



ANNUAL COMPREHENSIVE FINANCIAL REPORT

for Fiscal Year Ending
December 31, 2023

Prepared By:
Montgomery Township

Montgomery County, Pennsylvania

A thriving community of over 10 square miles, with over 26,000 residents and 1,400 businesses!

www.montgomerytp.org

*Over 77 acres dedicated to Professional Use
Over 297 acres dedicated to Commercial Use
Over 129 acres dedicated to Shopping Centers
15 parks which include natural areas, playgrounds, pavilions, athletic fields and courts, and places of reflection*

MONTGOMERY TOWNSHIP, PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Fiscal Year Ended December 31, 2023

Prepared by the Montgomery Township Finance Department

INTRODUCTORY SECTION

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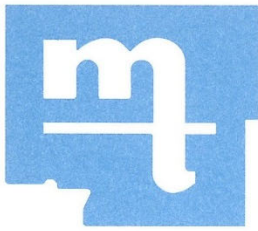
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**MONTGOMERY TOWNSHIP
BOARD OF SUPERVISORS**

1001 STUMP ROAD
MONTGOMERYVILLE, PA 18936-9605

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www.montgomerytwp.org

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CANDYCE FLUEHR CHIMERA
ANNETTE M. LONG
BETH A. STAAB
AUDREY R. WARE

CAROLYN McCREARY
TOWNSHIP MANAGER

June 20, 2024

To the Board of Supervisors and Citizens of Montgomery Township:

We are pleased to present to you the Annual Comprehensive Financial Report (ACFR) of Montgomery Township for the fiscal year ended December 31, 2023. The financial statements contained within the report are presented in accordance with generally accepted accounting principles by a firm of licensed certified public accountants.

This report was prepared by the Finance Department of Montgomery Township, which is responsible for the accuracy, completeness, and fairness of the data presented, including all disclosures. To the best of our knowledge, the information presented in this report is accurate in all material respects. It is reported in a manner designed to fairly represent the financial position and results of operations of the funds and component units of Montgomery Township. All disclosures necessary to enable the reader to understand Montgomery Township's activities have been included.

Maillie, LLP, a firm of licensed, certified public accountants, audits the Township's financial statements and has issued an unmodified ("clean") opinion on Montgomery Township's financial statements for the year ended December 31, 2023. The independent auditor's report is located at the front of the Financial Section of this report.

The purpose of this report is to provide readers with useful information concerning the Township's financial position and operations. Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Montgomery Township's MD&A can be found immediately following the independent auditors' report.

Profile of the Township

Montgomery Township is a 10.82-square-mile, rectangular-shaped community located in the North Penn area of eastern Montgomery County. The Township is located in Montgomery County, approximately 13 miles from the City of Philadelphia. Montgomery Township is a diverse and dynamic suburban cosmopolitan area with an excellent mix of housing and expanding employment opportunities, making it one of the most desirable communities in the region to live and work.

Incorporated in 1714, the Township was originally a rural-residential community but experienced rapid residential growth in the past 35 years, more than quadrupling its

population from 5,718 in 1980 to 25,862 in 2020 (Decennial Census). While primarily an affluent residential suburb of Philadelphia, the Township is a center for retail sales and has several major retail centers. There are three thriving industrial and manufacturing centers located in the Township: The Bethlehem Pike Industrial Center, Montgomeryville Industrial Center, and the Hartman Corporate Center. Montgomery retains its suburban character with a wide range of well-established residential neighborhoods despite a strong business presence.

The Township is governed by a five-member elected Board of Supervisors that serves as the Township's legislative and policymaking body. The board members are elected at large to staggered six-year terms. The Board of Supervisors is assisted by a full-time appointed Township Manager, who is responsible for the day-to-day operations of the Township.

The Township provides a full range of municipal services. The public safety programs include police, fire protection, building inspection, planning, zoning, emergency management, and code enforcement. Public works programs include street maintenance and repair, street lighting, snow removal, traffic signalization, street markings, storm sewer and stormwater basin maintenance, and maintenance of building and park facilities. In addition to the Community & Recreation Center, the Township owns and maintains numerous community and neighborhood parks and nature areas and holds an annual autumn festival and free concert in the park series.

Services in the Township are also provided by component units. Component units are legally separate entities for which Montgomery Township is financially accountable and are, therefore, included in this report. The following entities are considered component units of Montgomery Township for financial reporting purposes.

- The Montgomery Township Municipal Sewer Authority was established in 1986 to finance the Township's sewage collection and treatment facilities. A five-member board, appointed by the Township's Board of Supervisors, governs this Utility Authority.
- The volunteer Fire Department of Montgomery Township serves in combination with the Department of Fire Services to provide 24/7 fire protection services to the Township.

2023 Major Initiatives

In 2023, Montgomery Township provided a range of community events and initiatives that kept residents actively engaged. The Community & Recreation Center saw increased attendance, and the Police and Fire Departments organized numerous events such as National Night Out and children's camps. The township also adopted key ordinances, including those related to the 2018 International Fire Code and Fireworks, and established the Professional Standards position in the Police Department. The township's commitment to excellence was further recognized through its financial management, earning the AA+ Rating from S&P Global and several awards from the Government Finance Officers Association (GFOA).

Community Events:

- The Community & Recreation Center saw a steady increase in programming and attendance.
- The Police and Fire Departments hosted several community events and initiatives, including but not limited to:
 - o National Night Out
 - o Food Drives
 - o Fundraisers for Charitable Organizations
 - o Citizens Police Academy
 - o Jr. Police Academy
 - o Jr. Firefighter Camp
 - o Coffee with a Cop Events
 - o Drug Take Back Days
- The Shade Tree Commission held its Annual Arbor Day Tree Giveaway, and the Environmental Advisory Committee held its annual Electronics Recycling Event in April.
- The Summer Concert Series returned to the Community & Recreation Center, and they were well attended by the community.
- Staff engaged in Local Government Day, which involved interactive activities to demonstrate the role of local government departments to 100 second grade students from Montgomery Elementary, a local elementary school.
- During 2023, Montgomery Township hosted blood drives with the American Red Cross, resulting in 193 units of blood donated during these drives throughout the year.
- The Kids University Summer Camp provided a safe and engaging program for 160 children daily for 8 weeks.

Initiatives:

- The Montgomery Township Police Department introduced the new Professional Standards position, which was filled by a current Sergeant in the Department. The responsibilities associated with the Professional Standards position include maintaining high standards of conduct and performance

- within the department, ensuring compliance with policies, and managing internal investigations and training programs.
- The Board of Supervisors adopted an ordinance related to the 2018 International Fire Code and Fireworks, enhancing safety regulations for the use and display of fireworks in Montgomery Township.
 - Montgomery Township created a Special Events Coordinator position in the Recreation Department to increase the number of special events held for Montgomery Township residents.
 - Montgomery Township made significant strides in the Ready For 100 initiative, including partnering with an energy consultant to progress towards renewable energy goals and participating in a grant application for federal funding to install EV charging stations at key locations.
 - The Board of Supervisors approved Rectangular Rapid Flashing Beacon (RRFB) projects at Spring Valley and Windlestrae Parks to improve pedestrian walkability and safety at those locations. They also supported grants to the DCED Multimodal Transportation Fund Program and the Montgomery County Transportation Program for the installation of sidewalks and RRFBs along Stump Road.

Awards

- Montgomery Township Police Department renewed their Accreditation and status as a Premier Agency.
- Montgomery Township received the AA+ Rating from S&P Global.
- The Finance Department received the following GFOA awards:
 - o **Distinguished Budget Presentation Award:** For the 2023 Annual Budget, recognizing the Township's commitment to effective budget presentation.
 - o **Certificate of Achievement for Excellence in Financial Reporting:** For the 2021 Annual Comprehensive Financial Report, reflecting high standards in governmental accounting and financial reporting.
 - o **Outstanding Achievement in Popular Annual Financial Reporting (PAFR Award):** For the Popular Annual Financial Report for the fiscal year ending December 31, 2021, showcasing the Township's dedication to transparent and comprehensive financial reporting.

Local Economy

The Township has a thriving business community with employment estimated at over 19,000, based on the Township's Tax records, making the Township essentially a net importer of jobs. The economic growth in the Township has been driven in large part by business development and strong retail sales. The strength of the local economy can be judged by looking at trends in employment and business tax receipts.

While a downturn in the economy can have a significant impact on employment in municipalities with sizeable retail business centers such as Montgomery Township, the diversity of the Township's major employers and the variety of the Township's revenue streams allow the Township to continue to rank below the state and national averages for unemployment. Montgomery Township ranks as the 8th largest employment center in Montgomery County. As seen in the statistical section of this report, major employers in the Township include a manufacturing company, grocery stores, a construction services company, a large retail sector, and thriving restaurants. In addition to the strong and diverse employment foundation in the Township, the Board of Supervisors' fiscally conservative and progressive approach has given the Township a strong financial base to sustain itself through difficult times.

Earned Income Tax (EIT) continues to be the Township's largest revenue stream, about 38% of total revenues, with a steady growth rate of about 3.43% annually over the last five years. This indicates that township residents continue to earn higher incomes stemming from a stable, growing economy. 2023 saw an increase in EIT revenue of 0.25%.

The ability of the leadership of the Township to continue to be financially conservative and forward-thinking has created strength for the Township during the past few years of difficult economic times. While some of the Township's revenues are dependent upon a strong business community and real estate market, the Board has designed a revenue portfolio that is diversified and proportionate to ensure the stability of the budget during periods of economic downturns. This diversification was a supporting factor when Standard and Poor's issued the Township's AAA credit rating in 2023, the agency's highest rating, assigned to only a handful of municipalities in Pennsylvania.

Long-Term Financial Planning

The Board of Supervisors and Township staff are committed to providing value to the taxpayers by maintaining quality service levels and offering new benefits whenever the opportunity presents itself and the Township's fiscal position permits. To accomplish this, the Township regularly evaluates its revenue-generating strategy. The Township has also developed and maintains a multi-year Capital Investment Plan of capital assets and infrastructure improvements. Funding is established by annual allocations to ensure that resources are available in the Township's annual budgets to replace needed capital equipment, resurface deteriorated roadway surfaces, traffic improvements, park facilities, and other capital assets of the Township.

Also, as a part of sound fiscal planning, the Township has adopted the Government Finance Officers Association's recommendation of maintaining an unreserved fund balance in the general fund of no less than ten to fifteen percent of general fund operating revenues. The Township currently maintains a 41.36% unreserved fund balance in the General Fund.

Internal Controls

The management of the Township is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Township are protected from loss, theft, or misuse and for ensuring that adequate accounting data is compiled and maintained to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that the Township's objectives are met. The concept of reasonable assurance recognizes that:

1. The cost of a control should not exceed its benefit, and
2. The evaluation of cost and benefits requires estimates and judgments by management.

All internal accounting control evaluations occur within the above framework. We believe that the Township's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of transactions and maintenance of asset accountability.

In addition to the above controls, the Township maintains budgetary accounting controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Supervisors. Activities of all Township funds, including the General, Capital Reserve, Fire Protection, Park and Recreation, Basin Maintenance, Street Lights, Liquid Fuels, Fire Relief, Environmental, Replacement Tree, Autumn Festival, Park Development, Capital Projects, Restoration, and Debt Service Funds, are included in the annual appropriation budget, with the only exception being the pension trust funds. The annual budget process officially begins in August with the goal-setting conference between staff and the Township Manager. Throughout September and October, funding requests are submitted and reviewed in public workshop meetings with the Board of Supervisors, culminating with a public hearing and vote for adoption by the governing body in December. The Township's fiscal year begins on January 1st and ends on December 31st. All annual appropriations lapse at year-end.

Although the Township maintains the legal level of control established by law for its operating budget, the Board of Supervisors has also established an internal budgetary control system at the departmental level. Each department must operate within the annual departmental budget established by the Board of Supervisors.

The department maintains the level of budgetary control (i.e., the level at which expenditures cannot exceed the appropriated amount). Changes to the budget by transfer or supplemental appropriation can only be made after April 1st of the budget year in accordance with the Pennsylvania Second Class Township Code. The Board of Supervisors may increase the amount of any object in the budget through supplemental appropriation contingent upon available revenues. To aid departments in maintaining budgetary control, the Township maintains a purchase order and encumbrance accounting system.

As demonstrated by the statements and schedules included in the financial section of this report, the Township continues to meet its responsibility for sound financial management.

Awards and Acknowledgements

The Government Finance Officer Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Montgomery Township for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2022. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report (ACFR) continues to meet the Certificate of Achievement Program's requirements, and we are submitting the report to the GFOA to determine its eligibility for the certificate award.

Preparation of this report would have been impossible without the hard work of the Finance Department Staff, not just in the compilation of information at year-end but in maintaining the Township's financial records and fiscal control system throughout the year.

We greatly appreciate the ongoing support and guidance we receive from the Board of Supervisors.

Carolyn McCreary
Township Manager

Brian Shapiro
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Montgomery Township
Pennsylvania**

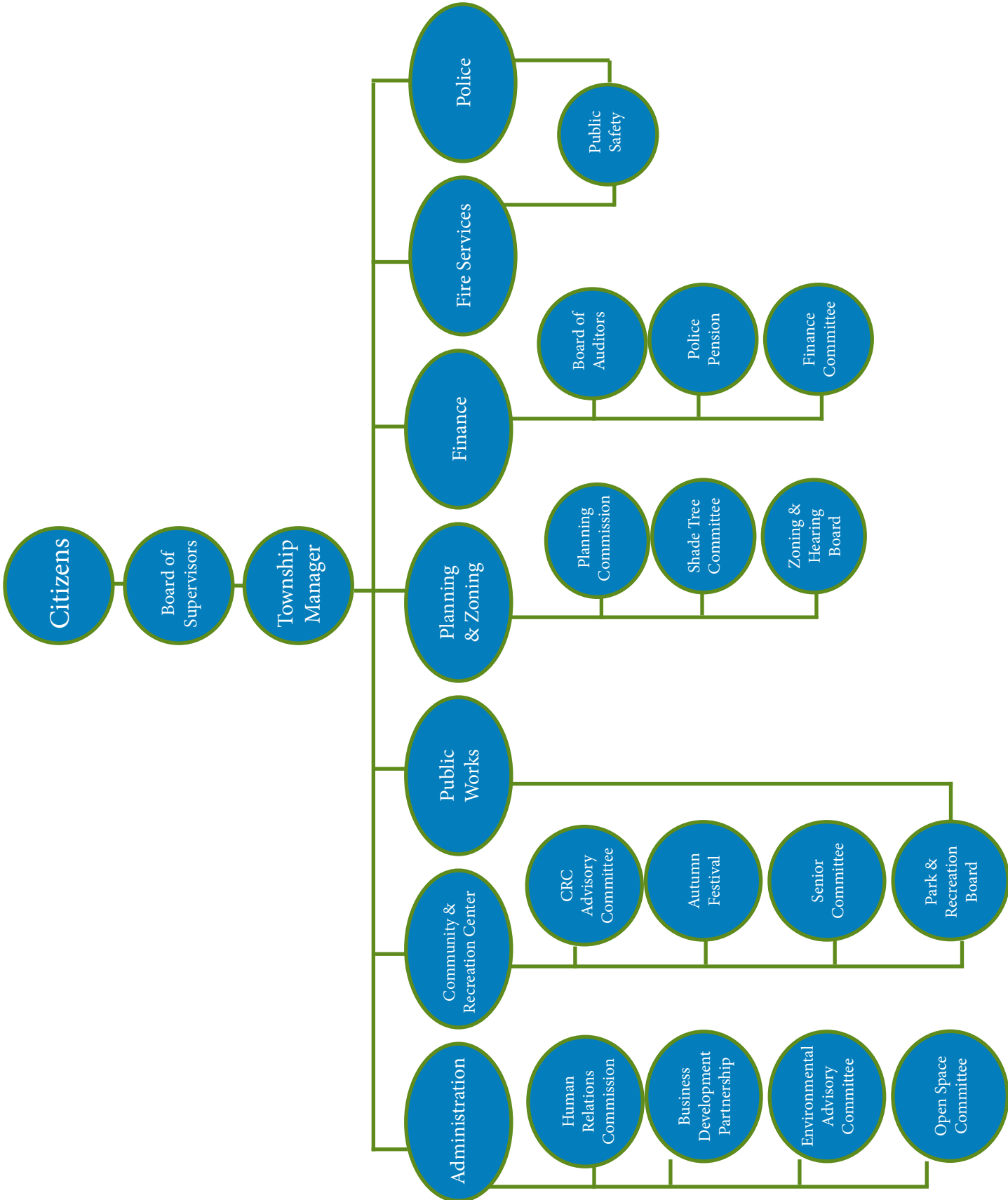
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

Organization Chart



PRINCIPAL OFFICIALS

AS OF DECEMBER 31, 2023
MONTGOMERY TOWNSHIP, PENNSYLVANIA

BOARD OF SUPERVISORS

Candyce Fluehr Chimera
Annette M. Long
Tanya C. Bamford
Beth A. Staab
Audrey R. Ware

Chairwomen
Vice Chairwomen

APPOINTED OFFICIALS

Carolyn McCreary, ICMA-CM
Erik Garton, P.E.
Sean Kilkenny, Esquire

Gilmore & Associates
Kilkenny Law

Township Engineer
Township Solicitor

MANAGEMENT OFFICIALS

J. Scott Bendig
Richard Grier
Marianne McConnell
Gregory Reiff
Floyd Shaffer
Brian Shapiro
William Wiegman

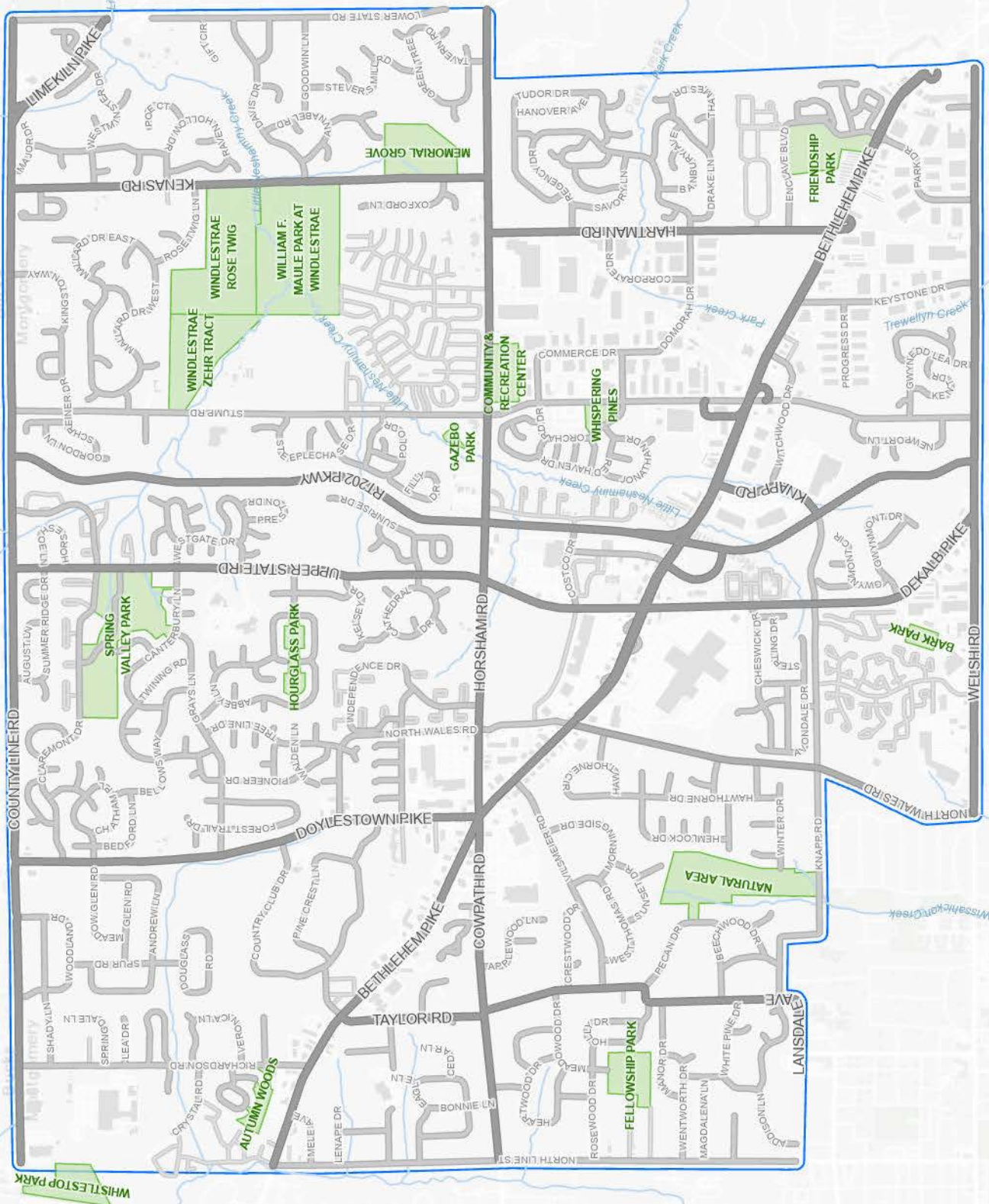
Chief of Police
Director of Information Technology
Director of Planning and Zoning
Director of Public Works
Director of Recreation & Community Center
Director of Finance
Fire Chief, Fire Marshal, Emergency Management
Coordinator, and EMS Coordinator

OTHERS

AndCo
Conrad Siegel Actuaries
Eckert Seamans Cherin & Mellott, LLC
Gilmore & Associates
Gilmore & Associates
Mary Kay Kelm, Esquire
TD Bank
Univest National Bank

Police Pension Plan Investment Advisor
Pension Plan Actuary
Labor Law Attorneys
Traffic Engineer
Landscape Engineer & Planning Consultant
Zoning Hearing Board Solicitor
Bank Depository
Bank Depository

Montgomery Township



FINANCIAL SECTION

Independent Auditors' Report

To the Board of Supervisors
Montgomery Township
Montgomeryville, Pennsylvania

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Montgomery Township as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Montgomery 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery Township, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Montgomery Township Municipal Sewer Authority (discretely presented component unit), which represents 99.3%, 99.3%, and 94.7%, respectively, of the assets, net position, and revenues of the component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Montgomery Township Municipal Sewer Authority, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Montgomery Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Prior Period Restatement

As disclosed in Note P to the basic financial statements, the Township restated its beginning of year capital assets on the government-wide financial statements to agree statement balances to the inputs within the Township's new financial management software system. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

To the Board of Supervisors
Montgomery Township
Montgomeryville, Pennsylvania

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 Montgomery 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risk. 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 Montgomery 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Montgomery Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 19i through 19xiii, budgetary comparison information on pages 66 and 67, pension plan information on pages 68 through 70, postemployment benefits other than pension funding progress on page 71 and trend data on infrastructure condition on pages 72 and 73 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

To the Board of Supervisors
Montgomery Township
Montgomeryville, Pennsylvania

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Montgomery Township's basic financial statements. The general fund schedule of revenues and other financing sources, general fund schedule of functional expenditures by activity and other financing uses, other governmental funds combining balance sheet and combining schedule of revenues, expenditures and changes in fund balances, capital reserve fund budgetary comparison schedule, nonmajor special revenue funds schedule of revenues, expenditures and changes in fund balances--budget and actual, nonmajor capital projects funds schedule of revenues, expenditures and changes in fund balances--budget and actual and nonmajor debt service fund schedule of revenues, expenditures and changes in fund balances--budget and actual are presented for purposes of additional analysis and are not required part of the basic financial statements.

The general fund schedule of revenues and other financing sources, general fund schedule of functional expenditures by activity and other financing uses, other governmental funds combining balance sheet and combining schedule of revenues, expenditures and changes in fund balances, capital reserve fund budgetary comparison schedule, nonmajor special revenue funds schedule of revenues, expenditures and changes in fund balances—budget and actual, nonmajor capital projects funds schedule of revenues, expenditures and changes in fund balances—budget and actual and nonmajor debt service fund schedule of revenues, expenditures and changes in fund balances—budget and actual is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditors' report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Limerick, Pennsylvania
June 20, 2024

MONTGOMERY TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2023

As management of Montgomery Township, Pennsylvania (the "Township"), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2023.

As with other sections of this financial report, the information contained within this Management Discussion & Analysis (MD&A) should be considered only a part of a greater whole. The reader of this statement should take time to read and evaluate all sections of this report, including the notes to the financial statements and the other required supplementary information that is provided in addition to this MD&A.

FINANCIAL HIGHLIGHTS

- The net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. The assets plus deferred outflows of resources of the Township's Governmental Activities exceeded liabilities plus deferred inflows of resources at year-end 2023 by \$138,618,839 (net position), an increase of \$371,670 as compared to 2022.
- Deferred outflows of resources, or the consumption of net assets in one period that are applicable to a future period, totaled \$3,045,851 in 2023 as compared to \$4,944,222 in 2022. A difference between projected and actual investment earnings made up 63.3% of deferred outflows in 2023.
- Deferred inflows of resources, or the acquisition of net assets in one period that are applicable to a future period, totaled \$1,942,875 in 2023 as compared to \$907,172 in 2022. A difference between expected and actual experience made up 61.1% of deferred inflows in 2023.
- The Township's Governmental Funds (Fund Financial Statements) reported combined ending balances for all funds of \$20,356,421 in 2023, a decrease of \$2,264,399 from 2022. In accordance with GASB 54, the General Fund ending balance of \$5,688,508 is unassigned and available for use according to the Township's fiscal policies. This balance represents 39.6% of total budgeted General Fund expenses for 2023. The remainder of the combined ending balances has been classified in accordance with the GASB 54 designations.
- The Township's Governmental Debt decreased by \$3,243,139, while the Business-Type Debt decreased by \$309,039 during 2023. Further debt information is detailed in Note D Long-Term Debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Township's annual financial report consists of several sections. Taken together, they provide a comprehensive financial view of the Township. The components of the report include the Independent Auditors' Report, Management's Discussion and Analysis, Government-Wide Financial Statements, Fund Financial Statements and Notes to the Basic Financial Statements. This report also contains other Required and Supplementary Information in addition to the basic Financial Statements.

MONTGOMERY TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2023

The independent auditors' report briefly describes the audit engagement and also renders an opinion as to the material components of the Township's financial position. Management's Discussion and Analysis (MD&A), prepared by Township management, provides a narrative introduction and overview that users of the financial statements need to interpret the basic financial statements. The MD&A also provides analysis of some key data that is presented in the basic financial statements. It also addresses any other currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

The basic financial statements include the Government-Wide Financial Statements (Statement of Net Position and Statement of Activities), Fund Financial Statements, Notes to the Basic Financial Statements and other Supplementary Information.

Note A in the Audit provides an overview of significant accounting policies including an explanation of the reporting entities, Fund Accounting and the Basis of Presentation and Accounting. This Note should be read in conjunction with this MD&A and the Financial Statements to assist the reader in understanding the audit report.

REPORTING THE TOWNSHIP AS A WHOLE

Statement of Net Position and Statement of Activities

Our analysis of the Township as a whole begins with the Statement of Net Position in accordance with GASB Statement No. 63. In these statements, we divide the Township into three kinds of activities:

- **Governmental Activities** - Most of the Township's basic services are reported here, including public safety, public works, parks and recreation and administration. Real estate tax, earned income tax, business taxes, fees and grants finance most of these activities.
- **Business-Type Activities** - The Township added a proprietary fund in 2013 to account for the activity of the Montgomery Township Community & Recreation Center, which opened to the public in October of 2015. The Community & Recreation Center is intended to recover all or a significant portion of its costs through user fees and charges.
- **Component Units** - The Township includes two separate legal entities in this report: The Montgomery Township Municipal Sewer Authority and the Fire Department of Montgomery Township, Inc. Although legally separate, these component units are important because the Township is financially responsible for them. Additional financial information regarding the Township's component units can be found in the Statement of Net Position and Statement of Activities of this report. Separately audited annual financial reports of these component units may be obtained from the Township's Finance Director.

MONTGOMERY TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2023

The following table focuses on the net position of the current fiscal year as compared to the prior fiscal year (Table 1).

Table 1
Condensed Statements of Net Position
December 31, 2023 and 2022

	Governmental Activities	
	2023	2022
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
ASSETS		
Cash and investments	\$ 23,609,102	\$ 25,210,702
Other assets	3,657,387	3,918,706
Capital assets	132,866,825	129,844,285
TOTAL ASSETS	<u>160,133,314</u>	<u>158,973,693</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	-	-
Deferred outflows related to pensions	2,173,362	4,017,611
Deferred outflows related to OPEB	802,083	852,499
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>2,975,445</u>	<u>4,870,110</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 163,108,759</u>	<u>\$ 163,843,803</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
LIABILITIES		
Other liabilities	\$ 4,291,002	\$ 3,951,499
Long-term debt outstanding	18,256,043	21,499,182
TOTAL LIABILITIES	<u>22,547,045</u>	<u>25,450,681</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	801,198	375,165
Deferred inflows related to OPEB	1,141,677	532,007
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,942,875</u>	<u>907,172</u>
NET POSITION		
Net investment in capital assets	124,403,036	130,133,785
Restricted	8,886,986	1,775,926
Unrestricted	5,328,817	5,576,239
TOTAL NET POSITION	<u>138,618,839</u>	<u>137,485,950</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 163,108,759</u>	<u>\$ 163,843,803</u>

Business-Type Activities		Component Units		Totals	
2023	2022	2023	2022	2023	2022
\$ -	\$ 271,754	\$ 14,645,861	\$ 15,520,211	\$ 38,254,963	\$ 41,002,667
(269,797)	(443,947)	683,418	658,482	4,071,008	4,133,241
9,028,730	9,269,461	25,867,319	25,483,794	167,762,874	164,597,540
<u>8,758,933</u>	<u>9,097,268</u>	<u>41,196,598</u>	<u>41,662,487</u>	<u>210,088,845</u>	<u>209,733,448</u>
70,406	74,112	-	-	70,406	74,112
-	-	-	-	2,173,362	4,017,611
-	-	-	-	802,083	852,499
<u>70,406</u>	<u>74,112</u>	<u>-</u>	<u>-</u>	<u>3,045,851</u>	<u>4,944,222</u>
<u>\$ 8,829,339</u>	<u>\$ 9,171,380</u>	<u>\$ 41,196,598</u>	<u>\$ 41,662,487</u>	<u>\$ 213,134,696</u>	<u>\$ 214,677,670</u>
\$ 54,606	\$ 29,871	\$ 560,928	\$ 489,355	\$ 4,906,536	\$ 4,470,725
7,237,677	7,546,716	36,460	41,654	25,530,180	29,087,552
<u>7,292,283</u>	<u>7,576,587</u>	<u>597,388</u>	<u>531,009</u>	<u>30,436,716</u>	<u>33,558,277</u>
-	-	-	-	801,198	375,165
-	-	-	-	1,141,677	532,007
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,942,875</u>	<u>907,172</u>
1,869,136	1,802,573	25,867,319	25,483,794	152,139,491	157,420,152
-	-	-	-	8,886,986	1,775,926
(332,080)	(207,780)	14,731,891	15,647,684	19,728,628	21,016,143
<u>1,537,056</u>	<u>1,594,793</u>	<u>40,599,210</u>	<u>41,131,478</u>	<u>180,755,105</u>	<u>180,212,221</u>
<u>\$ 8,829,339</u>	<u>\$ 9,171,380</u>	<u>\$ 41,196,598</u>	<u>\$ 41,662,487</u>	<u>\$ 213,134,696</u>	<u>\$ 214,677,670</u>

MONTGOMERY TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2023

Cash and investments represent 14.76% of the Total Governmental Assets and there was no cash or investments under the business type activities at fiscal year-end. Of the governmental cash and investments amount, \$5,634,873 is classified on Montgomery Township's fund financial statements as committed by the Montgomery Township Board of Supervisors in accordance with GASB 54 designations.

The largest portion of the Township's assets, 79.85%, reflects the Township's investment in capital assets (e.g., land, buildings, streets, equipment). The Township uses these capital assets to provide services to citizens; 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 pay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 2 is a condensed Statement of Activities for all Governmental Activities for the current fiscal year as compared to the prior fiscal year and shows changes in net position from the prior fiscal year to the current fiscal year for the Township's Governmental Activities and Component Units. In 2023, total revenues (including transfers) exceeded total expenditures by \$371,670 for all Governmental Activities resulting in an increase in net position. The increase in net position from 2022 to 2023 was a result of maintaining diversified, stable revenues with controlled expenses. In 2022 the millage rate was increased by 1.00 mill, which generated an estimated \$1.9 million in additional Real Estate Tax revenue.

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MONTGOMERY TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2023

Table 2
Changes in Net Position
Years Ended December 31, 2023 and 2022

	2023			Totals
	Governmental Activities	Business-Type Activities	Component Units	
REVENUES				
Program revenues				
Charges for services	\$ 1,530,755	\$ 766,044	\$ 6,380,164	\$ 8,676,963
Operating grants and contributions	1,948,445	5,605	407,342	2,361,392
Capital grants and contributions	-	-	283,714	283,714
General revenues				
Taxes	17,321,467	140,000	-	17,461,467
Investment income	647,333	388	488,963	1,136,684
Gain on sale of capital assets	-	-	-	-
TOTAL REVENUES	<u>21,448,000</u>	<u>912,037</u>	<u>7,560,183</u>	<u>29,920,220</u>
EXPENSES				
Operating				
General government	3,607,076	-	-	3,607,076
Public safety	10,839,257	-	-	10,839,257
Sanitation	51,928	-	-	51,928
Highways and streets	2,619,622	-	-	2,619,622
Culture and recreation	1,689,132	-	-	1,689,132
Sewer Authority	-	-	7,675,655	7,675,655
Fire Department	-	-	416,796	416,796
Recreation center	-	1,396,269	-	1,396,269
Interest on long-term debt	250,416	-	-	250,416
Depreciation, unallocated	1,519,910	-	-	1,519,910
Loss on disposal of capital assets	72,494	-	-	72,494
TOTAL EXPENSES	<u>20,649,835</u>	<u>1,396,269</u>	<u>8,092,451</u>	<u>30,138,555</u>
CHANGE IN NET POSITION BEFORE TRANSFERS	798,165	(484,232)	(532,268)	(218,335)
TRANSFERS	<u>(426,495)</u>	<u>426,495</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	371,670	(57,737)	(532,268)	(218,335)
NET POSITION, BEGINNING, RESTATED*	<u>138,247,169</u> *	<u>1,594,793</u>	<u>41,131,478</u>	<u>180,973,440</u>
NET POSITION, ENDING	<u>\$ 138,618,839</u>	<u>\$ 1,537,056</u>	<u>\$ 40,599,210</u>	<u>\$ 180,755,105</u>

2022

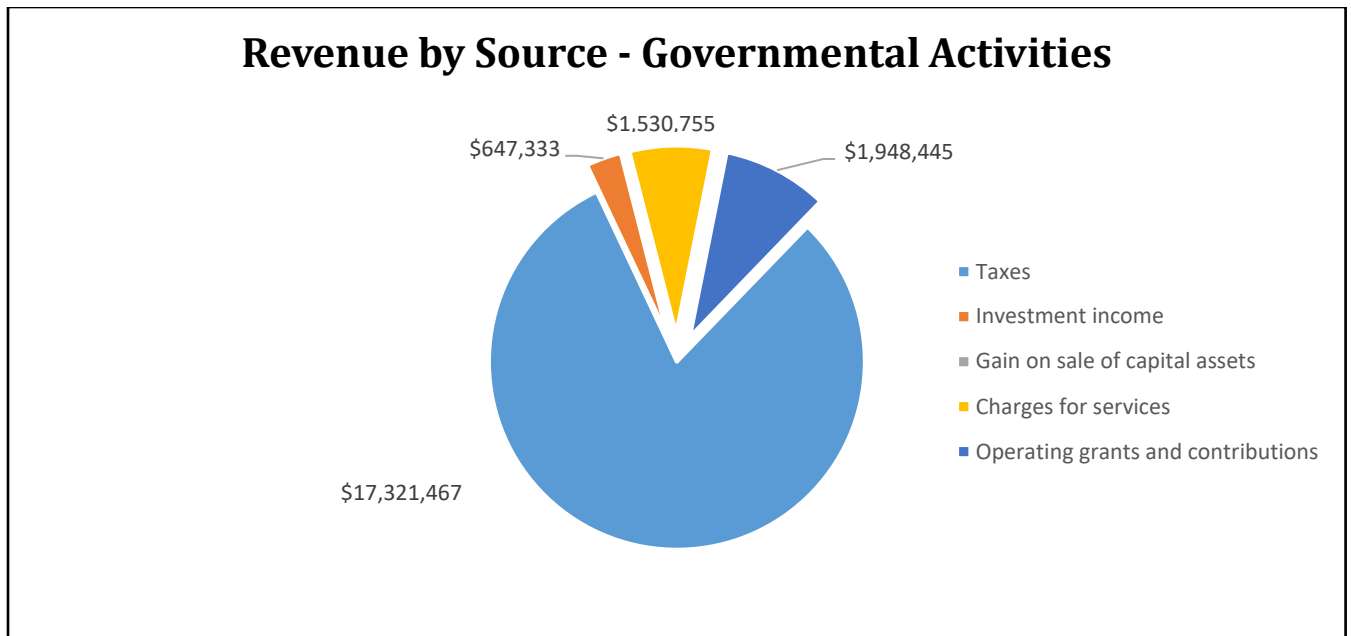
Governmental Activities	Business-Type Activities	Component Units	Totals
\$ 1,522,739	\$ 693,809	\$ 7,044,384	\$ 9,260,932
1,726,055	-	188,535	1,914,590
-	-	-	-
18,553,486	140,000	-	18,693,486
184,310	-	116,054	300,364
142,958	-	-	142,958
<u>22,129,548</u>	<u>833,809</u>	<u>7,348,973</u>	<u>30,312,330</u>
3,251,407	-	-	3,251,407
10,480,983	-	-	10,480,983
-	-	-	-
2,416,403	-	-	2,416,403
478,753	-	-	478,753
-	-	7,188,952	7,188,952
-	-	176,944	176,944
-	1,390,620	-	1,390,620
257,091	-	-	257,091
1,291,267	-	-	1,291,267
-	-	-	-
<u>18,175,904</u>	<u>1,390,620</u>	<u>7,365,896</u>	<u>26,932,420</u>
3,953,644	(556,811)	(16,923)	3,379,910
<u>(781,302)</u>	<u>781,302</u>	<u>-</u>	<u>-</u>
3,172,342	224,491	(16,923)	3,379,910
<u>134,313,608</u>	<u>1,370,302</u>	<u>41,148,401</u>	<u>176,832,311</u>
<u>\$ 137,485,950</u>	<u>\$ 1,594,793</u>	<u>\$ 41,131,478</u>	<u>\$ 180,212,221</u>

MONTGOMERY TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2023

Governmental Activities

The Township generates revenues from a variety of sources. Total revenues for Governmental Activities for fiscal year 2023 were \$21,448,000 compared to \$22,129,548 in 2022, a decrease of \$681,548. The Township realized an increase in the taxes revenue categories for 2023. Revenues by source were as follows:

Governmental Activities Revenues From Statement of Activities				
Revenue	2023		2022	
	Amount	% of Total	Amount	% of Total
Taxes	\$ 17,321,467	80.76%	\$ 18,553,486	83.84%
Investment income	647,333	3.02%	184,310	0.83%
Gain on sale of capital assets	-	0.00%	142,958	0.65%
Charges for services	1,530,755	7.14%	1,522,739	6.88%
Operating grants and contributions	1,948,445	9.08%	1,726,055	7.80%
	<u>\$ 21,448,000</u>	<u>100.00%</u>	<u>\$ 22,129,548</u>	<u>100.00%</u>



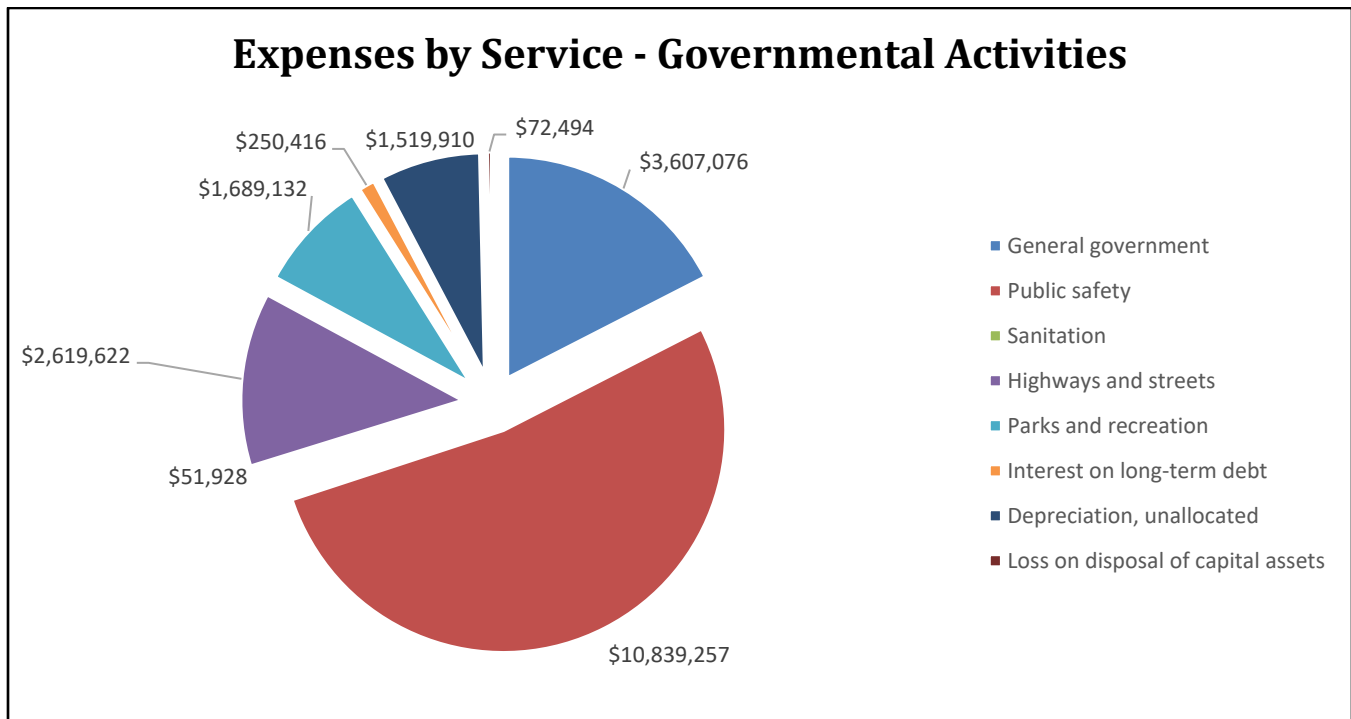
MONTGOMERY TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2023

The Township's Governmental Activities expenses consist of operating departments including Police, Fire, Public Works, Planning, Parks and Recreation, Finance and Administration. Total expenses for governmental activities for fiscal year 2023 were \$20,649,835, compared to \$18,175,904 in expenses in 2022, an increase of \$2,473,931. This increase is primarily attributable to increased expenses in General Government, Public Safety, and Highways and Streets. Details are shown in the table below.

Expenses	2023		2022	
	Amount	% of Total	Amount	% of Total
General government	\$ 3,607,076	17.47%	\$ 3,251,407	17.89%
Public safety	10,839,257	52.49%	10,480,983	57.66%
Sanitation	51,928	0.25%	-	0.00%
Highways and streets	2,619,622	12.69%	2,416,403	13.29%
Parks and recreation	1,689,132	8.18%	478,753	2.63%
Interest on long-term debt	250,416	1.21%	257,091	1.41%
Depreciation, unallocated	1,519,910	7.36%	1,291,267	7.12%
Loss on disposal of capital assets	72,494	0.35%	-	0.00%
	<u>\$ 20,649,835</u>	<u>100.00%</u>	<u>\$ 18,175,904</u>	<u>100.00%</u>



MONTGOMERY TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

The 2023 General Fund budget, including transfers, reflected a balanced budget of \$14,369,000. Actual revenues, particularly Earned Income and Mercantile/Business Privilege Taxes, exceeded budgeted estimates by \$2,658,961. Total expenditures, mainly in Interfund Transfer Out (\$3,300,000), resulted in actual expenses above budget by \$3,642,939. The unbudgeted transfer to the Capital Reserve resulted in a deficit of \$1,353,366. This unbudgeted transfer was a result of the General Fund balance being higher than the Township's Fund Balance Policy. The General Fund balance at the end of the year 2023 is \$5,779,557.

The 2023 General Fund budget reflected budgeted revenues of \$14,024,612 and expenditures of \$14,369,000 to create a deficit of \$344,388. Actual revenues exceeded budgeted estimates by \$2,658,961. In particular, Taxes exceeded budgeted estimates by \$1,726,027. The biggest contributors to the overage were Earned Income and Mercantile/business Privilege Taxes, which exceeded budgeted estimates by \$1,538,225. All other tax revenue categories slightly exceeded budgeted estimates as well. Licenses and Permits exceeded budgeted estimates by \$217,112. The biggest contributor of the overage was Building Permits which exceeded budgeted estimates by \$115,848. Nearly all other licenses and permits revenue categories slightly exceeded budgeted estimates except for Street Opening Permits, which were under budgeted estimates of \$2,540. Intergovernmental Revenues exceeded budgeted estimates by \$218,551. This was due to reclassifying the Foreign Fire Tax to the General Fund. Other intergovernmental revenue categories, such as Public Utility Realty Tax and State Pension Aid, were over budgeted estimates by \$1,142 and \$137,691. Charges for Services were over budgeted estimates by \$33,292.

Actual expenditures exceeded budgeted estimates by \$3,642,939. General Government was over budgeted estimates by \$414,326. This was primarily due to Administration expenditures being over budget by \$795,663. Public Safety was under budgeted estimates by \$273,307. This was primarily due to Police Services being under budget by \$273,307. Other public safety categories were slightly over budgeted estimates. Highways and Streets exceeded budgeted estimates by \$86,425. This was primarily due to the overages in Public Works in the amount of \$136,959. Transfers out were budgeted for \$25,000. Actual transfers out were \$3,440,495, which is an over-budgeted estimate of \$3,415,495. The \$3,300,000 unbudgeted transfer to the Capital Reserve Fund was based on adherence to the General Fund's Fund Balance Policy and to aid in the funding the Township's Capital Investment Plan.

Despite an overall budgeted deficit of \$344,388 for 2023, the Township underperformed the budget with a deficit of \$1,353,366. This resulted in an ending General Fund balance of \$5,779,557 and allowed the Township to continue to adhere to the Board's policy of retaining a minimum General Fund balance of 15-20% of General Fund expenses. The 2022 Budget included a one (1) mill Real Estate Tax increase, the first millage increase since 2006. The increase was to fund costs related to fire services, parks, and debt service. Without this increase in revenue, the Township could not transfer dollars for fire services, parks, and debt service without completely depleting its reserves and potentially cutting back on some services in 2023 and beyond.

CAPITAL ASSETS

Montgomery Township's investment in capital assets for its Governmental Activities as of December 31, 2023, totaled \$132,866,825 (net of accumulated depreciation), an increase of \$3,022,540 from 2022. This increase was the result of new Capital Assets, comprised mostly of a land purchase, infrastructure improvements, and the purchase of new fire trucks in 2023.

MONTGOMERY TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED DECEMBER 31, 2023

The Township's investment in capital assets includes land, buildings and improvements, equipment, vehicles, land improvements and infrastructure (see Table 3 below). Infrastructure includes roads, curbs and sidewalks, bridges, storm sewer lines, street lights and traffic signals. Property, plant and equipment and certain infrastructure assets, are depreciated using the straight-line method.

The Township has adopted an alternative process for recording depreciation on certain infrastructure assets. Under this alternative method, referred to as the modified approach, the Township expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 73.92 lane miles of local roads, 776,540 linear feet of curbs and 3,057,389 square feet of sidewalks.

In order to utilize the modified approach, the Township is required to perform condition assessments of eligible assets and summarize the results using a measurement scale, estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the Township, and document that the assets are being preserved approximately at or above the established condition level. The Township's policy is that no more than 20% of local road pavements and curbs/sidewalks will have a condition rating as "poor" or "very poor". However, the current condition level will always exceed this targeted condition level due to the Township's 16-Year Road Plan, which plans and budgets to replace all surfaces before they start to show signs of distress. Additional information on the Township's capital assets can be found in Notes A and C to the financial statements

Table 3
Capital Assets at Year-End (Net of Depreciation)
December 31, 2023 and 2022

	2023			
	Governmental Activities	Business-Type Activities	Component Units	Totals
CAPITAL ASSETS NOT BEING DEPRECIATED				
Land	\$ 14,454,321	\$ -	\$ 673,095	\$ 15,127,416
Infrastructure	95,676,688	-	-	95,676,688
Construction in progress	-	-	748,622	748,622
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>110,131,009</u>	<u>-</u>	<u>1,421,717</u>	<u>111,552,726</u>
CAPITAL ASSETS BEING DEPRECIATED				
Buildings and improvements	10,749,350	10,832,609	37,077,410	58,659,369
Land improvements	1,321,762	-	-	1,321,762
Infrastructure	15,698,142	-	22,448,361	38,146,503
Machinery and equipment	12,830,731	1,256,959	3,636,999	17,724,689
TOTAL CAPITAL ASSETS BEING DEPRECIATED	40,599,985	12,089,568	63,162,770	115,852,323
Accumulated depreciation	<u>(17,864,169)</u>	<u>(3,060,838)</u>	<u>(38,717,168)</u>	<u>(59,642,175)</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	<u>22,735,816</u>	<u>9,028,730</u>	<u>24,445,602</u>	<u>56,210,148</u>
TOTAL CAPITAL ASSETS, net	<u>\$ 132,866,825</u>	<u>\$ 9,028,730</u>	<u>\$ 25,867,319</u>	<u>\$ 167,762,874</u>

2022			
Governmental Activities	Business-Type Activities	Component Units	Totals
\$ 14,671,783	\$ -	\$ 673,095	\$ 15,344,878
95,686,704	-	-	95,686,704
<u>-</u>	<u>-</u>	<u>659,782</u>	<u>659,782</u>
<u>110,358,487</u>	<u>-</u>	<u>1,332,877</u>	<u>111,691,364</u>
11,202,766	10,797,929	36,824,112	58,824,807
987,749	-	-	987,749
12,568,073	-	20,700,016	33,268,089
<u>11,628,395</u>	<u>1,254,074</u>	<u>3,022,755</u>	<u>15,905,224</u>
36,386,983	12,052,003	60,546,883	108,985,869
<u>(16,901,185)</u>	<u>(2,782,542)</u>	<u>(36,395,966)</u>	<u>(56,079,693)</u>
<u>19,485,798</u>	<u>9,269,461</u>	<u>24,150,917</u>	<u>52,906,176</u>
<u>\$ 129,844,285</u>	<u>\$ 9,269,461</u>	<u>\$ 25,483,794</u>	<u>\$ 164,597,540</u>

MONTGOMERY TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2023

FINANCIAL ANALYSIS OF THE TOWNSHIP'S OTHER GOVERNMENTAL FUNDS

The focus of the Township's Governmental Funds is to provide information on near term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Township's financial requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of year 2023.

As of the close of the 2023 fiscal year, the Township reported combined ending balances for all Governmental Funds of \$20,356,421 a decrease of \$2,264,399 from 2022. In 2020 the Township issued a G.O. Bond in the amount of \$15M for the purpose of capital infrastructure projects. In 2023 the Township expensed \$6.05M from the Capital Reserve Fund which contributed to the decrease in Governmental Fund balance. Of this ending balance amount, \$8,886,986 or 43.66% is restricted by the Board of Supervisors for uses such as Stormwater/NPDES projects, capital equipment replacement plans, road paving, acquisition of open space, and traffic improvements. Approximately 27.94%, or \$5.69M, is unassigned in the General Fund and available for use in accordance with the Township's fiscal policies. Along with the General Fund, the Township's Governmental Funds category includes a variety of funds with annual activities. The following is a summary of that activity, including individual fund balances, for each of these additional funds.

Fire Protection Fund - 03. Expenditures for the Department of Fire Services for 2023 were \$1.6M. Revenues for 2023 were \$1.7M. The fund posted a surplus of \$103K for the year and ended the year with a positive fund balance of \$656K. The primary reason for the surplus was an increase of 0.39 mills in the Real Estate Tax. The increase in millage was to support the increase in staffing by two (2) full-time employees since 2021.

Park and Recreation Fund - 04. Expenditures for the Park and Recreation Fund for 2023 were \$423K; revenues were \$556K. The fund posted a surplus of \$133K for the year and ended the year with a positive fund balance of \$880K. The Township increased this fund's Real Estate Tax millage by 0.03 mills in 2022. The Township collected \$10K more in Real Estate Taxes than budgeted, and actual expenditures were \$133K under budget, which contributed to the net increase in fund balance.

Street Light Fund - 02. Expenditures for the Street Light Fund for 2023 were \$72K and revenues were \$144K. The fund posted a surplus of \$72K for the year and ended the year with a fund balance of \$346K. The Township converted streetlights to LED in 2019 which has resulted in lower energy cost.

Debt Service Fund - 23. Expenditures for the Debt Service Fund for 2023 were \$655K and revenues were \$1M and net transfers out were \$311K. The fund posted a surplus of \$73K and ended the year with a fund balance of \$81K. Further details regarding the Township's total debt can be viewed in Note D of the Financial Statements. A 0.37 mill Real Estate Tax increase was dedicated to this fund because of the new G.O. Bond issuance in 2021. Those proceeds will be used to fund the Township's Capital Investment Plan.

Capital Reserve Fund - 30. Expenditures for the Capital Reserve Fund for 2023 were \$6.05M for budgeted capital construction projects and capital equipment purchases. Revenues for this fund were \$621K and interfund transfers in of \$3.5M. The fund balance in this fund is comprised of assigned and committed funds totaling \$9.8M.

Park and Recreation Capital Fund - 31. The Park Development Fund had expenditures of \$564,000 in 2023. Revenues to this fund were \$25K, mostly from developer contributions during 2023. The fund posted a surplus of \$6K for the year and ended the year with a positive fund balance of \$354K.

MONTGOMERY TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2023

Highway Aid Fund - 35. Expenditures from the Liquid Fuels Fund for 2023 were \$94K and revenues for 2023 were \$748K. The fund posted a surplus of \$654K for the year and ended with a positive fund balance of \$1.8M.

Liquid fuel revenues are a portion of the State's Fuel Tax paid on liquid fuels when purchased retail at the pump. The funds are allocated to municipalities statewide based on population and lane miles of roadways maintained by the Township. The expenses from this fund are for Liquid Fuel Fund eligible expenses associated with the annual street resurfacing program.

Environmental Fund—80. The Environmental Fund's expenses for 2023 were \$52K, and revenues were \$2K, consisting of interest earnings on the fund balance. The fund's expenses in 2023 were for the Township's recycling collection costs, including the costs for the bi-annual curbside leaf collection program. \$200K was transferred to the Replacement Tree Fund. The fund posted a deficit of \$250K for the year and ended the year with a positive fund balance of \$156K.

Replacement Tree Fund - 05. Expenditures for the Replacement Tree Fund for 2023 were \$28K, and revenues were \$10K. Funding for the Replacement Tree Fund comes from contributions from developers under "fee in lieu of" provisions of the Land Development Ordinance. The fund posted a surplus of \$182K for the year and ended the year with a positive fund balance of \$395K. \$200K was transferred in from the Environmental Fund.

Autumn Festival Fund - 40. Expenditures for the Autumn Festival Fund for 2023 were \$23K, and revenues were \$45K. Expenditures from this fund pay for the expenses of the annual Autumn Festival held each year in October. Revenues consist of voluntary community contributions, a township contribution, and fees collected at the event. The fund posted a surplus of \$47K for the year and ended with a positive fund balance of \$55K. The 2023 Autumn Festival Fund was canceled due to weather and was rescheduled for the 2024 Memorial Day weekend.

MONTGOMERY TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2023

LONG-TERM DEBT

At year-end, the Township had \$14,223,000 of outstanding debt for governmental activities and \$7,230,000 outstanding debt for business-type activities for the Community & Recreation Center. This debt is secured by the full faith and credit of the Township's taxing authority.

The current debt obligation of the Township is approximately 28.22% of the Township's available legal borrowing capacity, which was calculated using year ending December 31, 2023, data. This again evidences the Township's fiscally responsible approach to funding Capital Improvement projects.

Table 4
Outstanding Debt at Year-End

	<u>2023</u>	<u>2022</u>
GOVERNMENTAL ACTIVITIES		
2021A Series Note	\$ <u>14,223,000</u>	\$ <u>14,615,000</u>
BUSINESS-TYPE ACTIVITIES		
2021 Series Note	\$ <u>7,230,000</u>	\$ <u>7,541,000</u>

Additional information on Montgomery Township's debt can be found in Note D to the financial statements.

2024 BUDGET OVERVIEW

The 2024 Budget includes \$22M in operating expenditures over nine governmental funds, reflecting a 14.04% increase from the 2023's Budget. This spending plan will allow Montgomery Township to continue to provide municipal services and programs at existing levels. The 2024 included a millage rate increase of 0.45 mills. It is estimated that this will generate an additional \$850,000 annually to be used to fund the Township's Capital Investment Plan.

The Township's nine governmental funds include costs to provide typical governmental functions. The 2024 General Fund Budget includes expenditures of \$15.7M, representing a 9.58% increase over 2023's Budget.

MONTGOMERY TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2023

General Fund Revenue Budget

- **Real Estate Tax:** The 2024 Montgomery Township Real Estate Tax is based on an anticipated total assessed value of \$2,168,835,824. The Real Estate Tax millage for the General Fund is 1.59 mills and is estimated to generate \$3.0M.
- **Earned Income Tax:** An Earned Income Tax was implemented in 2003 at a rate of 1.0% of earned income on resident and non-residents. It is estimated that this tax will generate \$6.0M in 2024.
- **Real Estate Transfer Tax:** The Real Estate Transfer Tax is levied at ½ of 1% of the value of all real estate that transfer within Montgomery Township. Revenue from this tax peaked in 2022 at \$1.9M. The ten-year average is \$1M, with an average of 534 properties transferring ownership. This line item is expected to bring in approximately \$900K in 2024.
- **Mercantile/Business Privilege Tax:** The Business Privilege Tax is levied at 1 ½ (1.50) mills on each dollar of the gross volume of business. The Mercantile Tax is levied at 1 ½ (1.50) mills on each dollar of the gross volume of business. Generally speaking, "gross receipts" or "gross volume of business" upon which the tax is imposed is the value of all cash, credits, or property received by a business and is undiminished by any costs of doing business. Combined these two line items are expected to generate \$3.3M in revenues in 2024.

General Fund Expenditure Budget

- The primary expenditure category in the General Fund is Police Services at \$8.1M or 51.53% of the General Fund operating budget. This category consists mainly of personnel costs (95.42% or \$7.8M) for the Township's police services. As of December 2023, there are 38 sworn officers and 9 non-uniform personnel.
- Other significant expenditure categories in the 2023 General Fund include Public Works (12.68%, \$2.0M), Administration (6.41%, \$1M), Code Enforcement (3.86%, \$609K), and Finance (3.33%, 526K).

The complete 2024 Budget and Capital Investment Plan is available for review on the Montgomery Township website at www.montgomerytp.org.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Township's finances and to show the Township's accountability for the funds it receives and disburses. If you have questions about this report or to request additional financial information (to include component units), please contact the Director of Finance at 1001 Stump Road, Montgomeryville, PA 18936-9605.

MONTGOMERY TOWNSHIP
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Totals	Sewer Authority	Fire Department
ASSETS					
Cash and cash equivalents	\$ 23,609,102	\$ -	\$ 23,609,102	\$ 5,881,830	\$ 97,190
Investments	-	-	-	8,550,000	116,841
Taxes receivable	3,043,951	-	3,043,951	-	-
Accounts receivable	241,188	-	241,188	671,775	-
Due from other governments	702	-	702	-	-
Prepaid items	101,749	-	101,749	11,643	-
Internal balances	269,797	(269,797)	-	-	-
Capital assets					
Property, plant and equipment, Sewer Authority	-	-	-	25,810,819	-
Depreciable capital assets	22,735,816	9,028,730	31,764,546	-	56,500
Nondepreciable capital assets	110,131,009	-	110,131,009	-	-
TOTAL ASSETS	160,133,314	8,758,933	168,892,247	40,926,067	270,531
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on refunding	-	70,406	70,406	-	-
Deferred outflows related to pensions	2,173,362	-	2,173,362	-	-
Deferred outflows related to OPEB	802,083	-	802,083	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,975,445	70,406	3,045,851	-	-
LIABILITIES					
Accounts payable and accrued expenses	1,255,129	43,526	1,298,655	560,928	-
Accrued payroll	480,804	11,080	491,884	-	-
Unearned revenue	2,555,069	-	2,555,069	-	-
Long-term liabilities					
Portion due or payable within one year					
Notes payable	399,000	315,000	714,000	-	-
Compensated absences	20,117	767	20,884	-	-
Total OPEB liability	181,548	-	181,548	-	-
Portion due or payable after one year					
Notes payable	13,824,000	6,915,000	20,739,000	-	-
Compensated absences	181,055	6,910	187,965	36,460	-
Net pension liability	200,860	-	200,860	-	-
Total OPEB liability	3,449,463	-	3,449,463	-	-
TOTAL LIABILITIES	22,547,045	7,292,283	29,839,328	597,388	-
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	801,198	-	801,198	-	-
Deferred inflows related to OPEB	1,141,677	-	1,141,677	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,942,875	-	1,942,875	-	-
NET POSITION					
Net investment in capital assets	124,403,036	1,869,136	126,272,172	25,810,819	56,500
Restricted					
Capital projects	5,410,992	-	5,410,992	-	-
Providing and maintaining street lights	345,570	-	345,570	-	-
Debt service	80,731	-	80,731	-	-
Park and recreation capital projects	353,679	-	353,679	-	-
Highway and street projects	1,815,668	-	1,815,668	-	-
Environmental	-	-	-	-	-
Park and recreation activities	880,346	-	880,346	-	-
Unrestricted	5,328,817	(332,080)	4,996,737	14,517,860	214,031
TOTAL NET POSITION	\$ 138,618,839	\$ 1,537,056	\$ 140,155,895	\$ 40,328,679	\$ 270,531

See accompanying notes to the basic financial statements.

MONTGOMERY TOWNSHIP
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES				
General government	\$ 3,607,076	\$ 1,308,695	\$ 388,807	\$ -
Public safety	10,839,257	217,601	466,328	-
Sanitation	51,928	-	-	-
Highways and streets	2,619,622	3,776	1,093,310	-
Culture and recreation	1,689,132	683	-	-
Interest on long-term debt	250,416	-	-	-
Depreciation, unallocated	1,519,910	-	-	-
Loss on disposal of capital assets	72,494	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	20,649,835	1,530,755	1,948,445	-
BUSINESS-TYPE ACTIVITIES				
Recreation center	1,396,269	766,044	5,605	-
TOTAL PRIMARY GOVERNMENT	\$ 22,046,104	\$ 2,296,799	\$ 1,954,050	\$ -
COMPONENT UNITS				
Sewer Authority	\$ 7,675,655	\$ 6,380,164	\$ -	\$ 283,714
Fire Department	416,796	-	407,342	-
TOTAL COMPONENT UNITS	\$ 8,092,451	\$ 6,380,164	\$ 407,342	\$ 283,714
GENERAL REVENUES				
Taxes				
Earned income tax				
Real property tax				
Real estate transfer taxes				
Business privilege and mercantile tax				
Miscellaneous taxes				
Investment income (loss)				
TRANSFERS				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
NET POSITION AT BEGINNING OF YEAR, RESTATED*				
NET POSITION AT END OF YEAR				

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Totals	Sewer Authority	Fire Department
\$ (1,909,574)	\$ -	\$ (1,909,574)	\$ -	\$ -
(10,155,328)	-	(10,155,328)	-	-
(51,928)	-	(51,928)	-	-
(1,522,536)	-	(1,522,536)	-	-
(1,688,449)	-	(1,688,449)	-	-
(250,416)	-	(250,416)	-	-
(1,519,910)	-	(1,519,910)	-	-
<u>(72,494)</u>	<u>-</u>	<u>(72,494)</u>	<u>-</u>	<u>-</u>
(17,170,635)	-	(17,170,635)	-	-
<u>-</u>	<u>(624,620)</u>	<u>(624,620)</u>	<u>-</u>	<u>-</u>
<u>(17,170,635)</u>	<u>(624,620)</u>	<u>(17,795,255)</u>	<u>-</u>	<u>-</u>
			(1,011,777)	-
			<u>-</u>	<u>(9,454)</u>
			<u>(1,011,777)</u>	<u>(9,454)</u>
6,737,356	140,000	6,877,356	-	-
5,115,344	-	5,115,344	-	-
908,380	-	908,380	-	-
3,674,464	-	3,674,464	-	-
885,923	-	885,923	-	-
647,333	388	647,721	492,112	(3,149)
<u>(426,495)</u>	<u>426,495</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>17,542,305</u>	<u>566,883</u>	<u>18,109,188</u>	<u>492,112</u>	<u>(3,149)</u>
371,670	(57,737)	313,933	(519,665)	(12,603)
<u>138,247,169</u> *	<u>1,594,793</u>	<u>139,841,962</u>	<u>40,848,344</u>	<u>283,134</u>
<u>\$ 138,618,839</u>	<u>\$ 1,537,056</u>	<u>\$ 140,155,895</u>	<u>\$ 40,328,679</u>	<u>\$ 270,531</u>

MONTGOMERY TOWNSHIP

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2023

	General Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 5,757,599	\$ 13,166,630	\$ 4,684,873	\$ 23,609,102
Taxes receivable	2,818,849	-	225,102	3,043,951
Accounts receivable	167,872	-	73,316	241,188
Due from other funds	269,797	-	-	269,797
Due from component units	702	-	-	702
Prepaid items	91,049	-	10,700	101,749
TOTAL ASSETS	\$ 9,105,868	\$ 13,166,630	\$ 4,993,991	\$ 27,266,489
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenditures	\$ 397,442	\$ 772,352	\$ 57,400	\$ 1,227,194
Accrued payroll	459,631	-	49,108	508,739
Unearned revenue	-	2,555,069	-	2,555,069
TOTAL LIABILITIES	857,073	3,327,421	106,508	4,291,002
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues				
Property taxes	10,493	-	12,427	22,920
Income taxes	2,458,745	-	137,401	2,596,146
TOTAL DEFERRED INFLOWS OF RESOURCES	2,469,238	-	149,828	2,619,066
FUND BALANCES				
Nonspendable, prepaid items	91,049	-	10,700	101,749
Restricted				
Capital projects	-	5,410,992	-	5,410,992
Providing and maintaining street lights	-	-	345,570	345,570
Debt service	-	-	80,731	80,731
Park and recreation capital projects	-	-	353,679	353,679
Highway and street projects	-	-	1,815,668	1,815,668
Park and recreation activities	-	-	880,346	880,346
Committed to				
Arbor Day and shade tree commission	-	-	395,195	395,195
Fire protection capital purchases and/or infrastructure projects	-	-	655,542	655,542
Environmental	-	-	155,919	155,919
Equipment plans	-	435,475	-	435,475
Storm water projects	-	3,120,999	-	3,120,999
Traffic engineering	-	60,413	-	60,413
Parks and recreation projects	-	72,382	-	72,382
Operating reserve fund	-	738,948	-	738,948
Assigned				
Annual autumn fest	-	-	44,305	44,305
Unassigned	5,688,508	-	-	5,688,508
TOTAL FUND BALANCES	5,779,557	9,839,209	4,737,655	20,356,421
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 9,105,868	\$ 13,166,630	\$ 4,993,991	\$ 27,266,489

See accompanying notes to the basic financial statements.

MONTGOMERY TOWNSHIP

RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES DECEMBER 31, 2023

TOTAL GOVERNMENTAL FUNDS BALANCES	\$ 20,356,421
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:</p>	
Land	14,454,321
Nondepreciable infrastructure	95,676,688
Buildings and building improvements	10,749,350
Land improvements	1,321,762
Depreciable infrastructure	15,698,142
Machinery and equipment	12,830,731
Accumulated depreciation	(17,864,169)
<p>Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.</p>	
Deferred outflows related to pensions	2,173,362
Deferred outflows related to OPEB	802,083
Deferred inflows related to pensions	(801,198)
Deferred inflows related to OPEB	(1,141,677)
<p>Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds. These liabilities consist of:</p>	
Notes payable	(14,223,000)
Net pension liability	(200,860)
Total OPEB liability	(3,631,011)
Compensated absences	(201,172)
<p>Some of the Township's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are not recognized in the funds.</p>	
	<u>2,619,066</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 138,618,839</u>

See accompanying notes to the basic financial statements.

MONTGOMERY TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	<u>General Fund</u>	<u>Capital Reserve Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 13,921,027	\$ -	\$ 3,338,463	\$ 17,259,490
Licenses and permits	1,292,612	-	-	1,292,612
Fines and forfeits	105,402	-	-	105,402
Interest income, rents and royalties	239,701	302,152	105,480	647,333
Intergovernmental revenues	965,816	276,720	705,909	1,948,445
Charges for services	73,292	-	55,673	128,965
Unclassified operating revenues	81,573	42,175	73,731	197,479
TOTAL REVENUES	<u>16,679,423</u>	<u>621,047</u>	<u>4,279,256</u>	<u>21,579,726</u>
EXPENDITURES				
Current				
General government	3,166,562	627,106	12,258	3,805,926
Public safety	9,304,064	604,035	1,607,826	11,515,925
Public works				
Sanitation	-	-	51,928	51,928
Highways and streets	2,125,818	3,562,535	165,382	5,853,735
Culture and recreation	-	1,257,359	473,986	1,731,345
Debt service				
Principal retirement	-	-	392,000	392,000
Interest	-	-	250,416	250,416
TOTAL EXPENDITURES	<u>14,596,444</u>	<u>6,051,035</u>	<u>2,953,796</u>	<u>23,601,275</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,082,979</u>	<u>(5,429,988)</u>	<u>1,325,460</u>	<u>(2,021,549)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	183,645	-	183,645
Interfund transfers in	4,150	3,300,000	332,818	3,636,968
Interfund transfers out	(3,440,495)	-	(622,968)	(4,063,463)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,436,345)</u>	<u>3,483,645</u>	<u>(290,150)</u>	<u>(242,850)</u>
NET CHANGE IN FUND BALANCES	(1,353,366)	(1,946,343)	1,035,310	(2,264,399)
FUND BALANCES AT BEGINNING OF YEAR	<u>7,132,923</u>	<u>11,785,552</u>	<u>3,702,345</u>	<u>22,620,820</u>
FUND BALANCES AT END OF YEAR	<u>\$ 5,779,557</u>	<u>\$ 9,839,209</u>	<u>\$ 4,737,655</u>	<u>\$ 20,356,421</u>

See accompanying notes to the basic financial statements.

MONTGOMERY TOWNSHIP

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2023

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (2,264,399)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital additions of nondepreciable infrastructure	8,940
Capital additions of buildings and building improvements	61,038
Capital additions of depreciable infrastructure	2,438,877
Capital additions of machinery and equipment	1,528,515
Depreciation expense	(1,519,910)
	<u>2,517,460</u>

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position. (256,139)

Because some property taxes 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. Total unavailable revenue from taxes increased by the following in the current period. 61,977

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal paid on notes payable 392,000

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:

Changes in compensated absences	6,984
Changes in net pension liability and related deferrals	29,376
Changes in net OPEB liability and related deferrals	(115,589)
	<u>(79,229)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 371,670

See accompanying notes to the basic financial statements.

MONTGOMERY TOWNSHIP
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2023

	<u>Recreation Center Fund</u>
ASSETS	
NONCURRENT ASSETS	
Building and building improvements	\$ 10,832,609
Machinery and equipment	1,256,959
Less accumulated depreciation	<u>(3,060,838)</u>
TOTAL NONCURRENT ASSETS	<u>9,028,730</u>
 TOTAL ASSETS	 <u>9,028,730</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding	<u>70,406</u>
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable	40,393
Accrued payroll	14,213
Due to other funds	269,797
Bonds payable, current	315,000
Compensated absences, current	767
TOTAL CURRENT LIABILITIES	<u>640,170</u>
NONCURRENT LIABILITIES	
Bonds payable	6,915,000
Compensated absences	6,910
TOTAL NONCURRENT LIABILITIES	<u>6,921,910</u>
 TOTAL LIABILITIES	 <u>7,562,080</u>
NET POSITION	
Net investment in capital assets	2,183,369
Unrestricted	<u>(646,313)</u>
TOTAL NET POSITION	<u>\$ 1,537,056</u>

See accompanying notes to the basic financial statements.

MONTGOMERY TOWNSHIP
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2023

	<u>Recreation Center Fund</u>
OPERATING REVENUES	
Taxes	\$ 140,000
Charges for services	771,299
TOTAL OPERATING REVENUES	<u>911,299</u>
OPERATING EXPENSES	
General operating expenses	393,650
Salaries and benefits	568,889
Depreciation	322,206
TOTAL OPERATING EXPENSES	<u>1,284,745</u>
OPERATING LOSS	(373,446)
NONOPERATING REVENUES (EXPENSES)	
Operating grants and contributions	350
Interest earned	388
Interest expense	(111,524)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(110,786)</u>
LOSS BEFORE TRANSFERS	(484,232)
OTHER SOURCES (USES)	
Operating transfers in	534,313
Operating transfers out	(107,818)
TOTAL OTHER SOURCES (USES)	<u>426,495</u>
CHANGE IN NET POSITION	(57,737)
NET POSITION AT BEGINNING OF YEAR	<u>1,594,793</u>
NET POSITION AT END OF YEAR	<u>\$ 1,537,056</u>

See accompanying notes to the basic financial statements.

MONTGOMERY TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2023

	<u>Recreation Center Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 911,299
Payments to employees for services	(566,819)
Payments to suppliers for goods and services	(543,174)
NET CASH USED BY OPERATING ACTIVITIES	<u>(198,694)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in from other funds	<u>426,495</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Operating grants and contributions	350
Acquisition and construction of capital assets	(81,475)
Principal paid on debt	(311,000)
Interest paid on debt	(107,818)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(499,943)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned	<u>388</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(271,754)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>271,754</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ -</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	\$ (373,446)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation	322,206
Increase (decrease) in	
Accounts payable	24,626
Accrued payroll	109
Due from/to other funds	(174,150)
Compensated absences	1,961
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (198,694)</u>

See accompanying notes to the basic financial statements.

MONTGOMERY TOWNSHIP
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023

	<u>Pension Trust Funds</u>	<u>Custodial Fund</u>
ASSETS		
Cash	\$ 259,947	\$ 4,266,002
Investments, mutual funds		
Equity	26,418,593	-
Fixed income	5,975,182	-
Balanced	2,618,356	-
Accrued interest receivable	6,159	-
TOTAL ASSETS	<u>35,278,237</u>	<u>4,266,002</u>
NET POSITION		
Net position restricted for pensions	35,278,237	-
Net position restricted for escrow activities	<u>-</u>	<u>4,266,002</u>
TOTAL NET POSITION	<u>\$ 35,278,237</u>	<u>\$ 4,266,002</u>

See accompanying notes to the basic financial statements.

MONTGOMERY TOWNSHIP

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2023

	<u>Pension Trust Funds</u>	<u>Custodial Fund</u>
ADDITIONS		
Contributions		
Plan member contributions	\$ 367,792	\$ -
Employer contributions	292,778	-
Other contributions, Commonwealth of Pennsylvania	687,691	-
Developers	-	4,790,661
TOTAL CONTRIBUTIONS	<u>1,348,261</u>	<u>4,790,661</u>
Investment earnings		
Interest income	960,849	-
Gain (loss) on investments	4,024,693	-
Investment expenses	(43,766)	-
INVESTMENT EARNINGS, net	<u>4,941,776</u>	<u>-</u>
TOTAL ADDITIONS	<u>6,290,037</u>	<u>4,790,661</u>
DEDUCTIONS		
Employee benefit payments	1,984,816	-
Administrative expenses	15,840	-
Payments to developers	-	3,382,048
TOTAL DEDUCTIONS	<u>2,000,656</u>	<u>3,382,048</u>
CHANGE IN NET POSITION	4,289,381	1,408,613
NET POSITION AT BEGINNING OF YEAR	<u>30,988,856</u>	<u>2,857,389</u>
NET POSITION AT END OF YEAR	<u>\$ 35,278,237</u>	<u>\$ 4,266,002</u>

See accompanying notes to the basic financial statements.

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Montgomery Township (the "Township"), located in Montgomery County, Pennsylvania, was organized in 1714. The Township is classified as a "Township of the Second Class" under the laws of the Commonwealth of Pennsylvania and provides the following services as authorized by its charter: public safety, highways and streets, culture and recreation, public improvements, planning and zoning and general and administrative services.

The basic financial statements of the Township have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

Reporting Entity

The Township is governed by an elected five-member Board of Supervisors. As required by GAAP, the Township, for financial reporting purposes, includes all the funds relevant to the operations of the Township. Management, in determining what potential component units should be included for financial reporting purposes, considers financial accountability and the nature and significance of the relationship. Fiscal accountability, the most significant of all criteria, refers to conditions of financial interdependency between two units, including budgetary adoption, taxing authority, responsibility for debt and control over or responsibility for financial management.

Based on the aforementioned criteria, the Township's component units are the Montgomery Township Municipal Sewer Authority (the "Sewer Authority"), the Fire Department of Montgomery Township (the "Fire Department"), the Police Pension Plan (the "Police Pension") and the Non-Uniform Employee Pension Plan (the "Non-Uniform Pension"). The Sewer Authority and the Fire Department have been reported as discretely presented component units in a separate column in the financial statements to emphasize that they are legally separate from the Township. The Police Pension and the Non-Uniform Pension are fiduciary component units because they are, in substance, part of the primary government's operations, even though they are legally separate entities.

Montgomery Township Municipal Sewer Authority - The Sewer Authority is a public corporation organized in 1965 by the Board of Montgomery Township in accordance with the Municipality Authorities Act of 1945. The Sewer Authority is a lease-back and operating authority, the purpose of which is to borrow money to finance the construction or acquisition of sewer facilities and operate a sewer system. The facilities are subject to a lease-back arrangement between the Township and the Sewer Authority.

The Sewer Authority is governed by a five-member board appointed by the Township's Board of Supervisors.

The Sewer Authority's governing board is responsible for decisions made in the operation of the Sewer Authority. The Township, however, is responsible for funding any deficit which may arise in the operation of the Sewer Authority. The Township also is required to review and approve the Sewer Authority's annual operating budget and any amendment thereto.

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Sewer Authority financial statements have been prepared on the accrual basis of accounting. Separately issued financial statements of the Sewer Authority may be obtained at the Township's administrative office.

Fire Department of Montgomery Township - The Fire Department provides firefighting and rescue services to the residents and businesses of Montgomery Township, Pennsylvania. The Fire Department was formed as a nonprofit corporation in 2003.

The governing body of the Fire Department is the Executive Board, which is comprised of eight members elected by the active members of the Fire Department.

In 2003, the Fire Department entered into a Fire Services Agreement with Montgomery Township. As part of this agreement, the Fire Department will prepare an annual budget. This budget will be reviewed with the Director of Fire Services, a Montgomery Township employee. The Director must approve purchases in excess of \$1,000. In addition, the Township provides the use of two fire stations and equipment.

The Fire Department financial statements have been prepared on the accrual basis of accounting. Separately issued financial statements of the Fire Department may be obtained at the Township's administrative office.

Police Pension Fund - The Police Pension Plan is a single employer defined benefit pension plan that provides pensions for all regular, full-time sworn police officers. Although the plan is a separate legal entity it is reported as if it is part of the government as it is governed by a board comprised of members appointed by the Board of supervisors of the Township and the Township is responsible for funding the plan. The plan is reported as a fiduciary fund and does not issue separate financial statements.

Non-Uniform Pension Fund - The Police Pension Plan is a single employer defined contribution pension plan that provides pension benefits for its full-time, non-uniform employees and its part-time, non-uniform employees working initially at least 1,000 hours per year. Although the plan is a separate legal entity it is reported as if it is part of the government as it is governed by a board comprised of members appointed by the Board of supervisors of the Township and the Township is responsible for funding the plan. The plan is reported as a fiduciary fund and does not issue separate financial statements.

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Township uses fund accounting to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Township functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Township are grouped into the categories governmental, proprietary and fiduciary.

The Township reports the following major Governmental Funds:

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

Capital Reserve Fund - The Capital Reserve Fund is used to account for financial resources to be used for the acquisition or construction of major capital projects.

The Township reports the following major Proprietary Fund:

Recreation Center Fund - The Recreation Center Fund is used to account for the Township's Community & Recreation Center, which will provide recreational activities for the residents of the Township.

Additionally, the Township reports the following fund types:

Special Revenue Funds (Nonmajor) - The Special Revenue Funds are used to account for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The Township's nonmajor Special Revenue Funds include the Fire Protection Fund, Park and Recreation Fund, Street Light Fund, Highway Aid Fund, Environmental Fund, Replacement Tree Fund, and Autumn Festival Fund.

Capital Projects Funds (Nonmajor) - The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital projects. The Township's nonmajor Capital Projects Funds include the Park and Recreation Capital Fund and the Restoration Fund.

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

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiduciary Fund Types

Pension Trust Funds - The Pension Trust Funds are used to account for financial resources restricted solely for Police and Non-Uniformed Employee Pension Plans.

Custodial Fund - The Township's custodial fund accounts for monies held by the Township for developer escrow deposits.

Amounts reported as *program revenues* include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary Funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the Recreation Center Fund are charges to customers for sales and services. Operating expenses include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Basis of Presentation and Accounting

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary activities. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the Proprietary Funds financial statements but differs from the manner in which Governmental Funds financial statements are prepared. Governmental Funds financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for Governmental Funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each discretely presented component unit of the Township and for each function or program of the Township's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Township, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Township.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements, although interfund services provided and used are not eliminated in the process of consolidation.

Fund Financial Statements - Fund financial statements report detailed information about the Township. The focus of Governmental Funds financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor Governmental Funds are aggregated and presented in a single column (Other Governmental Funds). Fiduciary Funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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 revenues to be available if they are collected within 60 days of the end of the fiscal period. Major revenues susceptible to accrual are taxes. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and claims and judgments are recorded only when payment is due. The financial statements for Governmental Funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The Township's Proprietary Fund, Fiduciary Funds, and discretely presented component are presented on the accrual basis of accounting, whereby revenues are recognized in the period earned and expenses are recognized when incurred.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Encumbrance Accounting

Encumbrance accounting, under which purchase orders and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all funds for which budgets are prepared. Encumbrances do not constitute expenditures or liabilities under accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The cash of individual funds other than the component units is combined to form a pool of cash and cash equivalents. Each fund type's portion of the pool is included on the balance sheet as "cash and cash equivalents" under each fund type's caption. The deposits and investments of the Pension Trust Funds are held separately from those of other Township funds.

Cash and cash equivalents include cash on hand and in banks and investments in short-term highly liquid investments with original maturities of less than 90 days.

Investments, Township

Statutes authorize the Township to invest in: 1) obligations, participations, and other instruments of any Federal agency, 2) repurchase agreements with respect to U.S. Treasury bills or obligations, 3) negotiable certificates of deposit, 4) bankers' acceptances, 5) commercial paper, 6) shares of an investment company registered under the Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933, and 7) savings or demand deposits. The specific conditions under which the Township may invest in these categories are detailed in Pennsylvania Act No. 53 of 1973, as amended by Pennsylvania Act No. 10 of 2016. Investments are stated at fair value except for certificates of deposit which are stated at amortized cost.

The Township has adopted GASB Statement No. 72, Fair Value Measurement and Application. In accordance with this Statements, investments in marketable securities with readily determinable fair value and all investments in debt securities are reported at their fair values.

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Deposits and Investments, Sewer Authority

State law allows the Authority to invest in obligations of the United States of America, the Commonwealth of Pennsylvania, or any agency or instrumentality of either, which are secured by the full faith and credit of such entity. The law also allows for the Authority to invest in certificates of deposit of banks, savings and loans, and savings banks both within and outside the Commonwealth of Pennsylvania, provided such amounts are insured by the Federal Deposit Insurance Corporation (FDIC) or other like insurance, and that deposits in excess of such insurance are collateralized by the depository. The state also imposes limitations with respect to the amount of investment in certificates of deposit to the extent that such deposits may not exceed 20% of a bank's total capital surplus or 20% of a savings and loans or savings bank's assets, net of its liabilities. The Authority may also invest in shares of registered investment companies, provided that investments of the Authority are authorized investments, as noted above.

The Sewer Authority's investments are reported at fair value, determined by quoted market values.

Capital Assets

Capital assets, which include property, plant, equipment, and certain limited infrastructure assets, are reported in the applicable governmental or discretely presented component units columns in the government-wide financial statements and business-type activities are reported as noncurrent assets on the proprietary fund financial statements. The Township defines capital assets as assets with an initial, individual cost equal to or greater than \$5,000. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

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

Property, plant, equipment, and certain limited infrastructure assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and building improvements	10-40
Land improvements	10-75
Infrastructure	10-30
Machinery and equipment	3-25

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Infrastructure

GASB Statement No. 34 requires the inclusion of infrastructure capital assets in local governments' basic financial statements. The Township has included the value of all infrastructure in its basic financial statements for December 31, 2023.

The Township defines infrastructure as the basic physical assets, including roads, bridges, sidewalks, drainage systems, and traffic signals, used by the Township in the conduct of its business. The Township will depreciate its infrastructure over the estimated useful life of the assets using the straight-line method of depreciation, except for its roads.

The Township has elected to use the modified approach as defined by GASB Statement No. 34 for reporting of its roads. The Township performed a physical assessment of the condition of the roads as of December 31, 2023. This condition assessment will be performed every three years.

Sewer Revenues and Accounts Receivable

Charges for services are recognized when earned. All residential and commercial customers are billed quarterly based on usage. An estimated amount has been recorded for services rendered but not yet billed as of the close of the fiscal year.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has three items that qualify for reporting in this category. The deferred outflow of resources related to pensions is reported in the government-wide statement of net position and is the result of changes in plan assumptions and difference between projected and actual investment earnings. The deferred outflow of resources related to OPEB is reported in the government-wide statement of net position and is the result of the difference between expected and actual experience, changes in plan assumptions and contributions subsequent to the measurement date. The deferred charge on refunding is reported in the government-wide and proprietary fund statements of net position and results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township has three items which qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the Governmental Funds balance sheet. The Governmental Funds report unavailable revenues from property taxes and income taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflow of resources related to pensions is reported in the government-wide statement of net position and is the result of differences between expected and actual experience of the pension plan. The deferred inflow of resources related to OPEB is reported in the government-wide statement of net position and is the result of differences between expected and actual experience of the OPEB plan and changes in plan assumptions.

Compensated Absences

Township employees accumulate vacation leave hours for subsequent use or for payment upon termination, death, or retirement. Earned vacation pay to a maximum of 80 hours for nonuniform employees and 84 hours for uniform employees may be paid upon termination of employment, death, or retirement.

Real Estate Property Tax

Property taxes are levied on March 1 based upon the assessed value of property listed on the previous January 1. Assessed values are an approximation of market value.

Property taxes are payable under the following terms: 2% discount March 1 through May 1, face amount May 2 through July 1 and a 10% penalty after July 1. Unpaid taxes are liened in February of the subsequent year.

Tax Collection

The Real Estate Tax Collector, who is responsible for collecting real estate taxes on behalf of the Township, Montgomery County, and the North Penn School District, is an elected official. The Township, in accordance with state law, regards the Tax Collector's office as a separate entity, and only activity as it relates to the Township is recorded in the financial statements.

Net Position Flow Assumption

Sometimes the Township will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and Proprietary Fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Balance

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

- ***Nonspendable Fund Balance*** - Amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- ***Restricted Fund Balance*** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.
- ***Committed Fund Balance*** - Amounts constrained to specific purposes by the Township itself, using its highest level of decision-making authority (the Board of Supervisors). To be reported as committed, amounts cannot be used for any other purpose unless the Township takes the same highest-level action to remove or change the constraint.
- ***Assigned Fund Balance*** - Amounts the Township intends to use for a specific purpose. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board of Supervisors delegates the authority. The Board of Supervisors has not delegated this authority.
- ***Unassigned Fund Balance*** - Amounts available for any purpose. Positive amounts are reported only in the General Fund.

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. Assigned fund balance is intended to be used by the Township for specific purposes but does not meet the criteria to be classified as restricted or committed.

The Township will typically use restricted fund balances first, followed by committed resources and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Use of Estimates

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

MONTGOMERY TOWNSHIP
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE B - DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. The Township follows state statute as it relates to custodial credit risk. Pennsylvania statutes provide for investment of Governmental and Proprietary Funds resources into certain authorized investment types, including U.S. Treasury bills, other short-term U.S. and Pennsylvania Government obligations and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of Governmental Funds for investment purposes. In addition to the investments authorized for Governmental and Proprietary Funds, Fiduciary Fund investments also may be made in corporate stocks and bonds, real estate, and other investments consistent with sound business practice.

As of December 31, 2023, \$28,114,078 of the Township's bank balance of \$28,364,078 was exposed to custodial credit risk as follows:

Uninsured and collateralized with securities held by the pledging bank's trust department not in the Township's name

Township governmental activities	\$ <u>23,591,402</u>
Township proprietary activities	\$ <u>-</u>
Pension trust funds	\$ <u>259,759</u>
Escrow custodial activities	\$ <u>4,262,917</u>

As of December 31, 2023, the following amounts of the component units were exposed to custodial credit risk.

Sewer Authority - At December 31, 2023, the Sewer Authority's bank balance was \$6,771,506. Of that bank balance, \$250,000 was covered by federal depository insurance and \$1,625,307 was invested in externally pooled investments, which are not subject to credit risk. Any balances exceeding depository insurance are exposed to custodial credit risk as uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Authority's name.

Fire Department - At December 31, 2023, the bank deposits of the Fire Department were fully insured and not exposed to custodial credit risk.

Investments

The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are those that lack significant observable inputs.

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE B - DEPOSITS AND INVESTMENTS

As of December 31, 2023, the Township had the following investments, maturities, and fair value inputs:

Investment Type	Amortized Cost	Fair Value	Level 1 Inputs	Investment Maturities	
				Less Than One Year	1 to 5 Years
PENSION ACTIVITIES					
Equity mutual funds	\$ -	\$ 26,418,593	\$ 26,418,593	\$ 26,418,593	\$ -
Fixed income mutual funds	-	5,975,182	5,975,182	5,975,182	-
Balanced mutual funds	-	2,618,356	2,618,356	2,618,356	-
	\$ -	\$ 35,012,131	\$ 35,012,131	\$ 35,012,131	\$ -

As of December 31, 2023, the Sewer Authority had the following investments and maturities:

Investment Type	Fair Value Level 2	Investment Maturities	
		Less Than One Year	1 to 5 Years
Certificates of deposit	\$ 8,550,000	\$ -	\$ 8,550,000

As of December 31, 2023, the Fire Department had \$116,841 invested in annuities, which is a Level 2 investment. This investment has a determinable cash surrender value that is the investments fair value.

Interest Rate Risk - The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill their obligations. The Township limits the type of investments permitted as defined in the Township code. Permitted investments are defined in Note A. When making investments, the Township can combine monies from more than one fund under the Township’s control for the purpose of a single investment and join with other political subdivisions in the purchase of a single investment.

The Township’s investment policy does not further limit its investment choices.

Concentration of Credit Risk - No investment in any one issuer is in excess of 5% of the Township’s total investments.

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE C - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	RESTATED Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 14,690,739	\$ -	\$ (236,418)	\$ 14,454,321
Infrastructure	<u>95,667,748</u>	<u>8,940</u>	<u>-</u>	<u>95,676,688</u>
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>110,358,487</u>	<u>8,940</u>	<u>(236,418)</u>	<u>110,131,009</u>
Capital assets being depreciated				
Buildings and building improvements	10,688,312	61,038	-	10,749,350
Land improvements	1,321,762	-	-	1,321,762
Infrastructure	13,259,265	2,438,877	-	15,698,142
Machinery and equipment	<u>11,870,215</u>	<u>1,528,515</u>	<u>(567,999)</u>	<u>12,830,731</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>37,139,554</u>	<u>4,028,430</u>	<u>(567,999)</u>	<u>40,599,985</u>
Accumulated depreciation				
Buildings and building improvements	(6,914,102)	(328,232)	-	(7,242,334)
Land improvements	(222,142)	(81,555)	-	(303,697)
Infrastructure	(3,726,608)	(506,020)	-	(4,232,628)
Machinery and equipment	<u>(6,029,685)</u>	<u>(604,103)</u>	<u>548,278</u>	<u>(6,085,510)</u>
TOTAL ACCUMULATED DEPRECIATION	<u>(16,892,537)</u>	<u>(1,519,910)</u>	<u>548,278</u>	<u>(17,864,169)</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	<u>20,247,017</u>	<u>2,508,520</u>	<u>(19,721)</u>	<u>22,735,816</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net	<u>\$ 130,605,504</u>	<u>\$ 2,517,460</u>	<u>\$ (256,139)</u>	<u>\$ 132,866,825</u>
BUSINESS-TYPE ACTIVITIES				
Capital assets being depreciated				
Buildings and building improvements	\$ 10,797,929	\$ 34,680	\$ -	\$ 10,832,609
Machinery and equipment	<u>1,254,074</u>	<u>46,795</u>	<u>(43,910)</u>	<u>1,256,959</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>12,052,003</u>	<u>81,475</u>	<u>(43,910)</u>	<u>12,089,568</u>
Accumulated depreciation				
Buildings and building improvements	(2,144,329)	(264,150)	-	(2,408,479)
Machinery and equipment	<u>(638,213)</u>	<u>(58,056)</u>	<u>43,910</u>	<u>(652,359)</u>
TOTAL ACCUMULATED DEPRECIATION	<u>(2,782,542)</u>	<u>(322,206)</u>	<u>43,910</u>	<u>(3,060,838)</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	<u>9,269,461</u>	<u>(240,731)</u>	<u>-</u>	<u>9,028,730</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, net	<u>\$ 9,269,461</u>	<u>\$ (240,731)</u>	<u>\$ -</u>	<u>\$ 9,028,730</u>

Depreciation expense was charged to the functions/programs of the governmental activities of the primary government as follows:

Governmental activities:	
Unallocated	\$ <u>1,519,910</u>
Business-type activities:	
Recreation center	\$ <u>322,206</u>

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE C - CAPITAL ASSETS

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
COMPONENT UNIT, SEWER AUTHORITY				
Capital assets not being depreciated				
Land	\$ 673,095	\$ -	\$ -	\$ 673,095
Construction in progress	659,782	2,410,299	(2,321,459)	748,622
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	1,332,877	2,410,299	(2,321,459)	1,421,717
Capital assets being depreciated				
Wastewater treatment and collection system				
Hatfield Waste Water Treatment Plant	10,693,706	96,564	-	10,790,270
Eureka Treatment Plant	26,130,406	156,734	-	26,287,140
Other sewer system improvements	6,347,922	1,464,631	-	7,812,553
Developer dedications	14,352,094	283,714	-	14,635,808
TOTAL WASTEWATER TREATMENT AND COLLECTION SYSTEMS	57,524,128	2,001,643	-	59,525,771
Equipment	2,724,407	670,230	(73,336)	3,321,301
TOTAL CAPITAL ASSETS BEING DEPRECIATED	60,248,535	2,671,873	(73,336)	62,847,072
Accumulated depreciation				
Wastewater treatment and collection systems				
Hatfield Waste Water Treatment Plant	(9,224,771)	(144,369)	-	(9,369,140)
Eureka Treatment Plant	(12,369,589)	(836,880)	-	(13,206,469)
Other sewer system improvements	(3,907,236)	(442,091)	-	(4,349,327)
Developer dedications	(8,770,136)	(686,393)	-	(9,456,529)
TOTAL WASTEWATER TREATMENT AND COLLECTION SYSTEMS ACCUMULATED DEPRECIATION	(34,271,732)	(2,109,733)	-	(36,381,465)
Equipment	(1,879,880)	(257,128)	60,503	(2,076,505)
TOTAL ACCUMULATED DEPRECIATION	(36,151,612)	(2,366,861)	60,503	(38,457,970)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	24,096,923	305,012	(12,833)	24,389,102
COMPONENT UNIT, SEWER AUTHORITY CAPITAL ASSETS, net	\$ 25,429,800	\$ 2,715,311	\$ (2,334,292)	\$ 25,810,819
COMPONENT UNIT, FIRE DEPARTMENT				
Equipment	\$ 298,348	\$ 17,350	\$ -	\$ 315,698
Accumulated depreciation	(244,354)	(14,844)	-	(259,198)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	\$ 53,994	\$ 2,506	\$ -	\$ 56,500

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MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE D - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the primary government for the year ended December 31, 2023:

	<u>Original Principal</u>
GOVERNMENTAL ACTIVITIES	
General Obligation Notes, Series A of 2021	\$ 15,000,000
Net pension liability	-
Total OPEB liability	-
Compensated absences	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>15,000,000</u>
BUSINESS-TYPE ACTIVITIES	
General Obligation Notes, Series of 2021	7,847,000
Compensated absences	-
TOTAL BUSINESS-TYPE ACTIVITIES	<u>7,847,000</u>
TOTAL LONG-TERM LIABILITIES	<u>\$ 22,847,000</u>

For governmental activities, net pension liabilities, total other postemployment benefit liabilities, and compensated absences are liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Recreation Center Fund.

Balance Outstanding January 1, 2023	Additions	Reductions	Balance Outstanding December 31, 2023	Due Within One Year
\$ 14,615,000	\$ -	\$ (392,000)	\$ 14,223,000	\$ 399,000
2,500,518	-	(2,299,658)	200,860	-
4,175,508	-	(544,497)	3,631,011	181,548
208,156	38,397	(45,381)	201,172	20,117
<u>21,499,182</u>	<u>38,397</u>	<u>(3,281,536)</u>	<u>18,256,043</u>	<u>600,665</u>
7,541,000	-	(311,000)	7,230,000	315,000
5,716	1,961	-	7,677	767
<u>7,546,716</u>	<u>1,961</u>	<u>(311,000)</u>	<u>7,237,677</u>	<u>315,767</u>
<u>\$ 29,045,898</u>	<u>\$ 40,358</u>	<u>\$ (3,592,536)</u>	<u>\$ 25,493,720</u>	<u>\$ 916,432</u>

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE D - LONG-TERM DEBT

General Obligation Notes, 2021 Series

In December 2021, the Township issued \$7,847,000 in general obligation notes for the purpose of refunding the General Obligation Bond Series of 2016. The note bears an interest rate of 1.456% have varying maturities from May 25, 2022 to May 25, 2043.

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$ 315,000	\$ 103,228	\$ 418,228
2025	320,000	98,570	418,570
2026	324,000	93,848	417,848
2027	329,000	89,059	418,059
2028	333,000	84,205	417,205
2029 to 2033	1,740,000	345,739	2,085,739
2034 to 2038	1,867,000	213,522	2,080,522
2039 to 2043	2,002,000	71,714	2,073,714
	<u>\$ 7,230,000</u>	<u>\$ 1,099,885</u>	<u>\$ 8,329,885</u>

General Obligation Notes, 2021 Series

In September 2021, the Township issued \$15,000,000 in general obligation notes for the purpose of funding various capital projects. The note bears an interest rate of 1.725% have varying maturities from September 25, 2022 to September 25, 2051.

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$ 399,000	\$ 243,626	\$ 642,626
2025	405,000	236,717	641,717
2026	413,000	229,697	642,697
2027	420,000	222,542	642,542
2028	427,000	215,267	642,267
2029 to 2033	2,249,000	962,769	3,211,769
2034 to 2038	2,452,000	761,000	3,213,000
2039 to 2043	2,672,000	541,149	3,213,149
2044 to 2048	2,915,000	301,379	3,216,379
2049 to 2051	1,871,000	56,843	1,927,843
	<u>\$ 14,223,000</u>	<u>\$ 3,770,989</u>	<u>\$ 17,993,989</u>

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE D - LONG-TERM DEBT

A summary of changes in long-term debt for the Sewer Authority for the year ended December 31, 2023, is as follows:

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023	Due Within One Year
SEWER AUTHORITY					
Compensated absences	\$ 41,654	\$ -	\$ (5,194)	\$ 36,460	\$ -

NOTE E - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at December 31, 2023, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Recreation Center Fund	\$ <u>269,797</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers at December 31, 2023, are as follows:

	<u>Transfer Out</u>	<u>Transfer In</u>
General Fund	\$ 3,440,495	\$ 4,150
Capital Reserve Fund	-	3,300,000
Other Governmental Funds	622,968	332,818
Recreation Center Fund	<u>107,818</u>	<u>534,313</u>
	<u>\$ 4,171,281</u>	<u>\$ 4,171,281</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to account for saving for future capital projects.

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE E - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Further, for the year-ended December 31, 2023, the Township made the following transfers:

General Fund

• ***Transfers Out***

- \$3,300,000 to the Capital Reserve Fund - The BOS approved a motion on December 11, 2023, transferring \$3,300,000 from the General Fund to the Capital Reserve Fund. During 2022, the General Fund Balance increased from \$4.8 million to \$7.1 million. The Township's Fund Balance Policy is to retain a Fund Balance of between 20 – 25% of its General Fund Operating expenses for the next year. It has been the practice of the Board to transfer the annual increase in the General Fund balance to the Capital Reserve funds for future capital projects.
- \$115,495 to the Recreation Center Fund - This transfer was to balance the cash for the Recreation Center to \$0 at fiscal year-end.
- \$25,000 to the Autumn Festival Fund - Budget approved transfer. The General Fund offsets cost for the annual Autumn Festival.

• ***Transfers In***

- \$4,150 from the Restoration Fund - Closing the Restoration Fund out and reimbursing General Fund for costs paid.

Capital Reserve Fund

• ***Transfers In***

- \$3,300,000 from the General Fund - The BOS approved a motion on December 11, 2023, transferring \$3.3M from the General Fund to the Capital Reserve Fund. During 2022, the General Fund Balance increased from \$4.8 to \$7.1M. The Township's Fund Balance Policy is to retain a Fund Balance of between 20 – 25% of its General Fund Operating expenses for the next year. It has been the practice of the Board to transfer the annual increase in the General Fund balance to the Capital Reserve funds for future capital projects.

Other Governmental Funds

• ***Transfers Out***

- \$200,000 to the Shade Tree Fund - Environmental Fund will be closing, and this transfer is to offset cost paid for by the Shade Tree Fund.
- \$418,818 to the Recreation Center Fund - To reimburse the Recreation Center Fund for Debt Service Principal Paid.
- \$4,150 to the General Fund - Closing the Restoration Fund out and reimbursing General Fund for costs paid.

• ***Transfers In***

- \$200,000 from the Environmental Fund - Environmental Fund will be closing, and this transfer is to offset cost paid for by the Shade Tree Fund.
- \$25,000 from the General Fund - Budget approved transfer. The General Fund offsets cost for the annual Autumn Festival.
- \$107,818 from the Recreation Center Fund - To Reimburse the Debt Service Fund for Debt Principal paid.

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE E - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Recreation Center Fund

- ***Transfers Out***
 - \$107,818 to the Debt Service Fund - To Reimburse the Debt Service Fund for Debt Principal paid.
- ***Transfers In***
 - \$115,495 from the General Fund - This transfer was to balance the cash for the Recreation Center to \$0 at fiscal year-end.
 - \$418,818 from the Debt Service Fund - To reimburse the Recreation Center Fund for Debt Service Principal Paid.

NOTE F - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)

Summary of Significant Accounting Policies

Police Pension Plan investments are carried at fair value as reported by the investment managers. Short-term investments are reported at cost, which approximates fair value. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

Plan Description

Plan Administration - The Township administers the Police Pension Plan--a single-employer defined benefit pension plan that provides pensions for all regular, full-time sworn police officers. The plan is part of the Township's financial reporting entity and is included in the Township's financial statements as a Pension Trust Fund. The plan does not issue separate, stand-alone financial statements.

Management of the Police Pension Plan is vested in the Police Pension Plan Committee, which consists of up to nine members - two Township sworn Police Officers, the Finance Director-Treasurer, the Human Resources Director and five Township residents appointed by the Township. The Police Pension Plan Committee is responsible for advising, reviewing, monitoring, and making recommendations to the Board of Supervisors of Montgomery Township as to the administrative, operation and investment of the Police Pension Plan.

MONTGOMERY TOWNSHIP
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE F - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)

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

Inactive plan members or beneficiaries currently receiving benefits	25 *
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>34</u>
	<u><u>60</u></u>

* Includes 2 members in the DROP.

Benefits Provided - The Plan provides retirement benefits to participating employees. Retirement benefits vest after 12 years of service. Employees who retire at or after age 50 with 25 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 50% of their average compensation. Average compensation is the employee’s average monthly compensation (defined as base and longevity wages) on the 36 latest compensation dates.

The plan also provides certain death and disability benefits to participating employees who have met retirement eligibility requirements and to their dependents when the cause of death or disability is employment related. The amount and/or duration of these benefits depend upon the circumstances of the death or disability.

The benefit provisions of the Township’s Police Pension Plan are established by Township ordinances.

Contributions - The authority under which obligations to contribute to the Police Pension Plan by the plan members, employer and other contributing entities are established or may be amended include Act 600 and Act 205 (the “Act”) of the Commonwealth of Pennsylvania and Montgomery Township Ordinances. The Act requires that annual contributions be based upon the calculation of the minimum municipal obligation (“MMO”). The MMO is based upon the biennial actuarial valuation.

As a condition of participation, participants are required to make bi-weekly contributions to the Plan. The amount of the contribution is equal to 5% of the participant’s base and longevity pay. The participant’s pay is the fixed rate of pay in effect on the first day of the contract year. If the plan actuary finds that the participants’ contributions are no longer needed to fund the plan, the Township may reduce or eliminate these required contributions.

The Township allocates state aid received from the Commonwealth of Pennsylvania to the Plan. On-behalf payments of fringe benefits and salaries for the government’s employees were recognized as revenues and expenditures/expenses during the period. To the extent that these fundings are not adequate, the Township would then be required to contribute. In accordance with Act 205, the Township was required to contribute \$678,328 to the plan for the year 2023. The Township’s actual contributions for the plan year 2023 were \$680,000.

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE F - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)

Investments

Investment Policy - The plan's policy in regard to the allocation of invested assets is established and may be amended by the Police Pension Plan Committee based on consensus, with no minimum quorum required. It is the policy of the Police Pension Plan Committee to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Committee's adopted asset allocation policy as of December 31, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	63.00%
International equity	6.00%
Fixed income	25.00%
Cash	6.00%
	<u>100.00%</u>

Concentrations - No investment in any one issuer is in excess of 5% of the Plan's total investments.

Rate of Return - For the year ended December 31, 2023, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 14.75%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability (Asset) of the Township

The components of the net pension liability (asset) of the Township at December 31, 2023, were as follows:

Total pension liability	\$ 26,855,664
Plan fiduciary net position	<u>(26,654,804)</u>
NET PENSION LIABILITY	\$ <u>200,860</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>99.25%</u>

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE F - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)

Actuarial Assumptions - The total pension liability in the January 1, 2023 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases (average, including inflation)	5.50%
Investment rate of return (including inflation)	7.50%
Postretirement cost of living increase	0.00%

Mortality rates were based on the PubS-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using scale MP-2021 to reflect mortality improvement.

Due to the size of the plan, there have been no experience studies used to determine plan assumptions.

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

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	5.50% - 7.50%
International equity	4.50% - 6.50%
Fixed income	1.00% - 3.00%
Cash	0.00% - 1.00%

Discount Rate - The discount rate is based on the long-term expected rate of return on pension plan investments that expected to be used to finance the payments of benefits. The plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the plan assets are expected to be invested using a strategy to achieve that return. The employer has always met the funding requirements of Pennsylvania Law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability to ultimately achieve a 100% funded status.

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE F - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
	<u> </u>	<u> </u>	<u> </u>
Balances at December 31, 2022	\$ 26,055,571	\$ 23,555,053	\$ 2,500,518
Service cost	619,358	-	619,358
Interest	2,101,002	-	2,101,002
Changes for experience	(664,877)	-	(664,877)
Contributions			
Employer	-	680,000	(680,000)
Member	-	217,557	(217,557)
Net investment income	-	3,473,424	(3,473,424)
Benefit payments	(1,255,390)	(1,255,390)	-
Administrative expense	-	(15,840)	15,840
Net Changes	<u>800,093</u>	<u>3,099,751</u>	<u>(2,299,658)</u>
Balances at December 31, 2023	<u>\$ 26,855,664</u>	<u>\$ 26,654,804</u>	<u>\$ 200,860</u>

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
	<u> </u>	<u> </u>	<u> </u>
Net pension liability (asset)	\$ 3,473,880	\$ 200,860	\$ (2,496,874)

MONTGOMERY TOWNSHIP
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE F - DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)

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

For the year ended December 31, 2023, the Township recognized pension expense of \$650,624. 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	\$ -	\$ 801,198
Changes in assumptions	245,908	-
Difference between projected and actual investment earnings	<u>1,927,454</u>	<u>-</u>
	<u>\$ 2,173,362</u>	<u>\$ 801,198</u>

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

<u>Year Ending December 31,</u>	
2024	\$ 280,633
2025	697,134
2026	1,057,301
2027	(408,033)
2028	(88,654)
Thereafter	(166,217)

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE G - NON-UNIFORM EMPLOYEE PENSION PLAN

Plan Description

The Township has established the Montgomery Township Non-Uniform Employee Pension Plan (the "Plan"), which provides pension benefits for its full-time, non-uniform employees and its part-time, non-uniform employees working initially at least 1,000 hours per year. The Plan is a single-employer defined contribution money purchase pension plan under Section 401(a) of the Internal Revenue Code. In a defined contribution plan, the benefits to be received by an employee depend solely on the amount contributed to the participant's account and related returns on investments of those contributions. Benefits Consulting Group, Inc. serves as the third-party administrator for the Plan, maintaining records of individual account balances and administering receipt and payment of funds. All funds contributed by the employees and employer are invested with the American Funds through Smith Barney. The Plan does not issue separate, stand-alone financial statements.

Funding Policy

Each eligible employee covered under the Plan must contribute 4% of gross wages. The Township contributes 8% of each participating employee's gross wages to the Plan. The contributions for employees and earnings allocated to their accounts are immediately vested. Retirement benefits may be obtained at age 55.

The Township made contributions of \$300,469, of which \$221,363 was funded by state-shared revenues. Employee contributions to the Plan were \$150,235.

No investment in any one issuer is in excess of 5% of the Plan's total investments.

NOTE H - DEFERRED COMPENSATION PLANS

Montgomery Township

The Township has a Deferred Compensation Plan (the "Plan") for its full-time and part-time permanent employees. The Plan, which is designed under the provisions of Section 457 of the Internal Revenue Code, permits employees to make voluntary contributions from their salary, which are excluded from federal taxable income. The Township contributes 2% of compensation to the Township Manager's and applicable Department Heads' accounts. Up to 25% of each participant's salary can be contributed and deferred under the Plan.

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

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE H - DEFERRED COMPENSATION PLANS

Montgomery Township Municipal Sewer Authority

The Sewer Authority offers its employees a Deferred Compensation Plan (the “Plan”) created in accordance with Internal Revenue Code Section 457. The Plan, available to full-time Sewer Authority employees, permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The compensation deferred is managed by an outside trustee under various investment options. The assets of the Plan are held in trust for the exclusive benefit of the Plan participants and their beneficiaries and shall not be diverted for any other purpose. As a result, the Sewer Authority excludes the financial statements of the Plan from its financial statements. For the year ended December 31, 2023, the Authority’s contribution was \$101,628.

NOTE I - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The Township provides medical, prescription drug, dental and vision insurance benefits to eligible retired police officers and spouses through a single employer defined benefit plan. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a stand-alone financial report. The activity of the plan is reported in the Township’s General Fund.

Measurement Date

The total OPEB liability was determined as part of an actuarial valuation as of January 1, 2022. Update procedures were used to roll forward to the Township's fiscal year ending December 31, 2023.

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

Active participants	36
Vested former participants	2
Retired participants	<u>7</u>
	<u>45</u>

Eligibility for Benefits

An officer who retires on or after January 1, 2003, will be eligible for coverage upon retirement after attainment of age 50 with at least 25 years of service. In addition, an officer will be eligible upon occurring an on-duty disability or upon death of an active officer. Benefits will be provided as long as the officer is not eligible for medical coverage through other employment or through his or her spouse. If such an officer loses outside health coverage, he or she may be eligible again for coverage after certifying eligibility.

MONTGOMERY TOWNSHIP
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE I - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Benefits Provided

The Township pays 75% of the total cost of the employee and spouse for the medical (PPO or HMO), prescription drug, dental and vision plans for the first five years. Thereafter, the Township will pay 75% of the fifth-year premium and 50% of the premium increase for the sixth and succeeding years. Coverage will cease upon eligibility for Medicare.

Funding Policy and Funding Status

Member contributions are not required under the plan. The contribution requirements of plan members are established and may be amended by the Board of Supervisors. The Township is accounting for these expenditures on a “pay-as-you-go” basis. The costs of administering the plans are paid by the Township.

Assumptions

The following assumptions and actuarial methods and calculations were used:

Discount Rate - 4.31%, based on S&P Municipal Bond 20 Year High Grade Rate Index at January 1, 2023.

Salary - An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purpose, annual salary increases are assumed to be 5.5%.

Withdrawal - Sample rates are shown below.

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	5.50%	35	2.50%	50	0.00%
25	5.00%	40	1.00%	55	0.00%
30	4.00%	45	0.50%	60	0.00%

Mortality - PubS-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

Disability - SOA 1987 Group LTD Table - Males, 6-month elimination. Sample rates are shown below.

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	0.0764%	35	0.1242%	50	0.5396%
25	0.0854%	40	0.1760%	55	0.9770%
30	0.0986%	45	0.2944%	60	1.4774%

MONTGOMERY TOWNSHIP
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE I - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Retirement - Assumed 50% retirement after reaching age 50 with at least 25 years of service and 100% retirement after reaching age 53 with at least 28 years of service.

Percent of Eligible Retirees Electing Coverage in Plan - Before age 60, 50% of eligible retirees are assumed to elect medical, prescription drug, dental and vision coverage upon retiring. Thereafter, 75% of eligible retirees are assumed to elect coverage. 75% of vested former members are assumed to return to coverage at age 62.

Percent Married of Retirement - 80% of employees are assumed to be married and have a spouse covered by the plan at retirement. In the event of a retiree’s death, it is assumed that the surviving spouse may continue coverage until the spouse becomes eligible for Medicare.

Spouse Age - Wives are assumed to be two years younger than their husbands.

Per Capita Claims Costs - The per capita claims cost for medical, prescription drug, and vision is based on the expected portion of the group’s overall cost attributed to individuals in the specified age and gender brackets. Dental costs are assumed to not vary with age or gender. The resulting costs are as follows:

Age	Medical and Prescription Drug Combined	
	Male	Female
45-49	\$ 8,059	\$ 11,639
50-54	10,674	13,155
55-59	13,000	13,764
60-64	16,964	15,812

Retirement Contributions - Retiree contributions are assumed to increase at the same rates as the Health Care Cost Trend Rate.

Health Care Cost Trend Rate - 7.0% in 2023 with a 0.5% decrease per year until 5.5% in 2026. Rates gradually decrease from 5.4% in 2027 to 4.1% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

Actuarial Value of Assets - Equal to the Fair Value of Assets.

Actuarial Cost Method - Entry Age Normal - Under the Entry Age Normal Cost Method, the Normal Cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The Accrued Liability as of the valuation date is the excess of the present value of future benefits over the present value of future Normal Cost. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of Assets. Actuarial gains and losses serve to reduce or increase the Unfunded Accrued Liability.

Participant Data - Based on census information as of January 1, 2022.

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE I - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2022	\$ 4,175,508
Changes for the year	
Service cost	281,362
Interest cost	98,137
Changes in assumptions	(748,195)
Benefit payments	<u>(175,801)</u>
Net changes	<u>(544,497)</u>
Balance at December 31, 2023	\$ <u>3,631,011</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate:

	<u>1% Decrease 3.31%</u>	<u>Current Discount Rate 4.31%</u>	<u>1% Increase 5.31%</u>
Total OPEB liability	\$ <u>3,978,704</u>	\$ <u>3,631,011</u>	\$ <u>3,319,505</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ <u>3,223,621</u>	\$ <u>3,631,011</u>	\$ <u>4,117,031</u>

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE I - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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 \$320,391. At December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 19,140	\$ 386,554
Changes in assumptions	578,141	755,123
Contributions subsequent to the measurement date	<u>204,802</u>	<u>-</u>
	<u>\$ 802,083</u>	<u>\$ 1,141,677</u>

\$204,802 reported as deferred outflows of resources related to OPEB resulting from Township contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	
2024	\$ (59,108)
2025	(59,108)
2026	(59,108)
2027	(59,108)
2028	(59,108)
Thereafter	(248,856)

NOTE J - LEASE

A lease agreement dated May 15, 1965, was executed between the Township and the Sewer Authority. Terms of the lease, which expired May 15, 2021, require the Township to lease the "sewage system" from the Sewer Authority. The agreement is continuing under the previously agreed upon terms until a new lease is agreed upon. The lease agreement was amended on April 15, 1970, March 15, 1988, December 1, 1991, November 15, 2001 and January 1, 2005.

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE J - LEASE

Under the lease, the Township is committed to make payments to the Sewer Authority in the event that sewer revenues are insufficient to cover operating and administrative expenses plus 110% of the required amount to be transferred to the Sewer Authority's Debt Service Fund, as required in the Sewer Authority's 2005 Trust Indenture.

As of December 31, 2023, sewer revenues exceeded sewer expenditures, and the Township has not been required to make the above-noted rental payments to the Sewer Authority.

The lease allows the Township to exercise an option to delegate the operation of the sewage system, together with the performance of any of the obligations under the lease, to an independent entity. The Township, however, is to remain liable for the due and proper performance of its obligations under the lease. Pursuant to an operating agreement dated May 15, 1965, the Township has delegated the operation of the sewer system to the Sewer Authority and has discharged all of its obligations under the sewage system leases with regard to the operation of the sewage system to the extent that revenues derived from the operation satisfy current operating expenditures.

NOTE K - FIRE SERVICES AGREEMENT

As discussed in Note A, during 2003, the Township entered into a Fire Services Agreement with the Fire Department. Among other things under the agreement, the Fire Department agreed to recruit qualified volunteers and to provide fire protection and related services to the Township during the term of the agreement. The agreement continues on a year-to-year basis, unless terminated by either party. The agreement may be terminated by the Township upon 120 days advance written notice to the Fire Department and may be terminated by the Fire Department upon 180 days advance written notice to the Township.

NOTE L - AGREEMENT WITH HATFIELD TOWNSHIP MUNICIPAL AUTHORITY

The Sewer Authority has entered into an agreement with the Hatfield Township Municipal Authority ("Hatfield") whereby Hatfield agrees to accept sewage for treatment from the Sewer Authority's collection system. The agreement provides for the payment of a deferred capacity charge resulting in the Sewer Authority owning 1/3 of the capacity of the Hatfield Sewage Treatment Plant. The agreement also provides for a new expansion and upgrading of the treatment plant.

The Sewer Authority pays to Hatfield, in quarterly installments, an Annual Operating Charge, which is the Sewer Authority's pro rata share of the net operating and maintenance expense of the Hatfield Sewage Treatment Plant.

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE M - RISK MANAGEMENT

Montgomery Township

The Township is exposed to various risks of loss related to third-party liability claims, damage to and loss of Township-owned property, errors and omissions by public officials, injuries to employees and claims for medical benefits provided by the Township to its employees and dependents. As a method of financing these risks, the Township joined the Delaware Valley Property and Liability Trust (DVPLT), Delaware Valley Workers' Compensation Trust (DVWCT) and the Delaware Valley Health Trust (DVHT).

DVPLT is an association of municipalities, which has formed a self-insurance risk-sharing pool. The pool covers the following risks: comprehensive general liability, business automobile liability, police professional liability, real and personal property liability and first party automobile physical damage. In addition, DVPLT also purchases public employees' blanket bond, crime, public officials and boiler/machinery coverage for the Township. DVPLT is funded by annual contributions by its member municipalities, which are assessed at the beginning of each year. The Township's liability limits per incident range from \$0 to \$3,500, except for incidents involving floods, in which the Townships liability limit per incident is \$25,000.

DVWCT is a regional municipal risk retention pool formed under the authority granted by the Pennsylvania Department of Labor and Industry, Bureau of Workers' Compensation. DVWCT provides a method of financing an employer's medical and indemnity obligations due to municipal employees under the Pennsylvania Workers' Compensation Act. For the pool coverage, there is a total risk and cost sharing for all participants. Liabilities in excess of assets of DVWCT may be assessed to participating members. Specific excess insurance is provided to protect against catastrophic losses. The Township does not have any claim liability in addition to premiums unless an assessment is made by DVWCT.

DVHT is an intergovernmental risk sharing pool authorized under the Pennsylvania Inter-governmental Cooperation Act. DVHT serves as a vehicle to provide health insurance coverage to participating municipal employees and dependents. DVHT acts as the primary administrator of the coverage and contracts with Aetna to provide substantially all services, including claims administration and payment processing, as well as network access services and reinsurance coverage. DVHT maintains specific stop loss insurance/reinsurance coverage that limits losses on individual claims up to the maximum lifetime benefit of the plan. DVHT may impose an assessment on current and former members to recover deficits.

There have been no significant reductions in insurance coverage during the year ended December 31, 2023, and settlements have not exceeded coverage in the past three years.

Montgomery Township Municipal Sewer Authority

The Sewer Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; worker's compensation; healthcare costs; and natural disasters for which the Sewer Authority carries commercial insurance. There have been no significant reductions in coverage from prior years, and settlements have not exceeded coverage in the past three years.

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE N - COMMITMENTS AND CONTINGENCIES

The Township has a number of tax assessment appeals pending before the Court of Common Pleas of Montgomery County. Management of the Township has indicated that no definitive opinion can be expressed as to the ultimate outcome of the litigation.

The Township is involved in various other legal matters. Management believes the outcome of any potential claims will not have a material effect on the financial statements.

NOTE O - COMBINING STATEMENTS OF FIDUCIARY FUNDS

A combining schedule of fiduciary net position for the Pension Trust Funds is as follows:

	Police Pension Fund	Non-Uniform Employee Pension Fund	Total Pension Trust Funds
ASSETS			
Cash	\$ 259,947	\$ -	\$ 259,947
Investments, mutual funds			
Equity	17,795,160	8,623,433	26,418,593
Fixed income	5,975,182	-	5,975,182
Balanced	2,618,356	-	2,618,356
Accrued interest receivable	6,159	-	6,159
TOTAL ASSETS	<u>26,654,804</u>	<u>8,623,433</u>	<u>35,278,237</u>
NET POSITION			
Net position restricted for pensions	<u>\$ 26,654,804</u>	<u>\$ 8,623,433</u>	<u>\$ 35,278,237</u>

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE O - COMBINING STATEMENTS OF FIDUCIARY FUNDS

A combining schedule of changes in fiduciary net position for the Pension Trust Funds is as follows:

	Police Pension Fund	Non-Uniform Employee Pension Fund	Total Pension Trust Funds
	<u>Fund</u>	<u>Pension Fund</u>	<u>Trust Funds</u>
ADDITIONS			
Contributions			
Plan member contributions	\$ 217,557	\$ 150,235	\$ 367,792
Employer contributions	213,672	79,106	292,778
Other contributions			
Commonwealth of Pennsylvania	<u>466,328</u>	<u>221,363</u>	<u>687,691</u>
TOTAL CONTRIBUTIONS	<u>897,557</u>	<u>450,704</u>	<u>1,348,261</u>
Investment earnings			
Interest income	593,922	366,927	960,849
Gain (loss) on investments	2,914,502	1,110,191	4,024,693
Investment expenses	<u>(35,000)</u>	<u>(8,766)</u>	<u>(43,766)</u>
INVESTMENT EARNINGS, net	<u>3,473,424</u>	<u>1,468,352</u>	<u>4,941,776</u>
TOTAL ADDITIONS	<u>4,370,981</u>	<u>1,919,056</u>	<u>6,290,037</u>
DEDUCTIONS			
Employee benefit payments	1,255,390	729,426	1,984,816
Administrative expenses	<u>15,840</u>	<u>-</u>	<u>15,840</u>
TOTAL DEDUCTIONS	<u>1,271,230</u>	<u>729,426</u>	<u>2,000,656</u>
CHANGE IN NET POSITION	3,099,751	1,189,630	4,289,381
NET POSITION AT BEGINNING OF YEAR	<u>23,555,053</u>	<u>7,433,803</u>	<u>30,988,856</u>
NET POSITION AT END OF YEAR	<u>\$ 26,654,804</u>	<u>\$ 8,623,433</u>	<u>\$ 35,278,237</u>

MONTGOMERY TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE P - PRIOR PERIOD RESTATEMENT

For the year ended December 31, 2023, the Township restated its beginning of year capital assets and net position for the governmental activities opinion unit on the government-wide financial statements to agree statement balances to the inputs within the Township's new financial management software system. The cumulative effect of the activity is as follows:

	1/1/2023 As Previously Reported	Restatement	1/1/2023 As Restated
GOVERNMENTAL ACTIVITIES			
Land	\$ 14,671,783	\$ 18,956	\$ 14,690,739
Nondepreciable Infrastructure	95,686,704	(18,956)	95,667,748
Buildings and building improvements	11,202,766	(514,454)	10,688,312
Land improvements	987,749	334,013	1,321,762
Depreciable infrastructure	12,568,073	691,192	13,259,265
Machinery and equipment	11,628,395	241,820	11,870,215
Accumulated depreciation	<u>(16,901,185)</u>	<u>8,648</u>	<u>(16,892,537)</u>
	<u>\$ 129,844,285</u>	<u>\$ 761,219</u>	<u>\$ 130,605,504</u>
Statement of Net Position	<u>\$ 137,485,950</u>	<u>\$ 761,219</u>	<u>\$ 138,247,169</u>

REQUIRED SUPPLEMENTARY INFORMATION

MONTGOMERY TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 12,195,000	\$ 12,195,000	\$ 13,921,027	\$ 1,726,027
Licenses and permits	1,075,500	1,075,500	1,292,612	217,112
Fines and forfeits	125,000	125,000	105,402	(19,598)
Interest income, rents and royalties	20,000	20,000	239,701	219,701
Intergovernmental revenues	825,000	825,000	965,816	140,816
Charges for services	40,000	40,000	73,292	33,292
Unclassified operating revenues	-	-	81,573	81,573
TOTAL REVENUES	<u>14,280,500</u>	<u>14,280,500</u>	<u>16,679,423</u>	<u>2,398,923</u>
EXPENDITURES				
General government	2,752,236	2,752,236	3,166,562	(414,326)
Public safety	9,577,371	9,577,371	9,304,064	273,307
Public works				
Highways and streets	2,039,393	2,039,393	2,125,818	(86,425)
TOTAL EXPENDITURES	<u>14,369,000</u>	<u>14,369,000</u>	<u>14,596,444</u>	<u>(227,444)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(88,500)</u>	<u>(88,500)</u>	<u>2,082,979</u>	<u>2,171,479</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	4,112	4,112	4,150	38
Interfund transfers out	(25,000)	(25,000)	(3,440,495)	(3,415,495)
TOTAL OTHER FINANCING USES	<u>(20,888)</u>	<u>(20,888)</u>	<u>(3,436,345)</u>	<u>(3,415,457)</u>
NET CHANGE IN FUND BALANCE				
	(109,388)	(109,388)	(1,353,366)	(1,243,978)
FUND BALANCE AT BEGINNING OF YEAR				
	<u>7,132,923</u>	<u>7,132,923</u>	<u>7,132,923</u>	<u>-</u>
FUND BALANCE AT END OF YEAR				
	<u>\$ 7,023,535</u>	<u>\$ 7,023,535</u>	<u>\$ 5,779,557</u>	<u>\$ (1,243,978)</u>

See accompanying note to the budgetary comparison schedule.

MONTGOMERY TOWNSHIP

NOTE TO THE BUDGETARY COMPARISON SCHEDULE

YEAR ENDED DECEMBER 31, 2023

NOTE A - BUDGETARY INFORMATION

The Township follows these statutory procedures in establishing the budgetary data reflected in the financial statements.

- The Board of Township Supervisors each year, at least 30 days prior to adoption of the annual budget, begins preparation of a proposed budget for all funds for the fiscal year, which commences on the first day of January of each year, and by ordinance appropriate, out of the revenues available for the year, the specific sums required as shown by the budget as finally adopted.
- The total appropriation shall not exceed the revenues estimated as available for the fiscal year.
- Upon preparation of the proposed budget, the Supervisors give public notice, by advertisement in at least one newspaper of general circulation in the Township, that the proposed budget will be available for public inspection.
- After the budget has been available for public inspection for 20 days, the Supervisors adopt the budget not later than the 31st of December.
- The Supervisors may at any time by resolution make supplemental appropriations for any lawful purpose from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated, including the proceeds of any authorized borrowing by law.
- During the month of January following any municipal election, the Supervisors may amend the budget and levy a tax rate to conform with its amended budget. Any amended budget must be adopted by the Township Supervisors on or before the 15th day of February.
- Budgets for all funds are presented on the modified accrual basis of accounting.
- Any excess expenditures were funded by available fund balance in the General Fund.

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MONTGOMERY TOWNSHIP
SCHEDULE OF CHANGES IN THE NET POLICE
PENSION PLAN LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	2023	2022	2021	2020
TOTAL PENSION LIABILITY				
Service cost	\$ 619,358	\$ 648,638	\$ 614,823	\$ 562,404
Interest	2,101,002	1,823,971	1,780,855	1,678,250
Changes for experience	(664,877)	-	(44,345)	-
Changes of assumptions	-	-	-	-
Benefit payments	<u>(1,255,390)</u>	<u>(1,198,516)</u>	<u>(879,037)</u>	<u>(885,779)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	800,093	1,274,093	1,472,296	1,354,875
Total pension liability, beginning	<u>26,055,571</u>	<u>24,781,478</u>	<u>23,309,182</u>	<u>21,954,307</u>
TOTAL PENSION LIABILITY, ENDING (a)	<u>\$ 26,855,664</u>	<u>\$ 26,055,571</u>	<u>\$ 24,781,478</u>	<u>\$ 23,309,182</u>
PLAN FIDUCIARY NET POSITION				
Contributions				
Employer	\$ 680,000	\$ 631,028	\$ 812,228	\$ 809,367
Member	217,557	210,706	203,383	211,410
DROP	-	-	-	-
Net investment income (loss)	3,473,424	(5,159,543)	3,699,360	3,485,262
Benefit payments, including refunds of member contributions	(1,255,390)	(1,198,516)	(879,037)	(885,779)
Administrative expense	<u>(15,840)</u>	<u>(4,755)</u>	<u>(10,460)</u>	<u>-</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	3,099,751	(5,521,080)	3,825,474	3,620,260
Plan fiduciary net position, beginning	<u>23,555,053</u>	<u>29,076,133</u>	<u>25,250,659</u>	<u>21,630,399</u>
PLAN FIDUCIARY NET, POSITION ENDING (b)	<u>\$ 26,654,804</u>	<u>\$ 23,555,053</u>	<u>\$ 29,076,133</u>	<u>\$ 25,250,659</u>
NET PENSION LIABILITY, (ASSET) ENDING (a)-(b)	<u>\$ 200,860</u>	<u>\$ 2,500,518</u>	<u>\$ (4,294,655)</u>	<u>\$ (1,941,477)</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>99%</u>	<u>90%</u>	<u>117%</u>	<u>108%</u>
COVERED PAYROLL	<u>\$ 4,500,134</u>	<u>\$ 4,108,091</u>	<u>\$ 4,090,066</u>	<u>\$ 3,974,721</u>
NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL	<u>4.46%</u>	<u>60.87%</u>	<u>-105.00%</u>	<u>-48.85%</u>

NOTES TO SCHEDULE

Changes of assumptions: In 2019, amounts reported as changes of assumptions resulted from changing the mortality rates from being based on the IRS 2017 Static Combined Table for Small Plans to the PubS-2010 mortality table, including rates for disabled retirees and contingent survivors. In 2017, amounts reported as changes of assumptions resulted from changing the mortality rates from being based on the RP-2000 Healthy Annuitant Mortality Tables to the IRS 2017 Static Combined Table for Small Plans. In 2015, amounts reported as changes of assumptions resulted from changing the assumed investment rate of return and the assumed discount rate from 8.0% to 7.5%, and changing the assumed annual salary increase from 6.0% to 5.5%.

2019	2018	2017	2016	2015	2014
\$ 533,084	\$ 505,591	\$ 479,233	\$ 475,597	\$ 450,803	\$ 397,260
1,565,742	1,453,258	1,410,216	1,350,674	1,232,916	1,213,236
(187,162)	-	(868,285)	-	(187,763)	-
410,158	-	508,899	-	742,193	-
<u>(840,472)</u>	<u>(843,423)</u>	<u>(1,363,681)</u>	<u>(527,896)</u>	<u>(508,968)</u>	<u>(748,577)</u>
1,481,350	1,115,426	166,382	1,298,375	1,729,181	861,919
<u>20,472,957</u>	<u>19,357,531</u>	<u>19,191,149</u>	<u>17,892,774</u>	<u>16,163,593</u>	<u>15,301,674</u>
<u>\$ 21,954,307</u>	<u>\$ 20,472,957</u>	<u>\$ 19,357,531</u>	<u>\$ 19,191,149</u>	<u>\$ 17,892,774</u>	<u>\$ 16,163,593</u>
\$ 851,857	\$ 822,819	\$ 770,721	\$ 761,309	\$ 751,249	\$ 611,018
194,827	201,729	174,963	165,677	161,806	153,337
-	-	-	-	-	275,238
3,630,437	(778,976)	2,412,208	947,050	(128,538)	894,128
(840,472)	(843,423)	(1,363,681)	(527,896)	(508,968)	(748,577)
-	(4,530)	(15,740)	(3,910)	(12,440)	(15,905)
<u>3,836,649</u>	<u>(602,381)</u>	<u>1,978,471</u>	<u>1,342,230</u>	<u>263,109</u>	<u>1,169,239</u>
<u>17,793,750</u>	<u>18,396,131</u>	<u>16,417,660</u>	<u>15,075,430</u>	<u>14,812,321</u>	<u>13,643,082</u>
<u>\$ 21,630,399</u>	<u>\$ 17,793,750</u>	<u>\$ 18,396,131</u>	<u>\$ 16,417,660</u>	<u>\$ 15,075,430</u>	<u>\$ 14,812,321</u>
<u>\$ 323,908</u>	<u>\$ 2,679,207</u>	<u>\$ 961,400</u>	<u>\$ 2,773,489</u>	<u>\$ 2,817,344</u>	<u>\$ 1,351,272</u>
<u>98.52%</u>	<u>86.91%</u>	<u>95.03%</u>	<u>85.55%</u>	<u>84.25%</u>	<u>91.64%</u>
<u>\$ 3,865,415</u>	<u>\$ 3,868,025</u>	<u>\$ 3,481,326</u>	<u>\$ 3,317,883</u>	<u>\$ 3,103,825</u>	<u>\$ 3,080,805</u>
<u>8.38%</u>	<u>69.27%</u>	<u>27.62%</u>	<u>83.59%</u>	<u>90.77%</u>	<u>43.86%</u>

MONTGOMERY TOWNSHIP
SCHEDULE OF POLICE PENSION PLAN
CONTRIBUTIONS
LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
ACTUARIALLY DETERMINED CONTRIBUTION	\$ 678,328	\$ 631,028	\$ 812,228	\$ 809,364
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	<u>680,000</u>	<u>631,028</u>	<u>812,228</u>	<u>809,367</u>
CONTRIBUTION (EXCESS) DEFICIENCY	\$ <u>(1,672)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(3)</u>
COVERED PAYROLL	\$ <u>4,500,134</u>	\$ <u>4,108,091</u>	\$ <u>4,090,066</u>	\$ <u>3,974,721</u>
CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL	<u>15.11%</u>	<u>15.36%</u>	<u>19.86%</u>	<u>20.36%</u>

NOTES TO SCHEDULE

Valuation date: January 1, 2021

Actuarially determined contribution rates are calculated by September 30 of each year for the upcoming calendar year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	3 years
Asset valuation method	Smoothed value with a corridor of 80% to 120% of fair value.
Inflation	3%
Salary increases	5.5% annual increase
Investment rate of return	7.5%
Retirement age	Normal retirement age
Mortality	PubS-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2020 to reflect mortality improvement.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 851,856	\$ 822,819	\$ 770,721	\$ 761,309	\$ 751,249	\$ 611,018
<u>851,857</u>	<u>822,819</u>	<u>770,721</u>	<u>761,309</u>	<u>751,249</u>	<u>611,018</u>
\$ <u>(1)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ <u>3,865,415</u>	\$ <u>3,868,025</u>	\$ <u>3,481,326</u>	\$ <u>3,317,883</u>	\$ <u>3,103,825</u>	\$ <u>3,080,805</u>
<u>22.04%</u>	<u>21.27%</u>	<u>22.14%</u>	<u>22.95%</u>	<u>24.20%</u>	<u>19.83%</u>

MONTGOMERY TOWNSHIP
SCHEDULE OF POLICE PENSION PLAN
INVESTMENT RETURNS
LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	<u>14.75%</u>	<u>-17.99%</u>	<u>14.59%</u>	<u>15.78%</u>

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u><u>20.06%</u></u>	<u><u>-4.18%</u></u>	<u><u>14.84%</u></u>	<u><u>6.03%</u></u>	<u><u>-0.54%</u></u>	<u><u>6.64%</u></u>

MONTGOMERY TOWNSHIP
SCHEDULE OF CHANGES IN THE TOTAL OTHER POSTEMPLOYMENT
BENEFIT PLAN LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY						
Service cost	\$ 281,362	\$ 314,284	\$ 231,446	\$ 198,579	\$ 210,147	\$ 187,611
Interest	98,137	85,815	120,987	123,658	107,879	121,756
Difference between expected and actual experience	-	(372,002)	-	30,080	-	(177,908)
Changes of assumptions	(748,195)	98,527	483,123	115,459	(140,143)	148,960
Benefit payments	<u>(175,801)</u>	<u>(181,578)</u>	<u>(185,272)</u>	<u>(188,136)</u>	<u>(176,955)</u>	<u>(163,741)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	(544,497)	(54,954)	650,284	279,640	928	116,678
TOTAL OPEB LIABILITY, BEGINNING	<u>4,175,508</u>	<u>4,230,462</u>	<u>3,580,178</u>	<u>3,300,538</u>	<u>3,299,610</u>	<u>3,182,932</u>
TOTAL OPEB LIABILITY, ENDING	<u>\$ 3,631,011</u>	<u>\$ 4,175,508</u>	<u>\$ 4,230,462</u>	<u>\$ 3,580,178</u>	<u>\$ 3,300,538</u>	<u>\$ 3,299,610</u>
COVERED-EMPLOYEE PAYROLL	<u>\$ 4,469,933</u>	<u>\$ 4,469,933</u>	<u>\$ 3,986,097</u>	<u>\$ 3,986,097</u>	<u>\$ 3,408,647</u>	<u>\$ 3,408,647</u>
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	<u>81.23%</u>	<u>93.41%</u>	<u>106.13%</u>	<u>89.82%</u>	<u>96.83%</u>	<u>96.80%</u>

NOTES TO SCHEDULE

No assets are accumulated in a trust to pay benefits related to this plan.

Changes in assumptions: In the 2023 valuation, the discount rate changed from 2.25% to 4.31%. The trend and retirement assumptions were updated. In the 2022 valuation, the discount rate changed from 1.93% to 2.25%. The trend and retirement assumptions were updated. In the 2020 valuation, the discount rate changed from 3.26% to 1.93%. In the 2019 actuarial valuation, the discount rate changed from 3.64% to 3.26%. In the In the 2018 actuarial valuation, the discount rate changed from 3.16% to 3.64%. In the 2017 actuarial valuation, the discount rate changed from 3.71% to 3.16%. The trend assumption was updated.

This schedule is to present the requirement to show information for ten (10) years. However, until a full ten-year trend is compiled, information for only those years for which information is available is shown.

MONTGOMERY TOWNSHIP
TREND DATA ON INFRASTRUCTURE CONDITION
YEAR ENDED DECEMBER 31, 2023

The Township has adopted an alternative process for recording depreciation on certain infrastructure assets. Under this alternative method, referred to as the modified approach, the Township expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 73.92 lane miles of local roads, 776,540 linear feet of curbs and 3,057,389 square feet of sidewalks.

In order to utilize the modified approach, the Township is required to:

- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the Township.
- Document that the assets are being preserved approximately at or above the established condition level.

The Montgomery Township Department of Public Works uses a number of methods to determine the condition of roadway pavements; however, the Pavement Condition Index (PCI) serves as the Township’s primary method to measure and monitor pavement condition of its local roads. The PCI is a visual analysis conducted by an engineer and Public Works Director. It includes a five point scale evaluating the conditions of roadway surfaces from Excellent to Failed with corresponding maintenance and repair work recommendations. During the annual assessment inspection of road surfaces, the Township Engineer and Public Works Director inspect the adjoining curb/sidewalk facilities to determine those needing repair or replacement.

The Township manages the conditions of its road pavements and curbs/sidewalks through its 16-Year Road Plan. This plan calculates the amount of funds needed to be budgeted on an annual basis to resurface all Township-owned roads every 16 years and replace all curbs/sidewalks every 25-30 years. It is based on the premise that road pavement surfaces will start to show signs of major distress after 16 years and that necessary curbs/sidewalk replacements need to occur a year in advance of the scheduled road resurfacing to maintain the pavement’s integrity after resurfacing. Funding for the 16-Year Road Plan is included in annual General Fund and Liquid Fuels Fund budgets.

The Township’s policy is that no more than 20% of local road pavements and curbs/sidewalks will have a condition rating as “poor” or “very poor.” The Township assesses conditions of its road and curbs/sidewalks every three years and makes necessary adjustments to the pavement resurfacing and curb/sidewalk replacement schedule based on that assessment. The following reports the percentage of road pavements and curbs/sidewalks that met this rating as of the last three evaluation periods:

Condition	% of Streets		
	2023	2020	2017
Excellent/good - rating of III - V	94%	94%	94%
Fair/poor - rating of II	6%	6%	6%
Very poor/failed - rating of I	0%	0%	0%

MONTGOMERY TOWNSHIP
TREND DATA ON INFRASTRUCTURE CONDITION
YEAR ENDED DECEMBER 31, 2023

The following chart presents the estimated and actual amounts spent on road resurfacing and curb/sidewalk replacement work during the past five fiscal years to maintain and preserve the assets at the condition level established by the Township:

<u>Fiscal Year Ended</u>	<u>Estimated Cost</u>	<u>Actual Cost</u>
2023	\$ 264,000	\$ 93,606
2022	211,050	373,267
2021	1,144,500	578,864
2020	904,600	683,887
2019	997,080	902,873

SUPPLEMENTARY INFORMATION SECTION

MONTGOMERY TOWNSHIP
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
REVENUES				
Taxes				
Real estate	\$ 2,185,000	\$ 2,185,000	\$ 2,245,910	\$ 60,910
Earned income	5,580,000	5,580,000	6,418,761	838,761
Transfer	900,000	900,000	908,380	8,380
Mercantile	2,000,000	2,000,000	2,488,130	488,130
Local services	500,000	500,000	591,513	91,513
Amusement	55,000	55,000	81,999	26,999
Business privilege	975,000	975,000	1,186,334	211,334
TOTAL TAXES	<u>12,195,000</u>	<u>12,195,000</u>	<u>13,921,027</u>	<u>1,726,027</u>
Licenses and permits				
Building	315,000	315,000	430,848	115,848
Zoning	15,000	15,000	21,660	6,660
Electrical	25,000	25,000	42,169	17,169
Plumbing	10,000	10,000	14,156	4,156
Street	10,000	10,000	7,460	(2,540)
Fence	7,000	7,000	8,530	1,530
Use and occupancy	10,000	10,000	18,530	8,530
Roofing and siding	30,000	30,000	26,845	(3,155)
Grading	3,000	3,000	5,440	2,440
Demolition	5,000	5,000	8,339	3,339
Heat, vent and air conditioning	50,000	50,000	61,981	11,981
Sign	8,000	8,000	15,141	7,141
Cable television franchise fees	550,000	550,000	563,814	13,814
Other	37,500	37,500	67,699	30,199
TOTAL LICENSES AND PERMITS	<u>1,075,500</u>	<u>1,075,500</u>	<u>1,292,612</u>	<u>217,112</u>
Fines and forfeits, police	<u>125,000</u>	<u>125,000</u>	<u>105,402</u>	<u>(19,598)</u>
Interest income, rents and royalties	<u>20,000</u>	<u>20,000</u>	<u>239,701</u>	<u>219,701</u>
Intergovernmental revenues				
Public utility realty tax	15,000	15,000	16,142	1,142
Municipal Pension System State Aid	550,000	550,000	687,691	137,691
Foreign Fire Tax	200,000	200,000	218,551	18,551
Other state grants	60,000	60,000	40,531	(19,469)
County	-	-	2,901	2,901
TOTAL INTERGOVERNMENTAL REVENUES	<u>825,000</u>	<u>825,000</u>	<u>965,816</u>	<u>140,816</u>
Charges for services				
Administrative	20,000	20,000	15,358	(4,642)
Police services	20,000	20,000	57,934	37,934
TOTAL CHARGES FOR SERVICES	<u>40,000</u>	<u>40,000</u>	<u>73,292</u>	<u>33,292</u>
Unclassified operating revenues	-	-	81,573	81,573
TOTAL REVENUES	<u>\$ 14,280,500</u>	<u>\$ 14,280,500</u>	<u>\$ 16,679,423</u>	<u>\$ 2,398,923</u>
OTHER FINANCING SOURCES				
Interfund transfers in				
Restoration fund	4,112	4,112	4,150	38
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 14,284,612</u>	<u>\$ 14,284,612</u>	<u>\$ 16,683,573</u>	<u>\$ 2,398,961</u>

MONTGOMERY TOWNSHIP
SCHEDULE OF FUNCTIONAL EXPENDITURES BY
ACTIVITY AND OTHER FINANCING USES
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Over (Under) Budget
	Original	Final		
EXPENDITURES				
General government				
Administration	\$ 1,441,805	\$ 1,441,805	\$ 1,779,593	\$ 337,788
Tax collection	194,500	194,500	208,077	13,577
Legal services	155,000	155,000	113,024	(41,976)
Finance	503,148	503,148	467,757	(35,391)
Information technology	382,783	382,783	503,912	121,129
Engineering	75,000	75,000	94,199	19,199
TOTAL GENERAL GOVERNMENT	<u>2,752,236</u>	<u>2,752,236</u>	<u>3,166,562</u>	<u>414,326</u>
Public safety				
Police services	8,568,249	8,568,249	8,294,826	(273,423)
Fire protection	216,500	216,500	242,051	25,551
Code enforcement	692,622	692,622	666,687	(25,935)
Emergency and VMSC	100,000	100,000	100,500	500
TOTAL PUBLIC SAFETY	<u>9,577,371</u>	<u>9,577,371</u>	<u>9,304,064</u>	<u>(273,307)</u>
Highways and streets				
Public works	1,926,893	1,926,893	2,063,852	136,959
Snow and ice removal	52,500	52,500	12,133	(40,367)
Traffic	-	-	8,141	8,141
Street lighting	1,000	1,000	2,938	1,938
Storm sewers and drains	8,000	8,000	4,946	(3,054)
Maintenance and repairs of roads and bridges	51,000	51,000	33,808	(17,192)
TOTAL HIGHWAYS AND STREETS	<u>2,039,393</u>	<u>2,039,393</u>	<u>2,125,818</u>	<u>86,425</u>
TOTAL EXPENDITURES	<u>14,369,000</u>	<u>14,369,000</u>	<u>14,596,444</u>	<u>227,444</u>
OTHER FINANCING USES				
Interfund transfers out				
Capital Reserve Fund	-	-	3,300,000	3,300,000
Recreation Center Fund	-	-	115,495	115,495
Autumn Festival Fund	25,000	25,000	25,000	-
TOTAL OTHER FINANCING USES	<u>25,000</u>	<u>25,000</u>	<u>3,440,495</u>	<u>3,415,495</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 14,394,000</u>	<u>\$ 14,394,000</u>	<u>\$ 18,036,939</u>	<u>\$ 3,642,939</u>

**MONTGOMERY TOWNSHIP
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Fire Protection Fund	Park and Recreation Fund	Street Light Fund	Special Revenue Highway Aid Fund
ASSETS				
Cash and cash equivalents	\$ 634,728	\$ 878,689	\$ 336,675	\$ 1,815,668
Taxes receivable	184,551	13,859	-	-
Accounts receivable	57,920	6,501	8,895	-
Prepaid items	-	-	-	-
TOTAL ASSETS	\$ 877,199	\$ 899,049	\$ 345,570	\$ 1,815,668
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenditures	\$ 36,112	\$ 10,099	\$ -	\$ -
Accrued payroll	42,989	6,119	-	-
TOTAL LIABILITIES	79,101	16,218	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues				
Property taxes	5,155	2,485	-	-
Income taxes	137,401	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	142,556	2,485	-	-
FUND BALANCES				
Nonspendable, prepaid items	-	-	-	-
Restricted				
Providing and maintaining street lights	-	-	345,570	-
Debt service	-	-	-	-
Park and recreation capital projects	-	-	-	-
Highway and street projects	-	-	-	1,815,668
Park and recreation activities	-	880,346	-	-
Committed to				
Arbor Day and shade tree commission	-	-	-	-
Environmental	-	-	-	-
Fire protection capital purchases and/or infrastructure projects	655,542	-	-	-
Assigned				
Annual autumn fest	-	-	-	-
TOTAL FUND BALANCES	655,542	880,346	345,570	1,815,668
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 877,199	\$ 899,049	\$ 345,570	\$ 1,815,668

							Capital Projects Funds	
Environmental Fund	Replacement Tree Fund	Autumn Festival Fund	Park and Recreation Capital Fund	Restoration Fund	Debt Service Fund	Total Other Governmental Funds		
\$ 164,706	\$ 397,597	\$ 44,305	\$ 353,679	\$ -	\$ 58,826	\$ 4,684,873		
-	-	-	-	-	26,692	225,102		
-	-	-	-	-	-	73,316		
-	-	10,700	-	-	-	10,700		
<u>\$ 164,706</u>	<u>\$ 397,597</u>	<u>\$ 55,005</u>	<u>\$ 353,679</u>	<u>\$ -</u>	<u>\$ 85,518</u>	<u>\$ 4,993,991</u>		
\$ 8,787	\$ 2,402	\$ -	\$ -	\$ -	\$ -	\$ 57,400		
-	-	-	-	-	-	49,108		
<u>8,787</u>	<u>2,402</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,508</u>		
-	-	-	-	-	4,787	12,427		
-	-	-	-	-	-	137,401		
-	-	-	-	-	4,787	149,828		
-	-	10,700	-	-	-	10,700		
-	-	-	-	-	-	345,570		
-	-	-	-	-	80,731	80,731		
-	-	-	353,679	-	-	353,679		
-	-	-	-	-	-	1,815,668		
-	-	-	-	-	-	880,346		
-	395,195	-	-	-	-	395,195		
155,919	-	-	-	-	-	155,919		
-	-	-	-	-	-	655,542		
-	-	44,305	-	-	-	44,305		
<u>155,919</u>	<u>395,195</u>	<u>55,005</u>	<u>353,679</u>	<u>-</u>	<u>80,731</u>	<u>4,737,655</u>		
<u>\$ 164,706</u>	<u>\$ 397,597</u>	<u>\$ 55,005</u>	<u>\$ 353,679</u>	<u>\$ -</u>	<u>\$ 85,518</u>	<u>\$ 4,993,991</u>		

MONTGOMERY TOWNSHIP

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OTHER GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds				
	Fire Protection Fund	Park and Recreation Fund	Street Light Fund	Highway Aid Fund	Environmental Fund
REVENUES					
Taxes	\$ 1,640,903	\$ 531,467	\$ 135,294	\$ -	\$ -
Interest income, rents and royalties	14,997	23,542	7,876	41,685	2,354
Intergovernmental revenues	-	-	-	705,909	-
Charges for services	54,265	683	725	-	-
Unclassified operating revenues	604	-	-	-	40
TOTAL REVENUES	1,710,769	555,692	143,895	747,594	2,394
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	1,607,826	-	-	-	-
Public works					
Sanitation	-	-	-	-	51,928
Highways and streets	-	-	71,776	93,606	-
Culture and recreation	-	423,156	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
TOTAL EXPENDITURES	1,607,826	423,156	71,776	93,606	51,928
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	102,943	132,536	72,119	653,988	(49,534)
OTHER FINANCING SOURCES (USES)					
Interfund transfers in	-	-	-	-	-
Interfund transfers out	-	-	-	-	(200,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(200,000)
NET CHANGE IN FUND BALANCES	102,943	132,536	72,119	653,988	(249,534)
FUND BALANCES AT BEGINNING OF YEAR	552,599	747,810	273,451	1,161,680	405,453
FUND BALANCES AT END OF YEAR	\$ 655,542	\$ 880,346	\$ 345,570	\$ 1,815,668	\$ 155,919

Capital Projects Funds					
Replacement Tree Fund	Autumn Festival Fund	Park and Recreation Capital Fund	Restoration Fund	Debt Service Fund	Total Other Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,030,799	\$ 3,338,463
5,074	210	1,930	24	7,788	105,480
-	-	-	-	-	705,909
-	-	-	-	-	55,673
5,000	44,625	23,462	-	-	73,731
<u>10,074</u>	<u>44,835</u>	<u>25,392</u>	<u>24</u>	<u>1,038,587</u>	<u>4,279,256</u>
-	-	-	-	12,258	12,258
-	-	-	-	-	1,607,826
-	-	-	-	-	51,928
-	-	-	-	-	165,382
27,580	22,686	564	-	-	473,986
-	-	-	-	392,000	392,000
-	-	-	-	250,416	250,416
<u>27,580</u>	<u>22,686</u>	<u>564</u>	<u>-</u>	<u>654,674</u>	<u>2,953,796</u>
<u>(17,506)</u>	<u>22,149</u>	<u>24,828</u>	<u>24</u>	<u>383,913</u>	<u>1,325,460</u>
200,000	25,000	-	-	107,818	332,818
-	-	-	(4,150)	(418,818)	(622,968)
<u>200,000</u>	<u>25,000</u>	<u>-</u>	<u>(4,150)</u>	<u>(311,000)</u>	<u>(290,150)</u>
182,494	47,149	24,828	(4,126)	72,913	1,035,310
<u>212,701</u>	<u>7,856</u>	<u>328,851</u>	<u>4,126</u>	<u>7,818</u>	<u>3,702,345</u>
<u>\$ 395,195</u>	<u>\$ 55,005</u>	<u>\$ 353,679</u>	<u>\$ -</u>	<u>\$ 80,731</u>	<u>\$ 4,737,655</u>

MONTGOMERY TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
CAPITAL RESERVE FUND
YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest income, rents and royalties	\$ 35,000	\$ 35,000	\$ 302,152	\$ 267,152
Intergovernmental revenues	1,371,000	1,371,000	276,720	(1,094,280)
Unclassified operating revenues	30,000	30,000	42,175	12,175
TOTAL REVENUES	1,436,000	1,436,000	621,047	(814,953)
EXPENDITURES				
General government				
Administration	145,000	145,000	187,409	42,409
Information technology	144,000	144,000	45,867	(98,133)
Buildings and grounds	771,500	771,500	393,830	(377,670)
TOTAL GENERAL GOVERNMENT	1,060,500	1,060,500	627,106	(55,724)
Public safety				
Police services	263,000	263,000	379,223	116,223
Fire protection	291,000	291,000	200,836	(90,164)
Code enforcement	-	-	23,976	23,976
TOTAL PUBLIC SAFETY	554,000	554,000	604,035	50,035
Highways and streets				
Public works	1,861,500	1,861,500	954,371	(907,129)
Traffic	2,285,000	2,285,000	843,486	(1,441,514)
Street lighting	-	-	-	-
Stormwater	640,400	640,400	401,983	(238,417)
Highway construction and rebuilding	1,812,000	1,812,000	1,362,695	(449,305)
TOTAL HIGHWAYS AND STREETS	6,598,900	6,598,900	3,562,535	(3,036,365)
Culture and recreation				
TOTAL EXPENDITURES	10,532,900	10,532,900	6,051,035	(4,104,195)
DEFICIENCY OF REVENUES OVER EXPENDITURES				
	(9,096,900)	(9,096,900)	(5,429,988)	3,666,912
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	50,000	50,000	183,645	133,645
Interfund transfers in				
General Fund	-	-	3,300,000	3,300,000
TOTAL OTHER FINANCING SOURCES	50,000	50,000	3,483,645	3,433,645
NET CHANGE IN FUND BALANCE	(9,046,900)	(9,046,900)	(1,946,343)	7,100,557
FUND BALANCE AT BEGINNING OF YEAR	11,785,552	11,785,552	11,785,552	-
FUND BALANCE AT END OF YEAR	\$ 2,738,652	\$ 2,738,652	\$ 9,839,209	\$ 7,100,557

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MONTGOMERY TOWNSHIP
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES--BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2023

	Fire Protection Fund		Park and Recreation Fund	
	Budget	Actual	Budget	Actual
REVENUES				
Taxes				
Real estate	\$ 1,071,500	\$ 1,109,897	\$ 521,500	\$ 531,467
Earned income	310,000	318,595	-	-
Local services	180,000	212,411	-	-
TOTAL TAXES	<u>1,561,500</u>	<u>1,640,903</u>	<u>521,500</u>	<u>531,467</u>
Licenses and permits, tipping fees	70,000	-	-	-
TOTAL LICENSES AND PERMITS	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fines and forfeits	-	-	-	-
Interest income, rents and royalties	2,000	14,997	1,500	23,542
Intergovernmental revenues				
State	-	-	-	-
Federal	-	-	-	-
TOTAL INTERGOVERNMENTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Charges for services				
Department services	15,000	54,265	-	-
Recreation fees	-	-	-	683
Recycling bins	-	-	-	-
TOTAL CHARGES FOR SERVICES	<u>15,000</u>	<u>54,265</u>	<u>-</u>	<u>683</u>
Unclassified operating revenues	500	604	-	-
TOTAL REVENUES	<u>1,649,000</u>	<u>1,710,769</u>	<u>523,000</u>	<u>555,692</u>
EXPENDITURES				
General government, administration	-	-	-	-
Public safety, fire protection	1,655,000	1,607,826	-	-
Sanitation	-	-	-	-
Highways and streets				
Public works	-	-	-	-
Street lighting	-	-	-	-
Repairs	-	-	-	-
TOTAL HIGHWAYS AND STREETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Culture and recreation	-	-	556,500	423,156
TOTAL EXPENDITURES	<u>1,655,000</u>	<u>1,607,826</u>	<u>556,500</u>	<u>423,156</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,000)</u>	<u>102,943</u>	<u>(33,500)</u>	<u>132,536</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in				
General Fund	-	-	-	-
Environmental Fund	-	-	-	-
TOTAL INTERFUND TRANSFERS IN	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interfund transfers out				
Replacement Tree Fund	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(6,000)	102,943	(33,500)	132,536
FUND BALANCES AT BEGINNING OF YEAR	552,599	552,599	747,810	747,810
FUND BALANCES AT END OF YEAR	<u>\$ 546,599</u>	<u>\$ 655,542</u>	<u>\$ 714,310</u>	<u>\$ 880,346</u>

Highway Aid Fund		Environmental Fund		Replacement Tree Fund		Autumn Festival Fund	
Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
-	\$ -	-	\$ -	-	\$ -	-	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,500	41,685	1,000	2,354	500	5,074	500	210
690,500	705,909	-	-	-	-	-	-
-	-	-	-	-	-	-	-
690,500	705,909	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	40	-	5,000	-	44,625
693,000	747,594	1,000	2,394	500	10,074	10,000	44,835
-	-	-	-	-	-	-	-
-	-	50,000	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	3,000	51,928	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
264,000	93,606	-	-	-	-	-	-
264,000	93,606	-	-	-	-	-	-
-	-	-	-	75,000	27,580	35,000	22,686
264,000	93,606	53,000	51,928	75,000	27,580	35,000	22,686
429,000	653,988	(52,000)	(49,534)	(74,500)	(17,506)	(24,500)	22,149
-	-	-	-	-	-	25,000	25,000
-	-	-	-	200,000	200,000	-	-
-	-	-	-	200,000	200,000	25,000	25,000
-	-	(200,000)	(200,000)	-	-	-	-
-	-	(200,000)	(200,000)	200,000	200,000	25,000	25,000
429,000	653,988	(252,000)	(249,534)	125,500	182,494	500	47,149
1,161,680	1,161,680	405,453	405,453	212,701	212,701	7,856	7,856
590,680	1,815,668	153,453	155,919	338,201	395,195	8,356	55,005

MONTGOMERY TOWNSHIP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL NONMAJOR CAPITAL PROJECTS FUNDS YEAR ENDED DECEMBER 31, 2023

	Park and Recreation Capital Fund		Restoration Fund	
	Budget	Actual	Budget	Actual
REVENUES				
Interest income, rents and royalties	\$ 500	\$ 1,930	\$ -	\$ 24
Unclassified operating revenues	280,500	23,462	-	-
TOTAL REVENUES	<u>281,000</u>	<u>25,392</u>	<u>-</u>	<u>24</u>
EXPENDITURES				
Culture and recreation	-	564	-	-
EXCESS OF REVENUES OVER EXPENDITURES	<u>281,000</u>	<u>24,828</u>	<u>-</u>	<u>24</u>
OTHER FINANCING USES				
Interfund transfers out General Fund	-	-	(4,112)	(4,150)
NET CHANGE IN FUND BALANCES	281,000	24,828	(4,112)	(4,126)
FUND BALANCES AT BEGINNING OF YEAR	<u>328,851</u>	<u>328,851</u>	<u>4,126</u>	<u>4,126</u>
FUND BALANCES AT END OF YEAR	<u>\$ 609,851</u>	<u>\$ 353,679</u>	<u>\$ 14</u>	<u>\$ -</u>

MONTGOMERY TOWNSHIP**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE--BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2023**

	Debt Service Fund	
	Budget	Actual
REVENUES		
Taxes, real estate	\$ 991,000	\$ 1,030,799
Interest income, rents and royalties	500	7,788
TOTAL REVENUES	<u>991,500</u>	<u>1,038,587</u>
EXPENDITURES		
General government, administration	-	12,258
Debt service		
Principal retirement	703,000	392,000
Interest	358,236	250,416
TOTAL EXPENDITURES	<u>1,061,236</u>	<u>654,674</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(69,736)	383,913
OTHER FINANCING SOURCES (USES)		
Interfund transfers in		
Recreation Center Fund	419,000	107,818
Interfund transfers out		
Recreation Center Fund	<u>-</u>	<u>(418,818)</u>
NET CHANGE IN FUND BALANCE	349,264	72,913
FUND BALANCE AT BEGINNING OF YEAR	<u>7,818</u>	<u>7,818</u>
FUND BALANCE AT END OF YEAR	<u>\$ 357,082</u>	<u>\$ 80,731</u>

STATISTICAL SECTION

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STATISTICAL SECTION

This part of the Montgomery Township annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the Township's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Township's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the Township's ability to generate its property and local enabling taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Township's current levels of outstanding debt and the Township's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities take place and to help make comparisons over time and with other governments.

Operation Information

These schedules contain service and miscellaneous data to help the reader understand how the information in the Township's financial report relates to the service the Township provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year. The Township implemented GASB Statement No. 34 in 2004; schedules presenting government-wide information include information beginning in that year.

Montgomery Township
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<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>
Governmental Activities										
Net Investment in Capital Assets	\$ 124,403,036	\$ 125,329,515	\$ 119,375,518	\$ 117,199,087	\$ 113,956,693	\$ 112,672,031	\$ 113,030,543	\$ 113,595,908	\$ 113,106,973	\$ 112,076,605
Restricted	8,886,986	1,775,926	1,390,189	1,217,137	1,559,263	1,646,171	1,646,975	1,622,842	1,655,979	3,018,757
Unrestricted	<u>5,328,817</u>	<u>10,380,509</u>	<u>13,547,901</u>	<u>13,190,645</u>	<u>14,367,226</u>	<u>14,118,867</u>	<u>15,542,690</u>	<u>13,895,248</u>	<u>12,618,239</u>	<u>17,420,811</u>
Total Government Activities Net Position	\$ 138,618,839	\$ 137,485,950	\$ 134,313,608	\$ 131,606,869	\$ 129,883,182	\$ 128,437,069	\$ 130,220,208	\$ 129,113,998	\$ 127,381,191	\$ 132,516,173
Business-Type Activities										
Net Investment in Capital Assets	\$ 1,869,136	\$ 1,802,573	\$ 1,838,166	\$ 1,982,795	\$ 2,087,320	\$ 2,173,825	\$ 2,500,698	\$ 2,817,631	\$ 2,967,520	\$ (871,148)
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>(332,080)</u>	<u>(207,780)</u>	<u>(467,864)</u>	<u>(312,631)</u>	<u>177,743</u>	<u>130,507</u>	<u>118,335</u>	<u>94,650</u>	<u>512,935</u>	<u>(51,887)</u>
Total Business-Type Activities Net Position	\$ 1,537,056	\$ 1,594,793	\$ 1,370,302	\$ 1,670,164	\$ 2,265,063	\$ 2,304,332	\$ 2,619,033	\$ 2,912,281	\$ 3,480,455	\$ (923,035)
Primary Government										
Net Investment in Capital Assets	\$ 126,272,172	\$ 127,132,088	\$ 121,213,684	\$ 119,181,882	\$ 116,044,013	\$ 114,845,856	\$ 115,531,241	\$ 116,413,539	\$ 116,074,493	\$ 111,205,457
Restricted	8,886,986	1,775,926	1,390,189	1,217,137	1,559,263	1,646,171	1,646,975	1,622,842	1,655,979	3,018,757
Unrestricted	<u>4,996,737</u>	<u>10,172,729</u>	<u>13,080,037</u>	<u>12,878,014</u>	<u>14,544,969</u>	<u>14,249,374</u>	<u>15,661,025</u>	<u>13,989,898</u>	<u>13,131,174</u>	<u>17,368,924</u>
Total Primary Government Net Position	<u>\$ 140,155,895</u>	<u>\$ 139,080,743</u>	<u>\$ 135,683,910</u>	<u>\$ 133,277,033</u>	<u>\$ 132,148,245</u>	<u>\$ 130,741,401</u>	<u>\$ 132,839,241</u>	<u>\$ 132,076,279</u>	<u>\$ 130,861,646</u>	<u>\$ 131,593,138</u>

Source:

Montgomery Township Records, Statement of Net Position

Montgomery Township
Changes in Net Position
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<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>
Expenditures										
Governmental Activities										
General Government	\$ 3,607,076	\$ 2,620,379	\$ 2,403,155	\$ 2,377,864	\$ 3,012,067	\$ 2,671,569	\$ 2,403,329	\$ 2,302,216	\$ 2,196,876	\$ 2,156,792
Public Safety	10,839,257	11,112,011	8,407,892	9,009,339	9,805,767	9,656,082	8,810,371	8,834,138	8,543,152	7,994,539
Sanitation	51,928	-	-	-	-	-	-	-	-	-
Highways and Streets	2,619,622	2,416,403	1,786,122	2,398,922	2,682,668	3,630,512	3,065,656	2,930,010	3,080,080	2,863,824
Parks and Recreation	1,689,132	478,753	527,871	416,857	497,328	469,547	410,813	365,999	478,748	792,683
Police and Employee Pension Costs	-	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	250,416	257,091	148,649	-	-	-	-	3,896	12,610	22,851
Depreciation, Unallocated	1,519,910	1,291,267	1,395,579	1,305,780	971,676	952,194	920,457	946,421	901,584	859,765
Loss on disposal of capital assets	72,494	-	-	-	-	-	-	-	-	-
Amortization of Bond Issue Costs and Discounts, Unallocated	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenditures	<u>\$ 20,649,835</u>	<u>\$ 18,175,904</u>	<u>\$ 14,669,268</u>	<u>\$ 15,508,762</u>	<u>\$ 16,969,506</u>	<u>\$ 17,379,904</u>	<u>\$ 15,610,626</u>	<u>\$ 15,383,358</u>	<u>\$ 15,213,728</u>	<u>\$ 14,691,132</u>
Business-Type Activities										
Recreation Center	\$ 1,396,269	\$ 1,390,620	\$ 1,253,317	\$ 1,212,717	\$ 1,652,122	\$ 1,637,921	\$ 1,649,490	\$ 1,658,552	\$ 1,430,152	\$ 269,504
Total Business-Type Activities Expenditures	<u>\$ 1,396,269</u>	<u>\$ 1,390,620</u>	<u>\$ 1,253,317</u>	<u>\$ 1,212,717</u>	<u>\$ 1,652,122</u>	<u>\$ 1,637,921</u>	<u>\$ 1,649,490</u>	<u>\$ 1,658,552</u>	<u>\$ 1,430,152</u>	<u>\$ 269,504</u>
Total Primary Government Expenditures	<u>\$ 22,046,104</u>	<u>\$ 19,566,524</u>	<u>\$ 15,922,585</u>	<u>\$ 16,721,479</u>	<u>\$ 18,621,628</u>	<u>\$ 19,017,825</u>	<u>\$ 17,260,116</u>	<u>\$ 17,041,910</u>	<u>\$ 16,643,880</u>	<u>\$ 14,960,636</u>
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$ 744,881	\$ 25,247	\$ 100,606	\$ 37,595	\$ 104,303	\$ 103,948	\$ 63,415	\$ 80,811	\$ 83,833	\$ 71,448
Public Safety	217,601	977,194	942,852	1,220,079	1,263,001	1,120,606	1,306,493	1,071,941	1,140,983	1,136,533
Highways and Streets	3,776	-	-	-	6,900	6,900	6,900	6,900	6,750	6,900
Parks and Recreation	683	86	-	-	-	961	-	961	1,845	249,833
Operating Grants and Contributions	1,948,445	1,726,055	1,656,292	1,730,996	2,647,801	1,918,463	1,228,154	1,304,769	1,064,528	1,494,079
Capital Grants and Contributions	-	-	-	-	-	-	-	267,723	-	163,211
Total Governmental Program Revenues	<u>\$ 2,915,386</u>	<u>\$ 2,728,582</u>	<u>\$ 2,699,750</u>	<u>\$ 2,988,670</u>	<u>\$ 4,022,005</u>	<u>\$ 3,149,917</u>	<u>\$ 2,604,962</u>	<u>\$ 2,733,105</u>	<u>\$ 2,297,939</u>	<u>\$ 3,122,004</u>
Business-Type Activities										
Charges for Services	\$ 766,044	\$ 693,809	\$ 335,800	\$ 168,439	\$ 766,678	\$ 717,940	\$ 731,815	\$ 542,315	\$ 348,626	\$ -
Operating Grants and Contributions	5,605	-	300	-	-	-	-	66	263,080	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	<u>\$ 771,649</u>	<u>\$ 693,809</u>	<u>\$ 336,100</u>	<u>\$ 168,439</u>	<u>\$ 766,678</u>	<u>\$ 717,940</u>	<u>\$ 731,815</u>	<u>\$ 542,381</u>	<u>\$ 611,706</u>	<u>\$ -</u>
Total Primary Government Program Revenues	<u>\$ 3,687,035</u>	<u>\$ 3,422,391</u>	<u>\$ 3,035,850</u>	<u>\$ 3,157,109</u>	<u>\$ 4,788,683</u>	<u>\$ 3,867,857</u>	<u>\$ 3,336,777</u>	<u>\$ 3,275,486</u>	<u>\$ 2,909,645</u>	<u>\$ 3,122,004</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (17,734,449)	\$ (15,447,322)	\$ (11,969,518)	\$ (12,520,092)	\$ (12,947,501)	\$ (14,229,987)	\$ (13,005,664)	\$ (12,650,253)	\$ (12,915,789)	\$ (11,569,128)
Business-Type Activities	(624,620)	(696,811)	(917,217)	(1,044,278)	(885,444)	(919,981)	(917,675)	(1,116,171)	(818,446)	(269,504)
Total Primary Government Net Expense	<u>\$ (18,359,069)</u>	<u>\$ (16,144,133)</u>	<u>\$ (12,886,735)</u>	<u>\$ (13,564,370)</u>	<u>\$ (13,832,945)</u>	<u>\$ (15,149,968)</u>	<u>\$ (13,923,339)</u>	<u>\$ (13,766,424)</u>	<u>\$ (13,734,235)</u>	<u>\$ (11,838,632)</u>

**Montgomery Township
Changes in Net Position
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**

	<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>
General Revenues and other Changes in Net Assets										
Governmental Activities										
Taxes	\$ 17,321,467	\$ 18,553,486	\$ 14,495,993	\$ 13,572,054	\$ 13,992,214	\$ 13,445,996	\$ 13,810,780	\$ 13,733,814	\$ 13,414,506	\$ 12,958,193
Cable TV Franchise Fees	563,814	520,212	528,627	548,523	571,408	578,487	610,646	612,010	588,476	572,530
Investment Income	647,333	184,310	116,518	432,581	483,412	300,867	174,875	150,541	152,425	89,292
Gain (Loss) on Sale of Capital Assets	-	142,958	12,474	-	52,755	20,056	-	334,692	98,169	(17,730)
Refund of Prior Year Expenditures	-	-	-	-	-	-	-	-	-	-
Transfers	(426,495)	(781,302)	(477,355)	(309,379)	(706,175)	(465,280)	(484,427)	(447,997)	(5,121,497)	(476,894)
Total Governmental Activities	\$ 18,106,119	\$ 18,619,664	\$ 14,676,257	\$ 14,243,779	\$ 14,393,614	\$ 13,880,126	\$ 14,111,874	\$ 14,383,060	\$ 9,132,079	\$ 13,125,391
Business-Type Activities										
Taxes	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 100,000	\$ 100,000	\$ -
Investment Income	388	-	-	-	-	-	-	-	439	7,405
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Transfers	426,495	781,302	477,355	309,379	706,175	465,280	484,427	447,997	5,121,497	476,894
Total Business-Type Activities	\$ 566,883	\$ 921,302	\$ 617,355	\$ 449,379	\$ 846,175	\$ 605,280	\$ 624,427	\$ 547,997	\$ 5,221,936	\$ 484,299
Total Primary Government	<u>\$ 18,673,002</u>	<u>\$ 19,540,966</u>	<u>\$ 15,293,612</u>	<u>\$ 14,693,158</u>	<u>\$ 15,239,789</u>	<u>\$ 14,485,406</u>	<u>\$ 14,736,301</u>	<u>\$ 14,931,057</u>	<u>\$ 14,354,015</u>	<u>\$ 13,609,690</u>
Change in Net Position										
Governmental Activities	\$ 371,670	\$ 3,172,342	\$ 2,706,739	\$ 1,723,687	\$ 1,446,113	\$ (349,861)	\$ 1,106,210	\$ 1,732,807	\$ (3,783,710)	\$ 1,556,263
Business-Type Activities	(57,737)	224,491	(299,862)	(594,899)	(39,269)	(314,701)	(293,248)	(568,174)	4,403,490	214,795
Total Primary Government	<u>\$ 313,933</u>	<u>\$ 3,396,833</u>	<u>\$ 2,406,877</u>	<u>\$ 1,128,788</u>	<u>\$ 1,406,844</u>	<u>\$ (664,562)</u>	<u>\$ 812,962</u>	<u>\$ 1,164,633</u>	<u>\$ 619,780</u>	<u>\$ 1,771,058</u>

Source: Montgomery Township Records, Statement of Activities

Montgomery Township
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<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>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Non-Spendable	91,049	104,412	28,739	27,550	39,354	-	-	-	-	-
Unassigned	<u>5,688,508</u>	<u>7,028,511</u>	<u>4,733,816</u>	<u>4,237,664</u>	<u>3,474,289</u>	<u>3,063,472</u>	<u>3,033,855</u>	<u>2,988,933</u>	<u>3,015,068</u>	<u>3,267,459</u>
Total General Fund	\$ 5,779,557	\$ 7,132,923	\$ 4,762,555	\$ 4,265,214	\$ 3,513,643	\$ 3,063,472	\$ 3,033,855	\$ 2,988,933	\$ 3,015,068	\$ 3,267,459
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Capital Projects	5,410,992	10,100,230	14,904,500	-	-	-	-	-	-	-
Street Light Fund	345,570	273,451	208,432	141,573	523,132	548,818	553,241	568,392	562,300	570,741
Debt Service Fund	80,731	7,818	4,008	-	3,121	63,995	299,200	545,847	814,752	1,101,320
Basin Maintenance Fund	-	-	-	-	44,722	29,701	18,147	6,795	28,485	55,339
Park and Recreation Capital Fund	1,234,025	328,851	323,116	315,838	280,610	214,074	121,775	59,191	605	333,663
Highway Aid Fund	1,815,668	1,161,680	844,545	749,673	697,743	779,675	644,718	432,734	239,954	181,728
Environmental Fund	-	-	-	-	-	-	-	-	-	-
Restoration Fund	-	4,126	10,088	10,053	9,935	9,908	9,894	9,883	9,883	9,880
300th Anniversary	-	-	-	-	-	-	-	-	-	49
Committed	-	-	-	-	-	-	-	-	-	-
Replacement Tree Fund	395,195	212,701	224,746	226,831	217,301	624,480	818,796	720,875	689,954	925,650
Fire Protection Fund	655,542	552,599	365,646	524,529	501,120	435,346	404,703	304,091	209,452	290,060
Capital Reserve Fund	4,428,217	1,685,322	7,326,566	8,841,950	11,695,208	12,071,145	11,918,428	9,201,982	9,225,410	12,522,769
Environmental Fund	155,919	405,453	390,479	487,256	413,619	380,497	298,211	325,156	307,579	766,037
Assigned	-	-	-	-	-	-	-	-	-	-
Park and Recreation Fund	-	747,810	689,320	700,212	590,914	569,010	523,647	489,004	573,210	576,539
Capital Projects Fund	44,305	7,856	48,037	50,655	53,318	-	-	1,403,738	-	-
Autumn Festival Fund	-	-	-	-	-	53,626	53,660	48,959	44,717	50,125
Non-Spendable	10,700	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(57)	-	-	-
Total All Other Governmental Funds	\$ 14,576,864	\$ 15,487,897	\$ 25,339,483	\$ 12,048,570	\$ 15,030,743	\$ 15,780,275	\$ 15,664,363	\$ 14,116,647	\$ 12,706,301	\$ 17,383,900
Total All Governmental Funds	<u>\$ 20,356,421</u>	<u>\$ 22,620,820</u>	<u>\$ 30,102,038</u>	<u>\$ 16,313,784</u>	<u>\$ 18,544,386</u>	<u>\$ 18,843,747</u>	<u>\$ 18,698,218</u>	<u>\$ 17,105,580</u>	<u>\$ 15,721,369</u>	<u>\$ 20,651,359</u>

Notes:

Source:

Montgomery Township Records, Balance Sheet Governmental Funds

Montgomery Township
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (Unaudited)

	<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>
Revenues										
Taxes	\$ 17,259,490	\$ 18,217,254	\$ 13,882,771	\$ 13,685,907	\$ 13,638,359	\$ 13,400,150	\$ 13,776,766	\$ 13,600,315	\$ 13,184,101	\$ 12,739,806
Licenses and Permits	1,292,612	1,305,557	1,272,285	1,511,110	1,559,999	1,430,081	1,577,695	1,404,032	1,530,037	1,515,140
Fines and Forfeitures	105,402	141,631	172,786	153,322	197,669	175,879	202,604	175,253	186,404	173,774
Interest Income, Rents and Royalties	647,333	185,253	116,518	432,581	483,412	300,867	174,875	151,502	154,279	90,977
Intergovernmental Revenues	1,948,445	1,626,012	1,582,105	1,631,696	1,800,216	1,687,813	1,537,790	1,677,626	1,385,772	1,462,211
Charges for Services	128,965	74,608	127,387	74,895	121,183	137,220	140,394	125,616	103,601	346,637
Contributions	-	27,511	73,814	166,170	914,346	297,411	280,186	192,614	106,127	477,226
Miscellaneous	<u>197,479</u>	<u>103,501</u>	-	-	-	-	-	-	-	-
Total Revenues	\$ 21,579,726	\$ 21,681,327	\$ 17,227,666	\$ 17,655,681	\$ 18,715,184	\$ 17,429,421	\$ 17,690,310	\$ 17,326,958	\$ 16,650,321	\$ 16,805,771
Expenditures										
Current										
General Government	\$ 3,805,926	\$ 8,986,502	\$ 2,462,978	\$ 2,466,819	\$ 3,185,348	\$ 2,681,144	\$ 2,522,623	\$ 2,340,169	\$ 2,545,286	\$ 3,952,497
Public Safety	11,515,925	12,566,482	10,995,685	10,749,377	10,151,147	9,699,256	9,358,207	8,310,595	8,658,550	7,640,697
Highway and Streets	5,905,663	5,489,280	3,242,326	5,448,661	4,261,228	3,869,504	3,252,408	3,192,619	3,344,278	2,868,323
Parks and Recreation	1,731,345	856,783	1,113,741	929,716	763,402	607,200	480,007	503,847	419,689	889,622
Other Employee Benefits not Allocated	-	-	-	-	-	-	-	1,023,766	928,923	882,524
Debt Service										
Principal	392,000	385,000	-	-	-	-	-	453,509	654,452	132,515
Interest and Other Charges	<u>250,416</u>	<u>257,091</u>	<u>148,649</u>	-	-	-	-	<u>4,937</u>	<u>13,288</u>	<u>23,529</u>
Total Expenditures	\$ 23,601,275	\$ 28,541,138	\$ 17,963,379	\$ 19,594,573	\$ 18,361,125	\$ 16,857,104	\$ 15,613,245	\$ 15,829,442	\$ 16,564,466	\$ 16,389,707
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,021,549)</u>	<u>\$ (6,859,811)</u>	<u>\$ (735,713)</u>	<u>\$ (1,938,892)</u>	<u>\$ 354,059</u>	<u>\$ 572,317</u>	<u>\$ 2,077,065</u>	<u>\$ 1,497,516</u>	<u>\$ 85,855</u>	<u>\$ 416,064</u>
Other Financing Sources (Uses)										
Proceeds From Sale of Capital Assets	\$ 183,645	\$ 159,895	\$ 1,322	\$ 17,669	\$ 52,755	\$ 38,492	\$ -	\$ 334,692	\$ 105,652	\$ 5,760
Proceeds From Loan Issuance	-	-	15,000,000	-	-	-	-	-	-	-
Proceeds From County Infrastructure Loan	-	-	-	-	-	-	-	-	-	-
Refund of Prior Year's Expenditures	-	-	-	-	-	-	-	-	-	-
Interfund Transfers In	3,636,968	813,000	740,203	489,849	1,399,801	2,126,967	3,028,371	2,487,377	3,050,732	1,954,419
Interfund Transfers Out	<u>(4,063,463)</u>	<u>(1,594,302)</u>	<u>(1,217,558)</u>	<u>(799,228)</u>	<u>(2,105,976)</u>	<u>(2,592,247)</u>	<u>(3,512,798)</u>	<u>(2,935,374)</u>	<u>(8,172,229)</u>	<u>(2,431,313)</u>
Total Other Financing Sources (Uses)	\$ (242,850)	\$ (621,407)	\$ 14,523,967	\$ (291,710)	\$ (653,420)	\$ (426,788)	\$ (484,427)	\$ (113,305)	\$ (5,015,845)	\$ (471,134)
Net Change in Fund Balance	\$ (2,264,399)	\$ (7,481,218)	\$ 13,788,254	\$ (2,230,602)	\$ (299,361)	\$ 145,529	\$ 1,592,638	\$ 1,384,211	\$ (4,929,990)	\$ (55,070)
Fund Balance at Beginning of Year	<u>22,620,820</u>	<u>30,102,038</u>	<u>16,313,784</u>	<u>18,544,386</u>	<u>18,843,747</u>	<u>18,698,218</u>	<u>17,105,580</u>	<u>15,721,369</u>	<u>20,651,359</u>	<u>20,706,429</u>
Fund Balance at End of Year	<u>20,356,421</u>	<u>22,620,820</u>	<u>30,102,038</u>	<u>16,313,784</u>	<u>18,544,386</u>	<u>18,843,747</u>	<u>18,698,218</u>	<u>17,105,580</u>	<u>15,721,369</u>	<u>20,651,359</u>
Ratio of Total Debt Service to Non-Capital Expenditures										
Total Expenditures, net of Debt Service	\$ 22,958,859	\$ 27,899,047	\$ 17,814,730	\$ 19,594,573	\$ 18,361,125	\$ 16,857,104	\$ 15,613,245	\$ 15,370,996	\$ 15,896,726	\$ 16,233,663
Capitalized Capital Outlay Expenditures	<u>4,037,370</u>	<u>11,692,623</u>	<u>3,667,510</u>	<u>4,576,995</u>	<u>2,256,338</u>	<u>612,118</u>	<u>355,092</u>	<u>981,847</u>	<u>1,284,992</u>	<u>2,276,970</u>
Total Non-Capital Expenditures	\$ 18,921,489	\$ 16,206,424	\$ 14,147,220	\$ 15,017,578	\$ 16,104,787	\$ 16,244,986	\$ 15,258,153	\$ 14,389,149	\$ 14,611,734	\$ 13,956,693
Debt Service as a Percentage of Non-Capital Expenditures	3.40%	3.96%	1.05%	0.00%	0.00%	0.00%	0.00%	3.19%	4.57%	1.12%

Source: Montgomery Township Statement of Revenues, Expenditures & Changes in Fund Balances Governmental Funds

**Montgomery Township
General Government Tax Revenues by Source
Last Ten Fiscal Years (Unaudited)**

Year	Property (1)	Real Estate		Earned		Business		Mercantile	Amusement	Total
		Transfer	Income	Local Services	Privilege					
2023	\$ 5,115,344	\$ 908,380	\$ 6,877,356	\$ 803,924	\$ 1,186,334	\$ 2,488,130	\$ 81,999	\$ 17,461,467		
2022	5,277,722	1,971,746	6,901,497	769,974	1,120,600	2,579,362	72,584	18,693,486		
2021	3,652,633	1,104,221	6,203,822	680,933	1,042,187	1,878,711	73,486	14,635,994		
2020	3,123,763	926,895	5,820,738	640,652	1,238,075	2,073,365	53,014	13,876,502		
2019	3,059,945	886,601	5,884,570	724,884	984,942	2,488,748	56,144	14,085,834		
2018	3,062,791	753,903	5,732,712	756,019	974,017	2,204,925	67,442	13,551,809		
2017	3,074,173	1,088,442	5,734,502	782,242	1,060,597	2,076,059	78,282	13,894,298		
2016	3,051,557	923,419	5,858,053	782,227	809,716	2,254,774	74,563	13,754,309		
2015	3,018,345	919,752	5,852,208	689,750	727,003	2,079,993	67,260	13,354,311		
2014	3,024,493	710,519	5,509,792	740,537	809,555	2,079,555	72,114	12,946,565		
2013	3,039,351	1,060,556	5,346,611	702,092	776,410	1,898,579	79,232	12,902,831		

Notes:

(1) Includes General, Fire, Park and Recreation and Debt Service Funds

Source:

Montgomery Township Records, DCED Annual Audit and Financial Report

Montgomery Township
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years (Unaudited)
(Rate per \$1,000 of Assessed Value)

Year	Total Assessed Value (1)	Less: Tax-Exempt Property	Total Taxable Assessed Value	Estimated Actual Value (2)	Ratio of Total Assessed Value to	
					Estimated Actual Value	Total Township Tax Rate
2023	\$ 2,252,330,374	\$ 71,158,620	\$ 2,181,171,754	\$ 4,042,843,450	0.557	2.49000
2022	2,250,449,174	71,237,310	2,179,211,864	4,039,210,757	0.557	2.49000
2021	2,293,578,607	70,947,210	2,222,631,397	3,925,324,048	0.584	1.49000
2020	2,296,451,887	70,744,780	2,225,707,107	3,930,506,040	0.584	1.49000
2019	2,299,655,634	71,597,010	2,228,058,624	3,878,854,098	0.593	1.49000
2018	2,293,793,324	71,213,210	2,222,580,114	3,869,277,769	0.593	1.49000
2017	2,277,164,074	68,256,890	2,208,907,184	3,733,203,604	0.610	1.49000
2016	2,264,629,254	62,924,970	2,201,704,284	3,733,203,604	0.607	1.49000
2015	2,256,414,014	62,417,400	2,193,996,614	3,594,304,614	0.628	1.49000
2014	2,237,449,614	58,259,560	2,179,190,054	3,566,200,543	0.627	1.49000

Notes:

(1) Includes tax-exempt properties

(2) Estimated actual value is calculated by dividing assessed value by Common Level Ratio provided by State Equalization Board

Source:

Montgomery County Board of Assessments

Montgomery Township
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
(Rate per \$1,000 of Assessed Value)

Year	Direct Rates			Overlapping Rates					Total
	Montgomery Township			Montgomery County, PA			North Penn School District		
	Operating Millage	Debt Service Millage	Total Township Millage	Operating Millage	Debt Service Millage	Total County Millage	Total Millage	Direct & Overlapping Millage Rates	
2023	1.97000	0.52000	2.49000	4.31300	-	4.31300	28.47120	35.27420	
2022	1.97000	0.52000	2.49000	4.02200	-	4.02200	27.53690	34.04890	
2021	1.34000	0.15000	1.49000	4.02200	-	3.84900	26.77420	32.11320	
2020	1.34000	0.15000	1.49000	3.84900	-	3.84900	26.77420	32.11320	
2019	1.34000	0.15000	1.49000	3.84900	-	3.84900	26.09570	31.43470	
2018	1.49000	-	1.49000	3.84900	-	3.84900	25.50900	30.84800	
2017	1.49000	-	1.49000	3.84900	-	3.84900	24.67040	30.00940	
2016	1.25000	0.24000	1.49000	3.45900	-	3.45900	24.18900	29.13800	
2015	1.25000	0.24000	1.49000	3.15200	-	3.15200	23.62230	28.26430	
2014	1.25000	0.24000	1.49000	3.15200	-	3.15200	23.18190	27.82390	

Source:
Pennsylvania DCED Municipal Statistics

**Montgomery Township
Principal Property Taxpayers
Current and Nine Years Ago (Unaudited)**

Taxpayer	Type of Business	December 31, 2023			December 31, 2014		
		Taxable Assessed Value (1)	Rank	Percentage of Total Assessed Valuation (2)	Taxable Assessed Value (1)	Rank	Percentage of Total Assessed Valuation (3)
Kir Montgomery 049 LLC	Shopping Center	\$ 28,552,240	1	1.27%	\$ 35,888,080	2	1.60%
Montgomery Mall Realty Holding LLC	Commercial Condo	27,471,850	2	1.22%	90,694,606	1	4.05%
1100 Avenel Boulevard LP	Apartment Building	23,668,500	3	1.05%			
Re Plus Airport Square LLC	Shopping Center - Regional	23,172,370	4	1.03%			
Water Tower Square Associates	Shopping Center	18,238,200	5	0.81%	19,229,000	7	0.86%
Montgomery Mall Realty Holding LLC	Commercial Condo	12,595,840	6	0.56%			
SBS of Montgomeryville Inc	Hotel	10,576,000	7	0.47%			
Nappen & Associates	Industrial Building	10,090,220	8	0.45%	28,584,380	4	1.28%
Villages of Neshaminy Falls	Manufactured Home Community	8,851,330	9	0.39%			
Somerville Montgomery LP	Commercial Condo	8,415,000	10	0.37%			
Private Individual	Industrial Building				30,784,370	3	1.38%
Avenel Realty Co Inco	Apartment Building				28,213,000	5	1.26%
Gateway DC Properties, Inc.	Shopping Mall				20,350,290	6	0.91%
Private Individual	Industrial Building				14,794,330	8	0.66%
213-36 Montgomery Holdings	Shopping Mall				12,595,840	9	0.56%
Lowe's Home Center	Retail Store				11,247,440	10	0.50%
Total		\$ 171,631,550		7.62%	\$ 292,381,336		13.07%

Notes:

- (1) Information provided by Montgomery Township Tax Collector
- (2) Information provided by Montgomery County, PA Real Estate Assessment Roll. Total Assessed Valuation is \$2,252,330,374
- (3) Information obtain from Montgomery Township 2014 Annual Report. Total Assessed Valuation is \$2,237,449,614

Source:

Montgomery County Tax Assessment Duplicate

**Montgomery Township
Property Tax Levies and Collections
Last Ten Fiscal Years**

Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2023	\$ 4,913,106	\$ 4,813,548	97.97%	\$ 33,784	\$ 4,847,332	98.66%
2022	4,902,427	4,797,380	97.86%	19,201	4,816,581	98.25%
2021	2,996,958	2,930,515	97.78%	28,349	2,958,864	98.73%
2020	3,010,987	2,927,822	97.24%	14,833	2,942,655	97.73%
2019	2,997,571	2,986,438	99.63%	9,162	2,995,600	99.93%
2018	2,993,090	2,975,914	99.43%	-	2,975,914	99.43%
2017	2,965,292	2,952,471	99.57%	7,707	2,960,178	99.83%
2016	2,959,941	2,944,287	99.47%	15,654	2,959,941	100.00%
2015	2,946,166	2,927,048	99.35%	19,118	2,946,166	100.00%
2014	2,927,294	2,912,770	99.50%	14,524	2,927,294	100.00%
2013	2,846,605	2,811,419	98.76%	33,786	2,845,205	99.95%

Source:

Montgomery Township Tax Receipt Records and Montgomery County Tax Claim Bureau Reports

**Montgomery Township
Business Privilege and Mercantile Tax
Revenue Base and Collections
Last Ten Fiscal Years (Unaudited)**

<u>Year</u>	<u>Number of Returns</u>	<u>Taxable Sales</u>	<u>Taxes Collected</u>	<u>Tax Rate (Mills)</u>
2023	796	\$ 2,438,670,368	\$ 3,674,464	1.50000
2022	957	2,393,964,547	3,699,962	1.50000
2021	1,195	1,711,591,933	2,920,898	1.50000
2020	1,342	2,207,626,567	3,311,440	1.50000
2019	1,444	2,315,793,160	3,473,690	1.50000
2018	1,434	2,165,382,273	3,248,073	1.50000
2017	1,406	2,112,738,000	3,169,107	1.50000
2016	1,255	2,081,536,000	3,122,304	1.50000
2015	1,229	1,966,163,333	2,949,245	1.50000
2014	1,399	1,947,312,000	2,920,968	1.50000
2013	1,418	1,805,094,667	2,707,642	1.50000

Source:

Montgomery Township Business/Mercantile Tax Collections Records

**Montgomery Township
Principal Business Tax Remitters
Current and Nine Years Ago (Unaudited)**

Type of Business	December 31, 2023			December 31, 2014		
	Amount of Tax Paid	Rank	Percentage of Total Tax Collected	Rank	Percentage of Total Tax Collected	Rank
Retail Store	346,590	1	9.43%	1	6.99%	1
Grocery Store	140,594	2	3.83%	3	2.98%	3
Retail Store	101,105	3	2.75%	2	3.38%	2
Retail Store	93,135	4	2.53%	4	2.88%	4
Manufacturing	76,500	5	2.08%			
Relocation Services	69,655	6	1.90%			
Auto Sales	60,845	7	1.66%	5	2.70%	5
Retail Store	60,569	8	1.65%	7	2.48%	7
Grocery Store	59,554	9	1.62%			
Retail Store	59,374	10	1.62%	9	2.26%	9
Auto Sales				6	2.58%	6
Auto Sales				8	2.28%	8
Auto Sales				10	1.93%	10
Total	\$ 1,067,921		29.06%		30.46%	

Notes:

Due to the confidential nature of tax returns and on the advice of legal counsel, Montgomery Township does not disclose the proper name nor specific tax paid for any individual taxpayer. In lieu of that information, we have provided the top ten taxpayers by the nature of the business and the taxpayer's individual share of total tax collected.

Source:

Montgomery Township Business Tax Records and 2023 Berkheimer, Inc. Records

Montgomery Township
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Population (1)	Per Capita
	General Obligation Bonds	Term Loan	General Obligation Bonds	Term Loan				
2023	\$ 14,223,000	\$ -	\$ 7,230,000	\$ -	\$ 21,453,000	1.37%	26,028	824
2022	14,615,000	-	7,541,000	-	22,156,000	1.53%	26,027	851
2021	15,000,000	-	7,847,000	-	22,847,000	1.70%	25,862	883
2020	-	-	8,171,047	-	8,171,047	0.56%	26,164	312
2019	-	-	8,431,229	-	8,431,229	0.64%	25,984	324
2018	-	-	8,686,211	-	8,686,211	0.68%	25,890	336
2017	-	-	8,716,293	-	8,716,293	0.73%	26,143	333
2016	-	-	8,721,375	-	8,721,375	0.76%	26,025	335
2015	-	453,509	8,574,219	-	9,027,728	0.79%	26,025	347
2014	-	1,107,961	8,782,554	-	9,890,515	0.87%	25,386	390

Source:

(1) United States Census Bureau
Montgomery Township Annual Financial Statements

Montgomery Township
Ratio of Net General Bonded Debt to Assessed Value of Real Estate and General Debt Per Capita
Last Ten Fiscal Years (Unaudited)

Year	Population	Total Assessed Value	Gross Bonded Debt	Debt Service Fund Balance	Net General Bonded Debt	Percentage of General Bonded	
						Debt to Assessed Value	General Bonded Debt per Capita
2023	26,028	\$ 2,252,330,374	\$ 21,453,000	\$ 80,731	21,372,269	0.95%	821
2022	26,027	2,250,449,174	22,156,000	7,818	22,148,182	0.98%	851
2021	25,862	2,293,578,607	22,847,000	4,008	22,842,992	1.00%	883
2020	26,164	2,296,451,887	8,171,047	-	8,171,047	0.36%	312
2019	25,984	2,299,655,634	8,431,229	3,121	8,428,108	0.37%	324
2018	25,890	2,293,793,324	8,686,211	63,995	8,622,216	0.38%	333
2017	26,143	2,277,164,074	8,716,293	299,200	8,417,093	0.37%	322
2016	26,025	2,264,629,254	8,721,375	545,847	8,175,528	0.36%	314
2015	26,025	2,256,413,614	9,027,728	814,752	8,212,976	0.36%	316
2014	25,386	2,237,449,614	9,890,515	1,101,320	8,789,195	0.39%	346

Source:

Population: 2011-2015 - Bureau of Census 2011-2013 American Community Survey

2016-2020 - United States Census Bureau QuickFacts

Assessed Value - Montgomery County Tax Assessment

Debt - Montgomery Township Audited Financial Reports

Montgomery Township
Computation of Direct and Overlapping Debt
December 31, 2023 (Unaudited)

	Net Debt Outstanding	Debt Applicable to Montgomery	
Direct Debt of the Township and Related Entities			
Montgomery Township	\$ 14,223,000	\$ 14,223,000	
Overlapping Debt			
County of Montgomery	502,405,524	16,173,749	(1)
North Penn School District	58,454,000	16,674,634	(2)
Total Overlapping Debt	\$ 560,859,524	\$ 32,848,383	
 Total Direct and Overlapping Debt	 \$ 575,082,524	 \$ 47,071,383	

Notes:

- (1) Percentage of total Montgomery County debt as of December 31, 2023, based on the ratio of Montgomery Township Assessed Valuation to Montgomery County 2023 Assessed Value.
- (2) Percentage of total North Penn School District debt as of June 30, 2023, based on the ration of Montgomery Township Assessed Valuation to North Penn School District 2023 Assessed Value.

Source:

- Montgomery Township Annual Financial Statements for the year ended December 31, 2023.
- County of Montgomery Annual Financial Statements for the year ended December 31, 2021 along with 2022 & 2023 bond documents made available on EMMA.msrb.org.
- North Penn School District Annual Financial Statements for the year ended June 30, 2023.

**Montgomery Township
Computation of Legal Debt Margin
December 31, 2023 (Unaudited)**

Borrowing Base Revenues (1):	
2021	17,227,666
2022	21,681,327
2023	<u>21,579,726</u>
Total Revenues:	<u>\$ 60,488,719</u>

Debt Limit for General Obligation Bonds:	
Average Borrowing Base Revenues	\$ 20,162,906
Debt Limit Percent	<u>250.00%</u>
Debt Limit	\$ 50,407,266
Total Amount of Debt Applicable to Debt Limit	<u>21,453,000</u>
Legal Debt Margin	\$ 28,954,266

Debt Limit for General Obligation Bonds and Lease Rental Debt:	
Average Borough Base Revenues	\$ 20,162,906
Debt Limit Percent	<u>350.00%</u>
Debt Limit	\$ 70,570,172
Total Amount of Debt Applicable to Debt Limit	<u>21,453,000</u>
Legal Debt Margin	\$ 49,117,172

Notes:

(1) Borrowing base represents total revenues per Act 177 of 1996 recodified Unit Debt Act

Source:

Montgomery Township Annual Financial Statements

**Montgomery Township
Legal Debt Margin Information
Last Ten Fiscal Years (Unaudited)**

Year	Debt Limit	Gross General Obligation Debt	Legal Debt Margin	Total Gross General Obligation Debt as a Percentage of Debit Limit
2023	\$ 50,407,266	\$ 21,453,000	\$ 28,954,266	42.56%
2022	47,137,228	14,615,000	32,522,228	31.01%
2021	44,665,443	15,000,000	29,665,443	33.58%
2020	44,833,572	3,580,178	41,253,394	7.99%
2019	44,862,429	3,624,446	41,237,983	8.08%
2018	43,705,574	5,978,817	37,726,757	13.68%
2017	43,705,574	2,547,313	41,158,261	5.83%
2016	42,319,213	4,216,122	38,103,091	9.96%
2015	41,151,242	4,548,448	36,602,794	11.05%
2014	40,339,682	2,243,621	38,096,061	5.56%

Source:

Montgomery Township Annual Financial Statements

Montgomery Township
Ratio of Annual Debt Service Expenditures for General
Bonded Debt to Total General Governmental Expenditures
Last Ten Fiscal Years (Unaudited)

Year	Principal	Interest	Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to Total General Governmental Expenditures
2023	\$ 392,000	\$ 250,416	\$ 642,416	\$ 22,958,859	2.80%
2022	385,000	257,091	642,091	27,899,047	2.30%
2021	-	148,649	148,649	17,814,730	0.83%
2020	-	-	-	19,594,573	0.00%
2019	-	-	-	18,361,125	0.00%
2018	-	-	-	16,857,104	0.00%
2017	-	-	-	15,613,245	0.00%
2016	453,509	4,937	458,446	15,370,996	2.98%
2015	654,452	13,288	667,740	15,896,726	4.20%
2014	132,515	23,529	156,044	16,233,663	0.96%

Source:

Montgomery Township Annual Financial Statements

**Montgomery Township
Demographic and Economic Statistics
Last Ten Fiscal Years (Unaudited)**

Year	Per Capita Income (1)	Population (1)	Per Capita Personal Income	Unemployment Rate (2)
2023	\$ 60,047	26,028	\$ 1,562,903,316	2.13%
2022	55,660	26,027	1,448,662,820	2.84%
2021	52,000	25,862	1,344,824,000	3.80%
2020	55,298	26,164	1,446,816,872	6.85%
2019	50,495	25,984	1,312,062,080	3.15%
2018	49,293	25,890	1,276,195,770	3.10%
2017	45,702	26,143	1,194,787,386	3.46%
2016	44,130	26,025	1,148,483,250	3.59%
2015	43,880	26,025	1,141,977,000	3.49%
2014	44,629	25,386	1,132,951,794	3.98%
2013	42,539	25,121	1,068,622,219	4.88%

Source:

(1) United States Census Bureau

(2) U.S. Department of Labor Statistics for Montgomery County, Montgomery Township

**Montgomery Township
Principal Employers
Current and Nine Years Ago (Unaudited)**

	December 31, 2023				December 31, 2014			
	Type of Business	Employees	Rank	Percentage of Total Township Employment	Type of Business	Employees	Rank	Percentage of Total Township Employment
Caes Systems LLC	Manufacturing	520	1	2.71%				
FedEx Supply Chain Inc.	Delivery Services	447	2	2.33%				
Costco Wholesale Corporation	Retail/Grocery	386	3	2.01%		217	6	1.05%
Wegmans Food Market	Grocery	382	4	1.99%		471	2	2.28%
Target Corporation	Retail/Grocery	298	5	1.55%		185	7	0.89%
Lakeside Youth Service	Education	252	6	1.31%				
Wawa	Retail	232	7	1.21%				
Thales DIS USA Inc.	Manufacturing	227	8	1.18%				
Capital Wine & Spirits Company	Retail	224	9	1.17%		159	10	0.77%
Home Depot	Retail Store	219	10	1.14%		162	9	0.78%
TEVA Pharmaceuticals USA	Pharmaceuticals					715	1	3.45%
Sensor Antaenae Systems (BAE)	Manufacturing					360	3	1.74%
Harriet Carter	Catalog Sales					260	4	1.26%
Gemalto	Shopping Mall					222	5	1.07%
Giant Foods	Grocery					181	8	0.87%
Total		3,187		16.61%		2,932		14.16%

Notes:

Total number of individuals employed in the Township in 2023: 19,182
 Total number of individuals employed in the Township in 2013: 20,700

Source:

2013 Township Occupational Privilege/Local Services Tax Records and 2022 Berkheimer, Inc. Records

Montgomery Township
Full Time Equivalent Township Government Employees by Function
Last Ten Fiscal Years (Unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government	7.75	7.75	8.50	9.00	9.00	7.90	7.60	7.00	7.70	7.50
Finance and Tax Collection	3.75	4.00	4.00	4.00	4.00	7.50	7.50	8.00	7.50	6.50
Public Safety										
Officers	38.00	36.00	36.00	36.00	36.00	36.00	35.00	36.00	35.00	36.00
Civilians	8.15	9.00	9.00	9.00	8.00	9.00	9.00	9.00	8.00	9.00
Fire Safety										
Officers	9.34	8.47	7.41	11.00	10.50	6.10	6.40	6.30	6.10	6.80
Clerical	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.60	0.60	0.50
Code Enforcement, Building and Zoning	3.50	3.75	3.75	3.75	3.87	4.40	5.10	5.50	5.50	5.40
Public Works	20.50	19.50	18.90	17.50	18.50	19.70	19.20	20.10	19.20	21.30
Culture and Recreation	17.54	8.00	5.73	9.50	15.00	12.80	14.10	13.00	9.90	2.00
Totals:	<u>109.23</u>	<u>97.17</u>	<u>93.99</u>	<u>100.45</u>	<u>105.57</u>	<u>104.10</u>	<u>104.60</u>	<u>105.50</u>	<u>99.50</u>	<u>95.00</u>

Source:

Montgomery Township, Montgomery County, Pennsylvania Records

**Montgomery Township
Operating Indicators by Function
Last Ten Fiscal Years (Unaudited)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Part I Crimes	455	404	317	253	304	366	409	425	397	465
Part II Crimes	1,375	1,304	1,510	1,377	1,418	1,174	773	1,104	1,117	1,085
Total Calls for Service	32,739	31,063	29,899	28,915	32,393	32,537	32,510	30,976	31,980	29,841
Fire Safety Responses	789	763	595	591	622	646	562	585	615	639
Code Enforcement and Zoning										
Total Permits	1,137	1,234	1,405	1,321	1,299	1,388	1,298	1,441	1,388	1,345
Land Development Submittals	11	3	5	2	7	10	6	7	10	8
Zoning Hearing Board Applications	15	19	24	15	16	21	12	18	11	18
Rezoning Requests	-	-	-	-	-	-	1	1	-	2
Conditional Use Applications	3	1	4	3	2	3	1	1	2	1
Highway and Streets										
Streets Resurfaced (miles)	5.17	4.74	5.68	4.30	5.96	4.03	3.38	3.01	2.84	2.71

Source: Montgomery Township, Montgomery County, Pennsylvania Records

**Montgomery Township
Capital Asset Statistics by Function
Last Ten Fiscal Years (Unaudited)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
Municipal Building	1	1	1	1	1	1	1	1	1	1
Public Works Building	1	1	1	1	1	1	1	1	1	1
Recreation Center	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicle Units	19	19	19	19	19	19	19	19	19	19
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Apparatus	4	4	4	4	4	4	4	4	4	5
Highway and Streets										
Street Miles	74	74	74	74	74	74	73	73	73	73
Traffic Signals	51	51	50	50	50	50	50	50	49	48
Stormwater Detention Basins	69	69	63	63	63	63	63	63	63	63
Culture and Recreation										
Park Sites	14	14	14	14	14	14	14	14	14	14
Acres	354	354	376	376	376	376	376	376	376	376
Baseball Fields	17	17	14	14	14	14	14	14	14	14
Basketball Courts	9	9	9	9	9	9	9	8.5	8.5	8.5
Bocce Ball Courts	2	-	-	-	-	-	-	-	-	-
Disc Golf Course	1	1	1	1	1	1	1	1	1	1
Dog Park	1	1	1	1	1	1	1	1	1	1
Pickleball Courts	6	6	-	-	-	-	-	-	-	-
Playgrounds	11	11	8	8	8	8	8	8	8	8
Soccer Fields	16	16	11	11	11	11	11	11	11	11
Street Hockey	4	4	4	4	4	4	4	4	4	4
Tennis Courts	16	16	16	16	16	16	16	16	16	16
Volleyball Courts	2	2	2	2	2	2	2	2	2	2

Source: Montgomery Township, Montgomery County, Pennsylvania Records