

**Aston Township**  
**Statement of Net Position – Proprietary Fund**  
**December 31, 2023**

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	<u>Sanitation Fund</u>
<b>Assets and Deferred Outflows of Resources</b>	
Current assets	
Accounts receivable, net of allowance for uncollectible accounts	\$ 192,232
Due from other funds	<u>103,592</u>
Total current assets	<u>295,824</u>
Non-current assets	
Capital assets, net	<u>617,424</u>
Total assets	<u>913,248</u>
Deferred outflows of resources	
Deferred charges - pensions	<u>173,958</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>	
Current liabilities	
Accounts payable	46,544
Accrued payroll and benefits	<u>11,433</u>
Total current liabilities	<u>57,977</u>
Noncurrent liabilities	
Net pension asset	(73,032)
OPEB liability	<u>11,815</u>
Total noncurrent liabilities	<u>(61,217)</u>
Total liabilities	<u>(3,240)</u>
Deferred inflows of resources	
Deferred credits - pensions	<u>173,958</u>
Net position	
Invested capital assets, net of related debt	617,424
Unrestricted	<u>299,064</u>
Total net position	<u>\$ 916,488</u>

The Notes to Financial Statements are an integral part of this statement.

**Aston Township**  
**Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund**  
**Year Ended December 31, 2023**

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	<b>Sanitation Fund</b>
<b>Operating revenues</b>	
Charges for services	<u>\$ 1,420,775</u>
<b>Operating expenses</b>	
Salaries and wages	453,939
Employee benefits	135,831
Pension cost	30,397
Vehicle expense and fuel	67,668
Repairs and maintenance	71,988
Expenses - waste management authorities	431,943
Supplies	3,858
Recycling charges	57,700
Depreciation	<u>46,275</u>
Total operating expenses	<u>1,299,599</u>
 Operating income (loss)	 121,176
<b>Nonoperating revenues</b>	
Intergovernmental revenue	<u>86,719</u>
 Change in net position	 207,895
<b>Net position</b>	
Beginning of year	<u>708,593</u>
 End of year	 <u>\$ 916,488</u>

The Notes to Financial Statements are an integral part of this statement.

**Aston Township**  
**Statement of Cash Flows – Proprietary Fund**  
**Year Ended December 31, 2023**

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	<b>Sanitation Fund</b>
<b>Operating activities</b>	
Cash received from customers	\$ 1,385,104
Cash paid to employees	(673,262)
Cash paid to suppliers	(663,423)
Net cash provided by operating activities	<u>48,419</u>
<b>Capital and related financing activities</b>	
Acquisition of capital assets	<u>(135,138)</u>
<b>Noncapital financing activities</b>	
Intergovernmental revenue - grants	<u>86,719</u>
Net change in cash	-
<b>Cash</b>	
Beginning of year	<u>-</u>
End of year	<u>\$ -</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
<b>Operating income</b>	\$ 121,176
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	46,275
Changes in	
Accounts receivable	(32,221)
Interfund receivables and payables	(3,450)
Accounts payable and accrued expenses	131
Accrued payroll and benefits	3,227
Net pension liability	(200,808)
Deferred outflows of resources - pension	18,674
Deferred inflows of resources - pension	95,415
OPEB liability	3,093
Deferred outflows of resources - OPEB	1,482
Deferred inflows of resources - OPEB	(4,575)
Net cash provided by operating activities	<u>\$ 48,419</u>

The Notes to Financial Statements are an integral part of this statement.

**Aston Township**  
**Statement of Net Position – Fiduciary Funds**  
**December 31, 2023**

	<u>Police Pension</u>	<u>Non- Uniformed Pension</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 5,597,440	\$ 123,701	\$ 5,721,141
Act 44 DROP balance	798,816	-	798,816
Accrued interest receivable	52,464	-	52,464
Employee contributions receivable	4,869	-	4,869
Prepaid pension payments	108,393	14,910	123,303
Investments at fair value			
Corporate stocks	7,326,564	-	7,326,564
Mutual funds - equities	2,143,218	-	2,143,218
Fixed income securities			
Government obligations	4,081,611	-	4,081,611
Non-governmental obligations	1,993,948	-	1,993,948
Foreign obligations	314,983	-	314,983
Exchange traded funds	-	4,170,345	4,170,345
	<u>\$ 22,422,306</u>	<u>\$ 4,308,956</u>	<u>\$ 26,731,262</u>
Total assets			
	<u>\$ 22,422,306</u>	<u>\$ 4,308,956</u>	<u>\$ 26,731,262</u>
<b>Net position</b>			
Restricted for pension benefits	<u>\$ 22,422,306</u>	<u>\$ 4,308,956</u>	<u>\$ 26,731,262</u>

The Notes to Financial Statements are an integral part of this statement.

**Aston Township**  
**Statement of Changes in Net Position – Fiduciary Funds**  
**Year Ended December 31, 2023**

	<u>Police Pension</u>	<u>Non- Uniformed Pension</u>	<u>Total</u>
<b>Additions</b>			
Contributions			
Employer contributions	\$ 1,264,127	\$ 140,519	\$ 1,404,646
Employee contributions	<u>148,318</u>	<u>-</u>	<u>148,318</u>
Total contributions	<u>1,412,445</u>	<u>140,519</u>	<u>1,552,964</u>
Investment income (loss)			
Interest and dividends	533,780	101,945	635,725
Net increase in fair value of investments	1,808,956	502,437	2,311,393
Less: investment expenses	<u>(149,045)</u>	<u>(19,379)</u>	<u>(168,424)</u>
Total investment income (loss)	<u>2,193,691</u>	<u>585,003</u>	<u>2,778,694</u>
Total additions	<u>3,606,136</u>	<u>725,522</u>	<u>4,331,658</u>
<b>Deductions</b>			
Retirement benefits	1,321,164	173,324	1,494,488
Administrative expenses	<u>14,900</u>	<u>10,500</u>	<u>25,400</u>
Total deductions	<u>1,336,064</u>	<u>183,824</u>	<u>1,519,888</u>
Change in net position	2,270,072	541,698	2,811,770
<b>Net position</b>			
Beginning of year	<u>20,152,234</u>	<u>3,767,258</u>	<u>23,919,492</u>
End of year	<u>\$ 22,422,306</u>	<u>\$ 4,308,956</u>	<u>\$ 26,731,262</u>

The Notes to Financial Statements are an integral part of this statement.

**Aston Township**  
**Notes to Financial Statements**  
**December 31, 2023**

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**1. ORGANIZATION AND PURPOSE**

Aston Township (the "Township"), Delaware County, Pennsylvania, was established in 1688 and operates under the First-Class Township Code. The Township is governed by a Board of Commissioners which is composed of seven members. The Township provides the following services: general government; public safety – police, fire, codes and planning and zoning; public works – highways and streets and sanitation, and culture and recreation.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Township have been prepared in accordance with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are as follows:

**Reporting Entity**

GASB has established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the Township as a reporting entity, management has addressed all potential component units which may or may not fall within the Township's accountability. The criteria used to evaluate component units for possible inclusion as part of the Township's reporting entity are financial accountability and the nature and significance of the relationship. Based upon the application of these criteria, the following component units are required to be included in the Township's reporting entity.

**Basis of Presentation**

*Government-wide Financial Statements*

The statement of net position (deficit) and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government except for fiduciary funds.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements of governmental funds.

The government-wide statement of net position (deficit) presents the financial position of the Township which is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is classified in one of three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowing attributable to acquiring, constructing or improving those assets. The net position of the Township is reported as restricted when constraints placed on net position use is 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. Unrestricted net position is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

The statement of net position (deficit) includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

**Aston Township**  
**Notes to Financial Statements**  
**December 31, 2023**

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The government-wide statement of activities presents a comparison between expenses and program revenues for each governmental function. Expenses are those that are specifically associated with a service or program and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of 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 function. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each function is self-financing or draws from the general revenues of the Township. The effect of interfund activity between governmental activities has been removed from these statements.

*Fund Financial Statements*

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. 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. All other governmental funds are grouped together and presented in a separate column as nonmajor governmental funds. Fiduciary fund financial statements are presented by fund type.

*Governmental Funds*

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays which include the acquisition or construction of capital facilities and other capital assets, including those financed by general obligation bond proceeds.

The Grant Fund accounts for financial resources committed to be used for capital expenditures or for the acquisition, construction of capital facilities, improvements and/or equipment. The Grant Fund is primarily funded through intergovernmental revenues.

The American Rescue Plan Act ("ARPA") Fund accounts for the Township's federal appropriation designed to provide economic assistance to state and local governments to support COVID-19 pandemic recovery efforts.

In addition, the Township reports the following nonmajor governmental funds:

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and other related costs.

Nonmajor Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

The Township reports the following major proprietary fund:

The Sanitation Fund is used to account for the collection and disposal of refuse.

**Aston Township**  
**Notes to Financial Statements**  
**December 31, 2023**

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*Revenue Recognition*

In applying the "susceptible to accrual concept" under the modified accrual basis, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Deferred inflows of resources are reported in connection with receivables for tax revenues that are not considered to be available to liquidate liabilities of the current period. Revenue from federal, state and other grants designated for payment of specific Township expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as unearned revenues until earned. Other receipts are recorded as revenue when received in cash because they are generally not measurable until actually received.

*Expenditure Recognition*

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, special termination benefits, other post-employment benefits and claims and judgments are recorded only when payment is due. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

*Fiduciary Funds*

Fiduciary funds reporting focuses on net assets and changes in net assets and are accounted for using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Township's own programs. The Township has two trust funds, consisting of a Police Pension Fund and a Non-Uniform Pension Fund.

**Cash and Cash Equivalents**

Cash and cash equivalents includes all demand and savings accounts and certificates of deposit with a maturity of three months or less. Trust account investments in open-ended mutual fund shares are also considered cash equivalents.

**Fair Value Measurements of Assets and Liabilities**

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Township. Unobservable inputs reflect the Township's assumptions about the inputs market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

*Level 1* – Valuations based on quoted prices in active markets for identical assets or liabilities that the Township has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not require a significant degree of judgment.

**Aston Township**  
**Notes to Financial Statements**  
**December 31, 2023**

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*Level 2* – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

*Level 3* – Valuations based on inputs that are unobservable, that is, inputs that reflect the Township's own assumptions.

**Interfund Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**Taxes**

Property taxes are levied on February 1 and are payable in the following periods:

February 1 – March 31	-	Discount period, 2% of gross levy
April 1 – May 31	-	Face period
June 1 to collection	-	Penalty period, 10% of gross levy
December 31	-	Lien date

The Delaware County Board of Assessments determines assessed valuations of property, and the Township's taxes are billed and collected by the Township. The tax on real estate for fiscal 2023 was 3.5534 mills (\$3.5534 for \$1,000 of assessed valuation), consisting of 3.0253 mills for general purposes, 0.3366 mills for debt service, 0.1635 mills for fire and 0.028 mills for library. The Township experiences very small losses from uncollectible property taxes. Property taxes constitute a lien against real property and usually can be collected in full when title transfers. Only balances that remain after tax sales are written off each year.

Other taxes levied in 2023 consisted of the following:

Real estate transfer tax	-	0.50% of gross sales price
Earned income tax	-	0.50% for general purposes.
Mercantile tax	-	Wholesale 1.00% of gross receipts and retail 1.50% of gross receipts

**Receivables and Payables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances in both government-wide and fund statements, particularly with regard to real estate taxes, and trash and rubbish collections, are based upon historical trends. Non-exchange transactions collectible but not available, such as the real estate taxes, are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis of accounting. The Sanitation Fund, as a proprietary fund, reports its accounts receivable on the full accrual basis of accounting.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." All property tax and other receivables are shown net of any allowance for uncollectible accounts.

**Aston Township**  
**Notes to Financial Statements**  
**December 31, 2023**

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**Prepaid Items**

Certain prepayments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and fund financial statements.

**Unearned Revenues**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

**Capital Assets**

Capital assets are defined by the Township as assets with an initial individual cost of \$5,000 or more with an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed, inclusive of ancillary costs.

Property, plant and equipment (net of salvage value) of the Township is depreciated using the straight-line method over the following estimated useful lives: buildings and improvements – 30 years, infrastructure – 40-50 years, machinery and equipment – 3-10 and vehicles – 25 years.

**Impairment of Long-Lived Assets**

The Township evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstances is outside the normal life cycle of the capital asset. If a capital asset is considered to be impaired, the amount of impairment is measured by the method that most reflects the decline in service utility of the capital asset at the lower of carrying value or fair value for impaired capital assets that will no longer be used by the Township. No impairment losses were recognized in the year ended December 31, 2023.

**Compensated Absences**

Township policies permit employees to accumulate earned but unused vacation, sick days and compensatory leave. The liability for these compensated absences is recorded as a noncurrent liability in the government-wide financial statements. A liability for these amounts is recorded in the Governmental Funds and Proprietary Fund financial statements only to the extent they have matured, for example, as a result of employee resignation and retirement.

**Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bonds and notes payable are reported net of the applicable premium or discount. Premiums and discounts are deferred and amortized over the life of the bonds and notes payable. Deferred amounts on refunding are recorded as a deferred outflow of resources and amortized over the life of the old debt or the life of the new debt, whichever is shorter. All amounts are amortized using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The amount of debt issued is reported as other financing sources and uses. Premiums received and discounts paid on debt issuances are reported as other financing sources and uses. Issuances costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures except for refundings paid from proceeds which are reported as other financing uses.

**Aston Township**  
**Notes to Financial Statements**  
**December 31, 2023**

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**Fund Equity**

As prescribed by GASB, governmental funds report fund balance in classifications based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. The Township reports the following fund balance classifications:

*Nonspendable*

Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form – such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact – such as a trust that must be retained in perpetuity.

*Restricted*

Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed*

Committed fund balances are amounts that can only be used for specific purposes determined by a formal action of the Township's highest level of decision-making authority, the Township Commissioners. Committed amounts cannot be used for any other purpose unless the Township removes those constraints by taking the same type of formal action (e.g., resolution).

*Assigned*

Assigned fund balances are amounts that are constrained by the Township's intent to be used for specific purposes but are neither restricted nor committed. Intended use is established by the Township to delegate the authority to assign amounts for specific purposes.

Assigned fund balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as non-spendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund or the capital projects fund are assigned for purposes in accordance with the nature of their fund type.

*Unassigned*

Unassigned fund balance is the residual classification for the General Fund. This classification represents General Fund balance that has not been assigned to other funds, and that has not been restricted, committed or assigned to specific purposes within the General Fund.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use externally restricted resources first, then unrestricted resources—committed, assigned or unassigned—in order as needed.

**Use of Estimates**

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

**Implementation of New Accounting Pronouncements**

Effective January 1, 2023, the Township adopted the provisions of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

**Aston Township**  
**Notes to Financial Statements**  
**December 31, 2023**

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The objective of GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements ("PPP"s). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The implementation of GASB Statement No. 94 had no impact on the financial statements of the Township for the year ended December 31, 2023.

The objective of GASB Statement No. 96 is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITA"s) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The implementation of GASB Statement No. 96 had no impact on the financial statements of the Township for the year ended December 31, 2023.

**New Accounting Pronouncements**

GASB Statement No. 100, *Accounting Changes and Error Corrections*, will be effective for the Township for the year ended December 31, 2024. GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences*, will be effective for the Township for the year ended December 31, 2025. GASB Statement No. 101 will update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. GASB Statement No. 101 will require that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

GASB Statement No. 102, *Certain Risk Disclosures*, will be effective for the Township for the year ended December 31, 2025. The objective of GASB Statement No. 102 is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective for the Township for the year ended December 31, 2026. The objective of GASB Statement No. 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

**Aston Township**  
**Notes to Financial Statements**  
**December 31, 2023**

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GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective for the Township for the year ended December 31 2026. The objective of GASB Statement No. 104 is to improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

**3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

The Township's fiscal year begins on the first day of January and ends on the last day of December. Each year, the Board of Commissioners review the Budget prepared by the Budget Committee made up of the Township Manager, the Assistant Township Manager, the Public Works Director, and Chief of Police. The Township adopts a budget for its General Fund, Special Revenue Funds, Debt Service Fund and Sanitation Fund while project length financial plans are adopted for the Grant Fund and the Capital Projects Fund.

The Township is required to publish notice by advertisement at least once in one newspaper of general circulation in the Township, and within 20 days of final action prior to December 31, that the budget has been prepared and is available for public inspection at the Township offices. Notice that public hearings will be held on the proposed budget must be included in the advertisement.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

The Township is legally required to maintain budgetary controls at the major function level. Appropriations lapse at the end of the fiscal period. Budgetary information reflected in the financial statements is presented at the level of budgetary control and include the effect of approved budget amendments.

The Township is legally required to maintain budgetary controls at the major function level. Appropriations lapse at the end of the fiscal period. Budgetary information reflected in the financial statements is presented at the level of budgetary control and include the effect of approved budget amendments.

**Deficit Fund Equity**

The Grant Fund had a deficit fund balance of \$281,423 at December 31, 2023 which will be funded with transfers from the General Fund.

**Expenditures in Excess of Appropriations**

Community development expenditures exceeded budgeted appropriations totaling \$1,734,478 for the year ended December 31, 2023, due to the one-time purchase of open space land which was funded with intergovernmental revenues.

Transfers out exceeded budgeted appropriations totaling \$1,978,958 for the year ended December 31, 2023 due to an unbudgeted transfer to the Capital Projects Fund and Debt Service Fund.

**4. DEPOSITS AND INVESTMENTS**

State statutes authorize the Township to invest in U.S. Treasury bills, time or share accounts of institutions insured by the Federal Deposit Insurance Corporation or in certificates of deposits when they are secured by proper bond or collateral, repurchase agreements, state treasurer's investment pools or mutual funds.

**Aston Township**  
**Notes to Financial Statements**  
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**Custodial Credit Risk - Deposits**

Custodial risk related to deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned, or the Township will not be able to recover collateral securities in the position of an outside party. The Township does not have a policy for custodial credit risk. However, the Township primarily maintains deposits either with financial institutions which, pursuant to Act No. 72 of Pennsylvania, pool assets required to be pledged to secure public deposits, the total value of the pool to equal not less than the sum of all the pledges required for each separate deposit, or in amounts insured by the Federal Deposit Insurance Corporation. Deposits for all funds are either fully insured or collateralized pursuant to Commonwealth of Pennsylvania statutes.

As of December 31, 2023, the carrying amounts of the Township's deposits was \$20,283,505 and the bank balance was \$20,378,081. Of the bank balance, \$270,894 was insured by the federal depository insurance and \$10,589,055 was collateralized by the Township's depositories in accordance with Act 72 and the collateral was held by the depositories' agent in the pooled public funds or collateral was pledged in direct obligations of the U.S. Treasury and repurchase agreements backed by U.S. Treasury obligations. The remaining cash deposits of the Township are in the Pennsylvania Local Government Investment Trust ("**PLGIT**"). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT acts like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized statistical rating organization and is subject to an independent annual audit. As of December 31, 2023, PLGIT was rated AAA by a nationally recognized statistical rating agency.

**Investments**

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

	Fair Value	Average Investment Maturities (in Years)			
		Less than 1	1 to 5	6 to 10	10 or More
Corporate stocks	\$ 7,326,564	\$ 7,326,564	\$ -	\$ -	\$ -
Mutual funds - equities	2,143,218	2,143,218	-	-	-
Government obligations	4,081,611	1,054	160,680	849,329	3,070,548
Non-governmental obligations	1,993,948	2,321	750,328	500,263	741,036
Foreign obligations	314,983	-	105,403	119,615	89,965
Exchange traded funds	4,170,345	4,170,345	-	-	-
	<u>\$ 20,030,669</u>	<u>\$ 13,643,502</u>	<u>\$ 1,016,411</u>	<u>\$ 1,469,207</u>	<u>\$ 3,901,549</u>

Exchange-traded funds, mutual funds and common stock were valued using Level 1 inputs while U.S. Treasury and agency securities and corporate bonds and backed assets were valued using Level 2 inputs.

**Custodial Credit Risk - Investments**

For an investment, this is the risk that, in the event of a failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township does not have a formal policy related to custodial credit risk for investments. The Township's pension trust funds consist of uninsured, unregistered investments held by a counterparty's trust department but not in the Township's name.

Investments in external investment pools or in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

**Aston Township**  
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**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of December 31, 2023, the Township's fixed income investments are considered to be exposed to interest rate risk.

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill their obligations. The Township limits its type of investments permitted as defined in the state statutes. The Township does not have a formal policy that addresses credit risk. The Township had no investments subject to credit risk as of December 31, 2023.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from the requirement. As of December 31, 2023, the Township had no investments subject to concentration of credit risk.

**5. CAPITAL ASSETS**

The Township's capital asset activity for the year ended December 31, 2023 was as follows:

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
Governmental activities				
Capital assets not being depreciated				
Land	\$ 456,397	\$ 1,734,479	\$ -	\$ 2,190,876
Construction in progress	13,735,803	1,249,399	13,249,829	1,735,373
Total capital assets not being depreciated	<u>14,192,200</u>	<u>2,983,878</u>	<u>13,249,829</u>	<u>3,926,249</u>
Capital assets being depreciated				
Land improvements	6,543,777	106,928	-	6,650,705
Buildings and improvements	13,829,184	13,293,976	-	27,123,160
Machinery and equipment	2,112,317	576,177	(276,839)	2,411,655
Infrastructure	25,090,303	494,687	-	25,584,990
Total capital assets being depreciated	<u>47,575,581</u>	<u>14,471,768</u>	<u>(276,839)</u>	<u>61,770,510</u>
Less: accumulated depreciation				
Land improvements	(3,915,509)	(197,590)	-	(4,113,099)
Buildings and improvements	(10,346,263)	(322,805)	-	(10,669,068)
Machinery and equipment	(1,662,142)	(210,138)	265,110	(1,607,170)
Infrastructure	(18,137,235)	(716,822)	-	(18,854,057)
Total accumulated depreciation	<u>(34,061,149)</u>	<u>(1,447,355)</u>	<u>265,110</u>	<u>(35,243,394)</u>
Capital assets being depreciated, net	<u>13,514,432</u>	<u>13,024,413</u>	<u>(11,729)</u>	<u>26,527,116</u>
Capital assets being amortized				
Right-to-use lease assets	147,114	427,121	-	574,235
Less: accumulated amortization	(34,316)	(132,937)	-	(167,253)
Capital assets being amortized, net	<u>112,798</u>	<u>294,184</u>	<u>-</u>	<u>406,982</u>
Governmental activities capital assets, net	<u>\$ 27,819,430</u>	<u>\$ 16,302,475</u>	<u>\$ 13,238,100</u>	<u>\$ 30,860,347</u>

**Aston Township**  
**Notes to Financial Statements**  
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Business-type activities				
Vehicles	\$ 897,284	\$ 135,138	\$ -	\$ 1,032,422
Less: accumulated depreciation	<u>(368,723)</u>	<u>(46,275)</u>	<u>-</u>	<u>(414,998)</u>
Business-type activities capital assets, net	<u>\$ 528,561</u>	<u>\$ 88,863</u>	<u>\$ -</u>	<u>\$ 617,424</u>

Depreciation expense for was charged to functions/programs of the Township as follows:

**Governmental activities**

General government	\$ 221,432
Public safety	1,064,317
Public works	213,934
Culture and recreation	<u>80,609</u>
Total depreciation - governmental activities	<u>\$ 1,580,292</u>

**Business-type activities**

Sanitation	<u>\$ 46,275</u>
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During 2024, the Township entered into construction commitments totaling \$11,376,000 for the new municipal complex and \$1,467,775 for the amphitheater project.

**6. INTERNAL RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of December 31, 2023 is as follows:

<u>Receivable to</u>	<u>Amount</u>	<u>Payable from</u>	<u>Amount</u>
General fund	\$ 479,016	Grant fund	\$ 479,016
General fund	2,576	ARPA fund	2,576
General fund	25,650	Capital projects fund	25,650
Debt service fund	112	General fund	112
Nonmajor special revenue funds	64,976	General fund	64,976
Sanitation fund	<u>103,592</u>	General fund	<u>103,592</u>
	<u>\$ 675,922</u>		<u>\$ 675,922</u>

Interfund balances between funds represent temporary loans and are generally repaid shortly after year-end.

A summary of interfund transfers for the year ended December 31, 2023 is as follows:

<u>Transfers in</u>	<u>Amount</u>	<u>Transfers out</u>	<u>Amount</u>
General fund	\$ 550,546	Grant fund	\$ 550,546
Nonmajor special revenue funds	915	General fund	915
Debt service fund	1,054,204	General fund	1,054,204
Capital projects fund	<u>1,715,314</u>	General fund	<u>1,715,314</u>
	<u>\$ 3,320,979</u>		<u>\$ 3,320,979</u>

Interfund transfers are used to subsidize future capital projects and debt service requirements.

**Aston Township**  
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**7. NONCURRENT LIABILITIES**

The following summarizes the changes in the Township's noncurrent liabilities for the year ended December 31, 2023:

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023	Amount Due in One Year
<b>Governmental activities</b>					
General obligation notes payable					
Series of 2022	\$ 10,000,000	\$ -	\$ 189,000	\$ 9,811,000	\$ 189,000
Series of 2018	11,511,000	-	259,000	11,252,000	268,000
Series of 2015	1,089,000	-	264,000	825,000	269,000
Series of 2012	469,000	-	153,000	316,000	156,000
Series of 2010	24,000	-	8,000	16,000	8,000
Total general obligation debt	<u>23,093,000</u>	<u>-</u>	<u>873,000</u>	<u>22,220,000</u>	<u>890,000</u>
Other noncurrent liabilities					
Loan payable	109,979	-	33,475	76,504	34,476
Lease obligations	100,035	392,415	70,837	421,613	123,350
Compensated absences	650,730	163,777	-	814,507	-
Net pension liability	5,168,644	-	647,822	4,520,822	-
OPEB liability	20,468,121	3,132,555	-	23,600,676	-
Total other noncurrent liabilities	<u>26,497,509</u>	<u>3,688,747</u>	<u>752,134</u>	<u>29,434,122</u>	<u>1,047,826</u>
Total governmental activities	<u>49,590,509</u>	<u>3,688,747</u>	<u>1,625,134</u>	<u>51,654,122</u>	<u>1,937,826</u>
<b>Business-type activities</b>					
Net pension liability	78,543	-	151,575	(73,032)	-
OPEB liability	4,575	7,240	-	11,815	-
Total business-type activities	<u>83,118</u>	<u>7,240</u>	<u>151,575</u>	<u>(61,217)</u>	<u>-</u>
Total noncurrent liabilities	<u>\$ 49,673,627</u>	<u>\$ 3,695,987</u>	<u>\$ 1,776,709</u>	<u>\$ 51,592,905</u>	<u>\$ 1,937,826</u>

Noncurrent liabilities of governmental activities are to be liquidated by the General Fund and noncurrent liabilities of the business-type activities are to be liquidated by the Sanitation Fund.

**8. GENERAL OBLIGATION DEBT**

General obligation debt is a direct obligation of the Township for which full faith and credit are pledged and are payable from local sources. The Township has not pledged any assets as collateral for general obligation debt. General obligation debt was issued to finance capital expenditures or to finance the retirement (refund) of prior general obligation debt.

General obligation debt outstanding as of December 31, 2023 consisted of the following:

Description	Interest Rate(s)	Original Issue Amount	Final Maturity	Principal Outstanding
General obligation notes				
Series of 2022	Vairable	\$ 10,000,000	10/25/2042	\$ 9,811,000
Series of 2018	2.782%	12,250,000	02/25/2038	11,252,000
Series of 2015	1.9525%	2,795,000	03/25/2025	825,000
Series of 2012	2.24%	1,826,000	11/25/2025	316,000
Series of 2010	Variable	100,000	06/25/2025	16,000
Total general obligation notes				<u>\$ 22,220,000</u>

**Aston Township**  
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Variable interest rates are adjusted weekly based upon the Securities Industry and Financial Markets Association.

Annual debt service requirements under the governmental activities general obligation debt is as follows:

<u>Year ending December 31,</u>	<u>Principal Maturities</u>	<u>Interest Maturities</u>	<u>Total Maturities</u>
2024	\$ 890,000	\$ 699,978	\$ 1,589,978
2025	913,000	680,368	1,593,368
2026	941,000	655,697	1,596,697
2027	963,000	627,338	1,590,338
2028	999,000	582,614	1,581,614
2029-2033	5,459,000	2,423,553	7,882,553
2034-2038	6,322,000	1,537,087	7,859,087
2039-2042	5,733,000	511,705	6,244,705
	<u>\$ 22,220,000</u>	<u>\$ 7,718,340</u>	<u>\$ 29,938,340</u>

**Interest Rate Management Plan**

The General Obligation Notes of the Township have been issued to the Delaware Valley Regional Finance Authority ("DVRFA"). The DVRFA was formed by certain counties in Southeastern Pennsylvania to provide financing to local government units ("participants") for various projects. DVRFA obtained the funds used to finance these projects by issuing its Local Government Revenue Bonds. In order to reduce the interest costs of participants in its loan program and to enhance their ability to manage their interest rate risks, DVRFA and the participants in its loan program, including the Township, have entered into an Interest Rate Management Plan, the provisions of which allow the participants to select fixed or variable rates of interest on their loans. In order to provide this option to participants, DVRFA has entered into interest rate swap agreements with financial institutions. In the event that the swap agreements between DVRFA and the financial institutions are terminated and the value of the swaps to DVRFA at the time of termination is a liability, the participants are required to pay their proportionate share of the liability. The value of the swap agreements relative to the General Obligation Notes at December 31, 2023 was an liability of \$134,821. The value of the swap agreements relative to the District's General Obligation Notes is not reflected on the Township's statement of net position (deficit).

**9. LEASE OBLIGATIONS**

The Township has entered into long-term lease agreements for vehicles and equipment. Initial lease liabilities were recorded in the amount of \$574,235. As of the December 31, 2023, the value of the lease liabilities is \$421,613. The leases have interest rates ranging from 3.33% to 7.10% and have useful lives ranging from 3 to 5 years as of their contract commencements. The value of the right-to-use lease assets is \$406,982, net of accumulated amortization of \$167,253, and is included with noncurrent assets on the state of net position (deficit).

**Aston Township**  
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The net present value of minimum non-cancelable lease payments under these lease agreements are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 128,236	\$ 31,586	\$ 159,822
2025	87,273	28,109	115,382
2026	79,828	27,740	107,568
2027	78,004	27,716	105,720
2028	<u>48,272</u>	<u>16,718</u>	<u>64,990</u>
	<u>\$ 421,613</u>	<u>\$ 131,869</u>	<u>\$ 553,482</u>

**10. LOAN PAYABLE**

In 2017, the Township entered into a loan with a financial institution. that was used to fund certain energy conservation measures. The loan matures on January 17, 2026 and carries a fixed interest rate of 2.95%. Future debt service requirements are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 34,476	\$ 1,800	\$ 36,276
2025	35,507	769	36,276
2026	<u>6,521</u>	<u>26</u>	<u>6,547</u>
	<u>\$ 76,504</u>	<u>\$ 2,595</u>	<u>\$ 79,099</u>

**11. POST EMPLOYMENT RETIREMENT PLAN**

The Township's Other Postemployment Benefits Plan (the "OPEB Plan") is a contributory, single-employer postretirement benefits plan for eligible employees of the Township. The OPEB Plan provides postretirement medical, prescription, dental and vision benefits upon retirement or disability to OPEB Plan members and their beneficiaries, pursuant to Township ordinances and the respective collective bargaining and employment agreements. The OPEB Plan can be amended by the Township through its ordinances and collective bargaining and employment agreements. The OPEB Plan is administered by a plan administrator appointed by the Township's Retirement Committee. The OPEB Plan does not issue any financial report and is not included in the report of any public employee retirement system or any other entity.

**Plan Membership**

Membership in the OPEB Plan consisted of the following at January 1, 2023:

	<u>Police</u>	<u>Non-Uniformed</u>
Active plan members	22	29
Retirees, beneficiaries, and disabled members	19	5
Covered spouses	<u>12</u>	<u>-</u>
	<u>53</u>	<u>34</u>

**Funding Policy**

The OPEB Plan does not require any contributions from plan members. The Township funds the OPEB Plan on a pay-as-you-go basis.

**Aston Township**  
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**OPEB Liability**

The Township's OPEB liability has been measured as of December 31, 2023. The total OPEB liability was determined by an actuarial valuation as of January 1, 2023, and by rolling forward the liabilities from the January 1, 2023 actuarial valuation through the measurement date. The OPEB liability is \$23,612,491, all of which is unfunded.

The Township's change in total OPEB liability for the year ended December 31, 2023 was as follows:

	<u>Police</u>	<u>Non-Uniformed</u>	<u>Total OPEB Liability</u>
<b>Balances as of December 31, 2022</b>	\$ 20,435,123	\$ 32,998	\$ 20,468,121
Changes for the year:			
Service cost	702,436	1,372	703,808
Interest on total OPEB liability	890,263	1,374	891,637
Differences between expected and actual experience	(123,573)	(1,980)	(125,553)
Changes of assumptions	2,398,110	1,511	2,399,621
Benefit payments	<u>(724,127)</u>	<u>(1,016)</u>	<u>(725,143)</u>
Net changes	<u>3,143,109</u>	<u>1,261</u>	<u>3,144,370</u>
<b>Balances as of December 31, 2023</b>	<u>\$ 23,578,232</u>	<u>\$ 34,259</u>	<u>\$ 23,612,491</u>

**Sensitivity of the OPEB Liability to Change in Healthcare Cost Trend Rates**

The following presents the OPEB liability for December 31, 2023, calculated using current healthcare cost trends as well as what the OPEB liability would be if healthcare cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
OPEB liability	<u>\$ 20,094,694</u>	<u>\$ 23,612,491</u>	<u>\$ 28,087,579</u>

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the Township calculated using the discount rate 4.00%, as well as what the net pension liability would be if it were calculated using the discount rate that is one percentage point lower (3.00%) or 1 percentage point higher (5.00%) than the current rate:

	<u>1% Decrease 3.00%</u>	<u>Current Discount Rate 4.00%</u>	<u>1% Increase 5.00%</u>
OPEB liability	<u>\$ 27,668,105</u>	<u>\$ 23,612,491</u>	<u>\$ 20,393,073</u>

**Aston Township**  
**Notes to Financial Statements**  
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**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2023, the Township recognized OPEB expense of \$743,635. At December 31, 2023, the Township had deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 4,538,867	\$ 6,202,273
Differences between expected and actual experience	<u>-</u>	<u>1,355,179</u>
	<u>\$ 4,538,867</u>	<u>\$ 7,557,452</u>

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

**Year ending December 31,**

2024	\$ (1,169,424)
2025	(619,104)
2026	(222,233)
2027	(221,510)
2028	(347,953)
Thereafter	<u>(438,361)</u>
	<u>\$ (3,018,585)</u>

**Actuarial Methods and Significant Assumptions**

The OPEB liability as of December 31, 2023, was determined by rolling forward the OPEB Liability as of January 1, 2023 to December 31, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – entry age normal
- Discount rate – 4.00% The discount rate changed from 4.31% to 4.00%.
- Inflation – 2.47% per year
- Salary growth – 5.00% compounded annually
- Assumed healthcare cost trends – 0.00% in 2023 than 7.50% in 2024 and 2025 and decreasing to an ultimate trend rate of 3.45% in 2075
- Mortality – Police and Firefighters: Pub-2010 public safety headcount-weighted mortality tables, with generational projection using scale MP-2021. Nonuniform - Pub-2010 general employee headcount-weighted mortality tables, with generational projection using scale MP-2021

**12. EMPLOYEE RETIREMENT PLANS**

**Police Pension Plan**

The Aston Township Police Pension Plan accounts for a contributory, single-employer defined benefit pension plan (the "Police Pension Plan") that covers all full-time uniformed police officers of the Township. The Police Pension Plan is governed by the Board of Commissioners.

**Aston Township**  
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**Plan Membership**

Membership in the Police Pension Plan consisted of the following at December 31, 2023:

Active employees	19
Retirees and beneficiaries currently receiving benefits	25
Terminated plan members entitled to but not yet receiving benefits	-
Total	<u>44</u>

**Benefit Provisions**

Under the provisions of the Township's Police Pension Plan, pension benefits vest after 12 years of service. A police officer may retire at age 55 with 20 years of service, at age 50 with 25 years of service, or age 60 and 20 years of service. For members hired on or after January 1, 2012, officers may retire at age 53 with 25 years of service. If hired after January 1, 2021, age 55 with 25 years of service. Members are fully vested after 12 years of service.

The retirement benefit consists of 50% of the average monthly compensation, averaged over the last 36 consecutive months, plus \$100 per month for the completion of 26 or more years of service, up to a maximum of \$500. For members hired on or after January 1, 2012, compensation is averaged over the last 48 months, plus an additional service increment of \$25 per month for each year of service in excess of 25 years, up to a maximum of \$100 per month.

The Police Pension Plan provides for survivor benefits as follows: killed in service, pursuant to Act 51; post-retirement – 50% of retirement benefits; vested – refund of contributions with interest or 50% of vested benefit payable beginning at the officer's superannuation retirement date.

Disability benefits that are service related consist of 75% of salary at the time of disability offset by social security as applicable.

**Basis of Accounting**

The Police Pension Plan's financial statements are prepared using the accrual basis of accounting. Contributions are recognized in the period when due and benefits and refunds are recognized when due and payable.

**Method Used to Value Investments**

Investments in the Police Pension Plan are reported at fair value. Investments that do not have an established market value are reported at estimated fair value.

**Contributions**

Annual contributions to the Police Pension Plan are based upon the minimum municipal obligation (the "MMO"). The MMO is derived from the Police Pension Plan's biennial actuarial valuation. Members in the Police Pension Plan are required to contribute 5.00% of compensation to the Police Plan. The Commonwealth of Pennsylvania provides an allocation of funds, which must be used, for pension funding. Any financial requirement established by the MMO which exceeds the state and employee contribution must be funded by the Township.

**Administrative Costs**

Administrative costs, including the investment manager, custodial trustee and actuarial services are charged to the Plan and funded through investment earnings.

**Aston Township**  
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**Annual Pension Cost**

The annual required contribution was determined as part of the January 1, 2023 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 7.50% percent investment rate of return (net of administrative costs) and (b) 2.25% inflation, 5.00% salary increases and cost-of-living adjustments. The unfunded actuarial accrued liability is being amortized on the level dollar over 6 years.

**Discount Rate**

The discount rate used to measure the total pension liability is 7.50%. The Police Pension Plan’s fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Police Pension Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer’s funding policy requires the full funding of the entry age normal cost plus plan expenses, as well as an amortization of the unfunded liability.

**Rate of Return**

The long-term expected rate of return on Police Pension Plan investments was determined using the building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major 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 allocation percentage and by adding expected inflation.

The annual money-weighted rate of return on Police Pension Plan investments, net of pension plan investment expenses not funded through the MMO was 10.89%. The money-weighted rate of return expresses investment performance, net of expenses, adjusted for the changing amounts actually invested.

The Police Pension Plan investment policy in regard to allocation of invested assets is established and may be amended by the Township’s Retirement Committee. The objective investment strategy is to reduce risk while maximizing returns through prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due.

A schedule of Police Pension Plan investments by asset class and target allocations and long-term expected rate of return is as follows:

	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Equities	65.00%	6.00% - 6.75%
Fixed income	<u>35.00%</u>	<u>1.75%</u>
Total portfolio	<u>100.00%</u>	<u>4.64%</u>

**Net Pension Liability**

The Township's net pension liability for the Police Pension Fund has been measured as of December 31, 2023. The total pension liability was determined by an actuarial valuation as of January 1, 2023, and by rolling forward the liabilities from the January 1, 2023 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The net pension liability is \$4,785,406 measured as the difference between the total pension liability of \$27,207,712 and the fiduciary net position of \$22,422,306.

**Aston Township**  
**Notes to Financial Statements**  
**December 31, 2023**

The Township's change in total pension liability, plan fiduciary net position, and net pension liability for the year ended December 31, 2023 were as follows:

	<u>Total Pension Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net Pension Liability (A) - (B)</u>
<b>Balances as of December 31, 2022</b>	<u>\$ 24,781,757</u>	<u>\$ 20,152,235</u>	<u>\$ 4,629,522</u>
Changes for the year:			
Service cost	452,418	-	452,418
Interest on total pension liability	1,857,004	-	1,857,004
Differences between actual and expected experience	1,437,697	-	1,437,697
Employer contributions	-	1,264,127	(1,264,127)
Employee contributions	-	148,318	(148,318)
Net investment income	-	2,193,690	(2,193,690)
Benefit payments	(1,321,164)	(1,321,164)	-
Administrative expense	-	(14,900)	14,900
Net changes	<u>2,425,955</u>	<u>2,270,071</u>	<u>155,884</u>
<b>Balances as of December 31, 2023</b>	<u>\$ 27,207,712</u>	<u>\$ 22,422,306</u>	<u>\$ 4,785,406</u>

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

The following presents the net pension liability of the Township calculated using the discount rate 7.50%, as well as what the net pension liability would be if it were calculated using the discount rate that is one percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	<u>1% Decrease 6.50%</u>	<u>Current Discount Rate 7.50%</u>	<u>1% Increase 8.50%</u>
Net pension liability	<u>\$ 7,539,363</u>	<u>\$ 4,785,406</u>	<u>\$ 2,452,795</u>

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension**

For the year ended December 31, 2023, the Township recognized pension expense of \$1,197,744. At December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,138,176	\$ 274,369
Changes in assumptions	625,247	-
Net difference between projected and actual earnings	1,039,361	-
on pension plan investments	<u>\$ 2,802,784</u>	<u>\$ 274,369</u>

**Aston Township**  
**Notes to Financial Statements**  
**December 31, 2023**

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

**Year ending December 31,**

2024	\$ 801,235
2025	844,815
2026	784,164
2027	98,201
2028	-
Thereafter	-
	<u>\$ 2,528,415</u>

**Actuarial Methods and Significant Assumptions**

- Investment return – 7.50% (net of pension plan expense, including inflation)
- Discount rate – 7.50%
- Inflation – 2.25%
- Salary increases – 5.00%
- Mortality rates – Pub-2010 safety amount-weighted mortality tables, projected from 2010 with mortality improvement scale MP-2021.

**Municipal Employees Pension Plan**

The Aston Township Non-Uniformed Pension Plan accounts for a contributory, single-employer defined benefit pension plan (the "Non-Uniformed Pension Plan") that covers all full-time employees of the Township than police and firefighters. The Plan is governed by the Board of Commissioners.

**Plan Membership**

Membership in the Non-Uniformed Pension Plan consisted of the following at December 31, 2023:

Active employees	29
Retirees and beneficiaries currently receiving benefits	12
Terminated plan members entitled to but not yet receiving benefits	<u>2</u>
	<u>43</u>

**Benefit Provisions**

The Non-Uniformed Pension Plan provides retirement, disability and death benefits to plan members and their beneficiaries.

Under the provisions of the Township's Non-Uniformed Pension Plan, normal retirement begins at age 65 with five years of service; or if hired after March 31, 1996, age 65 with ten years of service. Early retirement is at age 57 with five years of service; or if hired after March 31, 1996, age 57 and ten years of service. Retirement benefits equal 1.25% of the final 60-month average compensation times years of service. There is no disability benefit or nonservice related disability benefit. Members are fully vested after 10 years of service or 5 years if hired before March 31, 1996.

**Method Used to Value Investments**

Investments in the Non-Uniformed Pension Plan are reported at fair value. Investments that do not have an established market value are reported at estimated fair value.

**Aston Township**  
**Notes to Financial Statements**  
**December 31, 2023**

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**Contributions**

Annual contributions to the Non-Uniformed Pension Plan are based upon the minimum municipal obligation (the "MMO"). The MMO is derived from the Non-Uniformed Pension Plan's biennial actuarial valuation. The Commonwealth of Pennsylvania provides an allocation of funds, which must be used, for pension funding. Any financial requirement established by the MMO which exceeds the state and employee contribution must be funded by the Township.

**Administrative Costs**

Administrative costs, including the investment manager, custodial trustee and actuarial services are charged to the Plan and funded through investment earnings.

**Annual Pension Cost**

The annual required contribution was determined as part of the January 1, 2023 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 7.50% percent investment rate of return (net of administrative costs) and (b) 2.25% inflation, 5.00% salary increases and cost-of-living adjustments. The unfunded actuarial accrued liability is being amortized on the level dollar basis.

**Discount Rate**

The discount rate used to measure the total pension liability is 7.00%. The Non-Uniformed Pension Plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Non-Uniformed Pension Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer's funding policy requires the full funding of the entry age normal cost plus plan expenses, as well as an amortization of the unfunded liability.

**Rate of Return**

The long-term expected rate of return on Police Pension Plan investments was determined using the building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major 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 allocation percentage and by adding expected inflation.

The annual money-weighted rate of return on Police Pension Plan investments, net of pension plan investment expenses not funded through the MMO was 15.86%. The money-weighted rate of return expresses investment performance, net of expenses, adjusted for the changing amounts actually invested.

The Police Pension Plan investment policy in regard to allocation of invested assets is established and may be amended by the Township's Retirement Committee. The objective investment strategy is to reduce risk while maximizing returns through prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due.

**Aston Township**  
**Notes to Financial Statements**  
**December 31, 2023**

A schedule of Non-Uniformed Pension Plan investments by asset class, target allocations, and long-term expected rate of return is as follows:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Equities	65.00%	5.60%
Fixed income	32.00%	2.60%
Cash and equivalents	<u>3.00%</u>	<u>0.60%</u>
Total portfolio	<u>100.00%</u>	<u>4.40%</u>

**Net Pension Liability (Asset)**

The Township's net pension liability (asset) for the Non-Uniformed Pension Plan has been measured as of December 31, 2023. The total pension liability (asset) was determined by an actuarial valuation as of January 1, 2023, and by rolling forward the liabilities from the January 1, 2023 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The net pension liability (asset) is \$337,616 measured as the difference between the total pension liability of \$3,971,340 and the fiduciary net position of \$4,308,956.

The Township's change in total pension liability, plan fiduciary net position, and net pension liability (asset) for the year ended December 31, 2023 were as follows:

	<b>Total Pension Liability (A)</b>	<b>Plan Fiduciary Net Position (B)</b>	<b>Net Pension Liability (Asset) (A) - (B)</b>
<b>Balances as of December 31, 2022</b>	<u>\$ 4,306,380</u>	<u>\$ 3,767,258</u>	<u>\$ 539,122</u>
<b>Changes for the year:</b>			
Service cost	141,971	-	141,971
Interest on total pension liability	256,189	-	256,189
Differences between actual and expected experience	(559,876)	-	(559,876)
Employer contributions	-	140,519	(140,519)
Net investment income	-	585,003	(585,003)
Benefit payments	(173,324)	(173,324)	-
Administrative expense	<u>-</u>	<u>(10,500)</u>	<u>10,500</u>
<b>Net changes</b>	<u>(335,040)</u>	<u>541,698</u>	<u>(876,738)</u>
<b>Balances as of December 31, 2023</b>	<u>\$ 3,971,340</u>	<u>\$ 4,308,956</u>	<u>\$ (337,616)</u>

**Aston Township**  
**Notes to Financial Statements**  
**December 31, 2023**

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**Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following presents the net pension liability (asset) of the Township calculated using the discount rate 7.00%, as well as what the net pension liability (asset) would be if it were calculated using the discount rate that is one percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Net pension liability	\$ 157,276	\$ (337,616)	\$ (758,151)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension**

For the year ended December 31, 2023, the Township recognized pension expense of \$67,719. At December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 804,180
Changes in assumptions	261,523	-
Net difference between projected and actual earnings on pension plan investments	220,089	-
	<u>\$ 481,612</u>	<u>\$ 804,180</u>

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

**Year ending December 31,**

2024	\$ (6,358)
2025	44,371
2026	83,088
2027	(119,720)
2028	(52,345)
Thereafter	<u>(271,604)</u>
	<u>\$ (322,568)</u>

**Actuarial Methods and Significant Assumptions**

- Investment return – 7.50% (net of pension plan expense, including inflation)
- Discount rate – 7.50%
- Inflation – 2.25%
- Salary increases – 5.00%

**Aston Township**  
**Notes to Financial Statements**  
**December 31, 2023**

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- Mortality rates – Pre & Post Retirement Mortality - Pub-2010 amount-weighted general mortality table with generational mortality from 2010 based on SOA scale MP-2020. – Survivor Mortality – Pub-2010 amount-weighted contingent survivor mortality table with generational mortality from 2010 based on SOA scale MP-2020.

**13. CONTINGENCIES AND COMMITMENTS**

**Government Grants and Awards**

The Township receives federal, state and local funding under a number of programs. Payments made by these sources under contractual agreements are provisional and subject to redetermination based on filing of reports and audits of those reports. Final settlements due from or to these sources are recorded in the year in which the related services are performed. Any adjustments resulting from subsequent examinations are recognized in the year in which the results of such examinations become known. Township officials do not expect any significant adjustments as a result of these examinations.

**Litigation**

The Township is a defendant in various matters of litigation and claims. These matters result from the normal course of business. It is not presently possible to determine the ultimate outcome or settlement cost, if any, of these matters.

**14. RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs including workers compensation. For insured programs, there were no significant reductions in insurance coverages during 2023. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The Township participates in a consortium with other participating governmental agencies from Delaware County to provide self-insurance programs for health and prescription insurance coverage and related expenses for eligible employees, spouses and dependents. Accordingly benefit payments plus an administrative charge are made to a third-party administrator, who approves and processes all claims.

**15. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 21, 2025 the date on which the financial statements were available to be issued. Excepted as disclosed in Note 5, no material subsequent events have occurred since December 31, 2023 that required recognition or disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Aston Township  
Budgetary Comparison Schedule – General Fund  
Year Ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Revenues</b>			
Taxes			
Real estate taxes	\$ 5,214,000	\$ 5,067,705	\$ (146,295)
Local enabling act taxes	4,219,000	6,153,664	1,934,664
Licenses and permits	927,000	1,014,715	87,715
Fines and forfeits	35,200	36,365	1,165
Rent	33,000	38,414	5,414
Investment earnings	10,000	82,328	72,328
Intergovernmental revenues	423,133	1,324,879	901,746
Charges for services	319,800	360,938	41,138
Miscellaneous	91,500	66,144	(25,356)
Total revenues	<u>11,272,633</u>	<u>14,145,152</u>	<u>2,872,519</u>
<b>Expenditures</b>			
Current			
General government	2,649,387	2,281,431	367,956
Public safety	7,258,555	7,290,258	(31,703)
Health and human services	18,000	14,820	3,180
Public works - highways and streets	1,516,834	1,559,081	(42,247)
Culture and recreation	578,731	556,166	22,565
Community development	-	1,734,478	(1,734,478)
Debt service			
Principal	-	60,716	(60,716)
Interest	-	9,746	(9,746)
Fiscal agent fees	-	1,619	(1,619)
Total expenditures	<u>12,021,507</u>	<u>13,508,315</u>	<u>(1,486,808)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(748,874)</u>	<u>636,837</u>	<u>1,385,711</u>
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	3,000	78,992	75,992
Proceeds from long-term leases	-	392,415	392,415
Transfers in	-	550,546	550,546
Transfers out	(791,475)	(2,770,433)	(1,978,958)
Total other financing sources (uses)	<u>(788,475)</u>	<u>(1,748,480)</u>	<u>(960,005)</u>
Net change in fund balance	<u>\$ (1,537,349)</u>	<u>(1,111,643)</u>	<u>\$ 425,706</u>
<b>Fund balance</b>			
Beginning of year		<u>4,116,721</u>	
End of year		<u>\$ 3,005,078</u>	

See Independent Auditor's Report.

**Aston Township**  
**Budgetary Comparison Schedule – American Rescue Plan Act Fund**  
**Year Ended December 31, 2023**

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Revenues</b>			
Investment earnings	\$ -	\$ 20,858	\$ 20,858
Intergovernmental revenues	<u>500,000</u>	<u>108,405</u>	<u>(391,595)</u>
Total revenues	500,000	129,263	(370,737)
<b>Expenditures</b>			
Current			
Public works - highways and streets	<u>500,000</u>	<u>108,405</u>	<u>391,595</u>
Net change in fund balance	<u>\$ -</u>	20,858	<u>\$ 20,858</u>
<b>Fund balance</b>			
Beginning of year		<u>8,628</u>	
End of year		<u>\$ 29,486</u>	

See Independent Auditor's Report.

**Aston Township  
Schedule of Changes in Police Net Pension Plan Liability  
Year Ended December 31,**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>										
Service cost	\$ 452,418	\$ 552,663	\$ 489,624	\$ 444,005	\$ 422,862	\$ 391,494	\$ 372,851	\$ 406,932	\$ 387,554	\$ 393,280
Interest on total pension liability	1,857,004	1,729,924	1,688,482	1,628,476	1,560,833	1,552,835	1,490,279	1,425,479	1,363,088	1,299,875
Differences between expected and actual experience	1,437,697	-	(283,409)	-	(738,013)	-	21,106	-	(296,848)	-
Changes of assumptions	-	-	1,462,631	-	-	-	49,916	-	362,807	-
Benefit payments	<u>(1,321,164)</u>	<u>(1,132,965)</u>	<u>(1,138,888)</u>	<u>(1,141,455)</u>	<u>(1,177,149)</u>	<u>(1,098,265)</u>	<u>(1,101,389)</u>	<u>(1,017,317)</u>	<u>(962,934)</u>	<u>(963,528)</u>
<b>Net change in total pension liability</b>	2,425,955	1,149,622	2,218,440	931,026	68,533	846,064	832,763	815,094	853,667	729,627
<b>Total pension liability, beginning</b>	<u>24,781,757</u>	<u>23,632,135</u>	<u>21,413,695</u>	<u>20,482,669</u>	<u>20,414,136</u>	<u>19,568,072</u>	<u>18,735,309</u>	<u>17,920,215</u>	<u>17,066,548</u>	<u>16,336,921</u>
<b>Total pension liability, ending</b>	<u>\$ 27,207,712</u>	<u>\$ 24,781,757</u>	<u>\$ 23,632,135</u>	<u>\$ 21,413,695</u>	<u>\$ 20,482,669</u>	<u>\$ 20,414,136</u>	<u>\$ 19,568,072</u>	<u>\$ 18,735,309</u>	<u>\$ 17,920,215</u>	<u>\$ 17,066,548</u>
<b>Plan fiduciary net position</b>										
Employer contributions	\$ 885,314	\$ 920,463	\$ 882,992	\$ 961,242	\$ 864,283	\$ 899,527	\$ 1,252,480	\$ 1,258,697	\$ 1,330,981	\$ 1,353,810
State contributions	378,813	347,090	331,012	269,832	276,923	238,176	229,958	223,075	191,834	178,584
Employee contributions	148,318	121,658	187,671	129,016	134,383	119,993	111,229	104,217	104,162	98,895
Net investment income (loss)	2,193,690	(1,285,078)	1,793,102	1,215,694	2,644,067	(1,070,615)	1,782,340	740,010	(126,349)	729,790
Benefit payments	(1,321,164)	(1,132,965)	(1,138,888)	(1,141,455)	(1,177,149)	(1,098,265)	(1,101,389)	(1,017,317)	(962,934)	(963,528)
Administrative expenses	<u>(14,900)</u>	<u>(7,600)</u>	<u>(11,650)</u>	<u>(8,950)</u>	<u>(11,450)</u>	<u>(6,600)</u>	<u>(10,750)</u>	<u>(6,600)</u>	<u>(9,800)</u>	<u>(5,200)</u>
<b>Net change in plan fiduciary net position</b>	2,270,071	(1,036,432)	2,044,239	1,425,379	2,731,057	(917,784)	2,263,868	1,302,082	527,894	1,392,351
<b>Fiduciary net position, beginning</b>	<u>20,152,235</u>	<u>21,188,667</u>	<u>19,144,428</u>	<u>17,719,049</u>	<u>14,987,992</u>	<u>15,905,776</u>	<u>13,641,908</u>	<u>12,339,826</u>	<u>11,811,932</u>	<u>10,419,581</u>
<b>Fiduciary net position, ending</b>	<u>\$ 22,422,306</u>	<u>\$ 20,152,235</u>	<u>\$ 21,188,667</u>	<u>\$ 19,144,428</u>	<u>\$ 17,719,049</u>	<u>\$ 14,987,992</u>	<u>\$ 15,905,776</u>	<u>\$ 13,641,908</u>	<u>\$ 12,339,826</u>	<u>\$ 11,811,932</u>
<b>Net pension liability</b>	<u>\$ 4,785,406</u>	<u>\$ 4,629,522</u>	<u>\$ 2,443,468</u>	<u>\$ 2,269,267</u>	<u>\$ 2,763,620</u>	<u>\$ 5,426,144</u>	<u>\$ 3,662,296</u>	<u>\$ 5,093,401</u>	<u>\$ 5,580,389</u>	<u>\$ 5,254,616</u>
<b>Fiduciary net position as a % of total pension liability</b>	82.41%	81.32%	89.66%	89.40%	86.51%	73.42%	81.28%	72.81%	68.86%	69.21%
<b>Covered payroll</b>	\$ 2,441,530	\$ 2,434,160	\$ 2,500,000	\$ 2,641,194	\$ 2,356,144	\$ 2,327,622	\$ 2,087,194	\$ 2,082,628	\$ 1,941,520	\$ 2,004,342
<b>Net pension liability as a % of covered payroll</b>	196.00%	190.19%	97.74%	85.92%	117.29%	233.12%	175.47%	244.57%	287.42%	262.16%

See Independent Auditor's Report.

**Aston Township  
Schedule of Police Pension Plan Contributions  
Year Ended December 31,**

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<b>Fiscal Year  Ended  December  31</b>	<b>Actuarially  Determined  Contribution</b>	<b>Actual  Employer  Contribution</b>	<b>Contribution  Deficiency  (Excess)</b>	<b>Covered  Payroll</b>	<b>Contribution  as a  Percentage  of Covered  Payroll</b>
2014	\$ 1,532,394	\$ 1,532,394	\$ -	\$ 2,004,342	76.45%
2015	1,522,815	1,522,815	-	1,941,342	78.44%
2016	1,481,772	1,481,772	-	2,082,628	71.15%
2017	1,482,438	1,482,438	-	2,087,194	71.03%
2018	1,137,703	1,137,703	-	2,327,622	48.88%
2019	1,141,206	1,141,206	-	2,356,144	48.44%
2020	1,231,074	1,231,074	-	2,641,194	46.61%
2021	1,214,004	1,214,004	-	2,500,000	48.56%
2022	1,263,097	1,267,553	(4,456)	2,434,160	51.89%
2023	1,264,127	1,264,127	-	2,441,530	51.78%

See Independent Auditor's Report.

**Aston Township  
Schedule of Police Pension Plan Investment Returns  
Year Ended December 31,**

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	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment return	<u>7.14%</u>	<u>-6.08%</u>	<u>9.36%</u>	<u>6.86%</u>	<u>17.64%</u>	<u>-6.73%</u>	<u>13.05%</u>	<u>7.29%</u>	<u>-1.13%</u>	<u>7.25%</u>

See Independent Auditor's Report.

**Aston Township  
Schedule of Changes in Non-Uniform Net Pension Plan Liability  
Year Ended December 31,**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability										
Service cost	\$ 141,971	\$ 163,140	\$ 145,207	\$ 115,186	\$ 109,701	\$ 111,692	\$ 106,373	\$ 116,823	\$ 111,260	\$ 78,826
Interest on total pension liability	256,189	275,808	267,450	253,023	238,202	231,323	216,663	216,329	201,119	188,681
Changes in benefit terms	-	-	-	-	13,548	-	-	-	-	-
Differences between expected and actual experience	(559,876)	-	(98,717)	-	(118,944)	-	(204,558)	-	(122,939)	-
Changes of assumptions	-	-	302,700	-	-	-	11,971	-	87,611	-
Benefit payments	<u>(173,324)</u>	<u>(145,366)</u>	<u>(150,729)</u>	<u>(159,559)</u>	<u>(151,974)</u>	<u>(135,843)</u>	<u>(129,929)</u>	<u>(121,416)</u>	<u>(108,854)</u>	<u>(88,697)</u>
Net change in total pension liability	(335,040)	293,582	465,911	208,650	90,533	207,172	520	211,736	168,197	178,810
Total pension liability, beginning	<u>4,306,380</u>	<u>4,012,798</u>	<u>3,546,887</u>	<u>3,338,237</u>	<u>3,247,704</u>	<u>3,040,532</u>	<u>3,040,012</u>	<u>2,828,276</u>	<u>2,660,079</u>	<u>2,481,269</u>
Total pension liability, ending	<u>\$ 3,971,340</u>	<u>\$ 4,306,380</u>	<u>\$ 4,012,798</u>	<u>\$ 3,546,887</u>	<u>\$ 3,338,237</u>	<u>\$ 3,247,704</u>	<u>\$ 3,040,532</u>	<u>\$ 3,040,012</u>	<u>\$ 2,828,276</u>	<u>\$ 2,660,079</u>
Plan fiduciary net position										
Employer contributions	\$ 140,519	\$ 135,117	\$ 127,774	\$ 42,351	\$ 40,394	\$ 40,394	\$ 35,425	\$ 37,455	\$ 34,545	\$ 25,613
State aid contributions	-	-	-	84,684	76,391	75,678	68,278	74,401	66,941	65,395
Net investment income	585,003	(702,927)	473,030	516,560	595,401	(197,229)	429,174	206,257	(29,951)	172,212
Benefit payments	(173,324)	(145,366)	(150,729)	(159,559)	(151,974)	(135,843)	(129,929)	(121,416)	(108,854)	(88,697)
Administrative expense	<u>(10,500)</u>	<u>(5,000)</u>	<u>-</u>	<u>(4,700)</u>	<u>(5,250)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	541,698	(718,176)	450,075	479,336	554,962	(217,000)	402,948	196,697	(37,319)	174,523
Fiduciary net position, beginning	<u>3,767,258</u>	<u>4,485,434</u>	<u>4,035,359</u>	<u>3,556,023</u>	<u>3,001,061</u>	<u>3,218,061</u>	<u>2,815,113</u>	<u>2,618,416</u>	<u>2,655,735</u>	<u>2,481,212</u>
Fiduciary net position, ending	<u>\$ 4,308,956</u>	<u>\$ 3,767,258</u>	<u>\$ 4,485,434</u>	<u>\$ 4,035,359</u>	<u>\$ 3,556,023</u>	<u>\$ 3,001,061</u>	<u>\$ 3,218,061</u>	<u>\$ 2,815,113</u>	<u>\$ 2,618,416</u>	<u>\$ 2,655,735</u>
Net pension liability	<u>\$ (337,616)</u>	<u>\$ 539,122</u>	<u>\$ (472,636)</u>	<u>\$ (488,472)</u>	<u>\$ (217,786)</u>	<u>\$ 246,643</u>	<u>\$ (177,529)</u>	<u>\$ 224,899</u>	<u>\$ 209,860</u>	<u>\$ 4,344</u>
Fiduciary net position as a % of total pension liability	108.50%	87.48%	111.78%	113.77%	106.52%	92.41%	105.84%	92.60%	92.58%	99.84%
Covered payroll	\$ 1,888,908	\$ 1,796,810	\$ 1,800,000	\$ 1,788,324	\$ 1,674,034	\$ 1,663,530	\$ 1,543,372	\$ 1,661,186	\$ 1,491,490	\$ 1,313,900
Net pension liability (asset) as a % of covered payroll	-17.87%	30.00%	-26.26%	-27.31%	-13.01%	14.83%	-11.50%	13.54%	14.07%	0.33%

See Independent Auditor's Report.

**Aston Township  
Schedule of Non-Uniform Pension Plan Contributions  
December 31, 2023**

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<b>Fiscal Year Ended December 31</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contribution as a Percentage of Covered Payroll</b>
2014	\$ 91,008	\$ 91,008	\$ -	\$ 1,313,900	6.93%
2015	101,486	101,486	-	1,491,490	6.80%
2016	111,856	111,856	-	1,661,186	6.73%
2017	103,703	103,703	-	1,543,372	6.72%
2018	116,072	116,072	-	1,663,530	6.98%
2019	116,785	116,785	-	1,674,034	6.98%
2020	127,035	127,035	-	1,788,324	7.10%
2021	127,774	127,774	-	1,800,000	7.10%
2022	132,617	135,117	(2,500)	1,796,810	7.38%
2023	140,519	140,519	-	1,888,908	7.44%

See Independent Auditor's Report.

**Aston Township  
 Schedule of Police Non-Uniform Plan Investment Returns  
 December 31, 2023**

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	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment return	<u>6.80%</u>	<u>-15.72%</u>	<u>11.97%</u>	<u>14.69%</u>	<u>20.15%</u>	<u>-6.20%</u>	<u>15.44%</u>	<u>7.96%</u>	<u>-1.13%</u>	<u>7.00%</u>

See Independent Auditor's Report.

**Aston Township  
Schedule of Changes in OPEB Liability  
December 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability							
Service cost	\$ 703,808	\$ 1,178,427	\$ 1,122,311	\$ 1,007,906	\$ 959,910	\$ 936,345	\$ 891,757
Interest on total OPEB liability	891,637	633,515	608,942	903,538	858,637	1,037,593	993,002
Changes in benefit terms	-	-	(2,098,115)	-	-	-	-
Differences between expected and actual experience	(125,553)	-	(316,743)	-	(4,765,255)	-	-
Changes of assumptions	2,399,621	(7,971,073)	4,052,442	-	(1,314,788)	-	-
Benefit payments	<u>(725,143)</u>	<u>(697,187)</u>	<u>(697,187)</u>	<u>(690,214)</u>	<u>(648,143)</u>	<u>(731,058)</u>	<u>(749,468)</u>
Net change in total OPEB liability	3,144,370	(6,856,318)	2,671,650	1,221,230	(4,909,639)	1,242,880	1,135,291
Total OPEB liability, beginning	<u>20,468,121</u>	<u>27,324,439</u>	<u>24,652,789</u>	<u>23,431,559</u>	<u>28,341,198</u>	<u>27,098,318</u>	<u>25,963,027</u>
Total OPEB liability, ending	<u>\$ 23,612,491</u>	<u>\$ 20,468,121</u>	<u>\$ 27,324,439</u>	<u>\$ 24,652,789</u>	<u>\$ 23,431,559</u>	<u>\$ 28,341,198</u>	<u>\$ 27,098,318</u>
Fiduciary net position as a % of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 6,174,779	\$ 4,900,108	\$ 4,547,750	\$ 4,673,264	\$ 4,450,728	\$ 3,733,555	\$ 3,589,957
Net OPEB liability (asset) as a % of covered payroll	382.40%	417.71%	600.83%	527.53%	526.47%	759.09%	754.84%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

See Independent Auditor's Report.

## **SUPPLEMENTARY INFORMATION**

**Aston Township  
Combining Balance Sheet – Nonmajor Special Revenue Funds  
December 31, 2023**

	<u>Highway Aid Fund</u>	<u>Fire Fund</u>	<u>Library Fund</u>	<u>Total</u>
<b>Assets</b>				
Cash	\$ 3,562	\$ -	\$ -	\$ 3,562
Taxes receivable	-	8,830	1,516	10,346
Due from other funds	-	51,296	13,680	64,976
	<u>-</u>	<u>51,296</u>	<u>13,680</u>	<u>64,976</u>
Total assets	<u>\$ 3,562</u>	<u>\$ 60,126</u>	<u>\$ 15,196</u>	<u>\$ 78,884</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 46,972	\$ 9,584	\$ 56,556
	<u>-</u>	<u>46,972</u>	<u>9,584</u>	<u>56,556</u>
<b>Deferred inflows of resources</b>				
Unavailable revenues - property taxes	-	7,013	1,201	8,214
	<u>-</u>	<u>7,013</u>	<u>1,201</u>	<u>8,214</u>
<b>Fund balances</b>				
<b>Restricted for</b>				
Public works - roads	3,562	-	-	3,562
<b>Committed to</b>				
Fire protection	-	6,141	-	6,141
Library	-	-	4,411	4,411
	<u>-</u>	<u>-</u>	<u>4,411</u>	<u>4,411</u>
Total fund balances	<u>3,562</u>	<u>6,141</u>	<u>4,411</u>	<u>14,114</u>
	<u>3,562</u>	<u>6,141</u>	<u>4,411</u>	<u>14,114</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,562</u>	<u>\$ 60,126</u>	<u>\$ 15,196</u>	<u>\$ 78,884</u>

See Independent Auditor's Report.

**Aston Township  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –  
Nonmajor Special Revenue Funds  
December 31, 2023**

	<u>Highway Aid Fund</u>	<u>Fire Fund</u>	<u>Library Fund</u>	<u>Total</u>
<b>Revenues</b>				
Taxes	\$ -	\$ 274,848	\$ 46,690	\$ 321,538
Investment earnings	4,566	-	-	4,566
Intergovernmental revenues	<u>475,618</u>	<u>113,833</u>	<u>-</u>	<u>589,451</u>
Total revenues	<u>480,184</u>	<u>388,681</u>	<u>46,690</u>	<u>915,555</u>
<b>Expenditures</b>				
Current				
Public safety	-	388,681	-	388,681
Public works - highways and streets	482,338	-	-	482,338
Culture and recreation	<u>-</u>	<u>-</u>	<u>46,206</u>	<u>46,206</u>
Total expenditures	<u>482,338</u>	<u>388,681</u>	<u>46,206</u>	<u>917,225</u>
Excess (deficiency) of revenues over (under) expenditures	(2,154)	-	484	(1,670)
<b>Other financing sources (uses)</b>				
Transfers in	<u>915</u>	<u>-</u>	<u>-</u>	<u>915</u>
Net change in fund balances	<u>(1,239)</u>	<u>-</u>	<u>484</u>	<u>(755)</u>
<b>Fund balances</b>				
Beginning of year	<u>4,801</u>	<u>6,141</u>	<u>3,927</u>	<u>14,869</u>
End of year	<u>\$ 3,562</u>	<u>\$ 6,141</u>	<u>\$ 4,411</u>	<u>\$ 14,114</u>

See Independent Auditor's Report.

**Aston Township  
 Budgetary Comparison Schedule – Debt Service Fund  
 December 31, 2023**

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	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Budget Positive (Negative)</b>
<b>Revenues</b>			
Taxes and assessments			
Real estate taxes	\$ 543,684	\$ 561,513	\$ 17,829
Investment earnings	240,000	-	(240,000)
Total revenues	<u>783,684</u>	<u>561,513</u>	<u>(222,171)</u>
<b>Expenditures</b>			
Debt service			
Principal	873,000	873,000	-
Interest	702,160	742,717	(40,557)
Total expenditures	<u>1,575,160</u>	<u>1,615,717</u>	<u>(40,557)</u>
Excess of revenues (under) expenditures	(791,476)	(1,054,204)	(181,614)
<b>Other financing sources (uses)</b>			
Transfer in	<u>791,476</u>	<u>1,054,204</u>	<u>(262,728)</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ (444,342)</u>
<b>Fund balance</b>			
Beginning of year		<u>3,853</u>	
End of year		<u>\$ 3,853</u>	

See Independent Auditor's Report.

**Aston Township  
 Budgetary Comparison Schedule – Highway Aid Fund  
 Year Ended December 31, 2023**

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Revenues</b>			
Investment earnings	\$ -	\$ 4,566	\$ 4,566
Intergovernmental revenues - grants	<u>465,986</u>	<u>475,618</u>	<u>9,632</u>
Total revenues	<u>465,986</u>	<u>480,184</u>	<u>14,198</u>
<b>Expenditures</b>			
Current			
Public works - highways and streets	<u>465,986</u>	<u>482,338</u>	<u>(16,352)</u>
Total expenditures	<u>465,986</u>	<u>482,338</u>	<u>(16,352)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>(2,154)</u>	<u>(2,154)</u>
<b>Other financing sources (uses)</b>			
Transfers in	<u>-</u>	<u>915</u>	<u>(915)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,239)</u>	<u>\$ 1,239</u>
<b>Fund balance</b>			
Beginning of year		<u>4,801</u>	
End of year		<u>\$ 3,562</u>	

See Independent Auditor's Report.

**Aston Township  
 Budgetary Comparison Schedule – Capital Projects Fund  
 December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Revenues</b>			
Rent	\$ -	\$ 24,330	\$ 24,330
Investment earnings	1,000	599,383	598,383
Intergovernmental revenues	<u>150,000</u>	<u>250,000</u>	<u>100,000</u>
Total revenues	<u>151,000</u>	<u>873,713</u>	<u>722,713</u>
<b>Expenditures</b>			
Capital outlay			
Public safety	65,000	514,185	(449,185)
Public safety - highways and streets	192,000	375,968	(183,968)
Culture and recreation	100,000	-	100,000
Debt service			
Principal	<u>-</u>	<u>43,596</u>	<u>(43,596)</u>
Total expenditures	<u>357,000</u>	<u>933,749</u>	<u>(576,749)</u>
Excess of revenues (under) expenditures	(206,000)	(60,036)	1,299,462
<b>Other financing sources (uses)</b>			
Transfer in	<u>-</u>	<u>1,715,314</u>	<u>(1,715,314)</u>
Net change in fund balance	<u>\$ (206,000)</u>	1,655,278	<u>\$ (415,852)</u>
<b>Fund balance</b>			
Beginning of year		<u>9,402,015</u>	
End of year		<u>\$ 11,057,293</u>	

See Independent Auditor's Report.

**Aston Township  
 Budgetary Comparison Schedule – Fire Fund  
 December 31, 2023**

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Revenues</b>			
Property taxes	\$ 264,089	\$ 274,848	\$ 10,759
Intergovernmental revenues - grants	<u>88,000</u>	<u>113,833</u>	<u>25,833</u>
Total revenues	<u>352,089</u>	<u>388,681</u>	<u>36,592</u>
<b>Expenditures</b>			
Public safety	<u>352,089</u>	<u>388,681</u>	<u>(36,592)</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ 73,184</u>
<b>Fund balance</b>			
Beginning of year		<u>6,141</u>	
End of year		<u>\$ 6,141</u>	

See Independent Auditor's Report.

**Aston Township  
 Budgetary Comparison Schedule – Library Fund  
 December 31, 2023**

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Revenues</b>			
Property taxes	\$ 45,226	46,690	\$ 1,464
<b>Expenditures</b>			
Culture and recreation	45,226	46,206	(980)
Net change in fund balance	<u>\$ -</u>	484	<u>\$ 484</u>
<b>Fund balance</b>			
Beginning of year		<u>3,927</u>	
End of year		<u>\$ 4,411</u>	

See Independent Auditor's Report.

**Aston Township  
Budgetary Comparison Schedule – Sanitation Fund  
December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Operating revenues</b>			
Charges for services	\$ 1,410,500	\$ 1,420,775	\$ 10,275
<b>Operating expenditures</b>			
Salaries and wages	456,146	453,939	2,207
Employee benefits	166,752	135,831	30,921
Pension cost	-	30,397	(30,397)
Vehicle expense and fuel	123,472	67,668	55,804
Repairs and maintenance	-	71,988	(71,988)
Expenses - water management authorities	550,500	431,943	118,557
Capital lease program	45,000	-	45,000
Supplies	3,630	3,858	(228)
Recycling charges	65,000	57,700	7,300
Depreciation	-	46,275	(46,275)
Total operating expenditures	<u>1,410,500</u>	<u>1,299,599</u>	<u>110,901</u>
Operating income (loss)	-	121,176	121,176
<b>Nonoperating revenues</b>			
Intergovernmental revenue	-	86,719	86,719
Net change in net position	<u>\$ -</u>	207,895	<u>\$ 207,895</u>
<b>Net position</b>			
Beginning of year		<u>708,593</u>	
End of year		<u>\$ 916,488</u>	

See Independent Auditor's Report.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners of  
Aston Township:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Aston Township, Aston, 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, and have issued our report thereon March 21, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Withum Smith & Brown, PC*

March 21, 2025