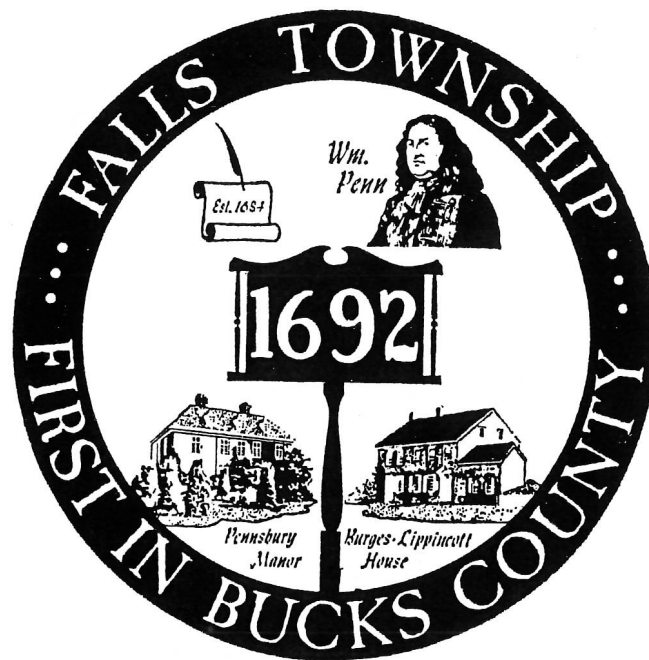


Township of Falls County of Bucks, Pennsylvania

“330 Years of Service to the Community”

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022



Prepared by Jean E. Reukauf
Finance Director

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TOWNSHIP OF FALLS , PENNSYLVANIA
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

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INTRODUCTORY SECTION

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Township of Falls

BUCKS COUNTY, PA

Board of Supervisors

Jeffrey E. Dence • Jeffrey M. Boraski • Brian M. Galloway • John W. Palmer • Erin M. Mullen

July 19, 2023

To the Board of Supervisors and the Citizens of Falls Township:

The Annual Comprehensive Financial Report of the Township of Falls, Bucks County, Pennsylvania for the year ended December 31, 2022, is hereby submitted.

This report presents the financial position of the Township of Falls as of December 31, 2022, and the results of its operations and cash flows for its proprietary fund types for the year then ended. The financial statements and supporting schedules have been prepared by the Township's Finance Department in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by Zelenkofske Axelrod, LLC, Certified Public Accountants.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Township of Falls.

The organization, form, and contents of this Annual Comprehensive Financial Report and the accompanying financial statements and the statistical tables were prepared in accordance with standards established by the Governmental Accounting Standards Board (GASB), the Government Finance Officers' Association (GFOA), the American Institute of Certified Public Accountants (AICPA), and the Second Class Township Code of the Commonwealth of Pennsylvania.

U.S. generally accepted accounting principles 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 designated to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Financial Entity

The Township of Falls provides a full range of municipal services including police and fire protection, construction and maintenance of streets and storm sewers, recycling, residential solid waste pickup, zoning regulations, building inspections, park and recreational activities, and maintenance and replacement of streetlights. In addition to general government activities, the governing body has a fiduciary responsibility for pension trust funds and custodial funds. Contributions to Fire Companies, Rescue Squads and the Library serving Falls Township residents are funded through real estate tax levies.

General Information

The Township of Falls is a Township of the Second Class under Pennsylvania law. The governing body of the Township is the Board of Supervisors which is comprised of five (5) members who are elected at large and serve six (6) year terms. The Board is empowered with legislative functions that include enacting ordinances and resolutions, adopting a budget, levying taxes, providing for appropriations, awarding bids and contracts, and making appointments to various boards and commissions. The chief executive officer of the Township is the Township Manager who is appointed by the Board of Supervisors. The Township Manager is responsible for implementing ordinances and resolutions of the Board, supervising the administration of all departments and boards, and preparing and submitting the annual budget and capital improvement programs for the Township.

The Township of Falls, incorporated July 27, 1692, encompasses approximately 26.5 square miles of the southeastern corner of Bucks County, Pennsylvania between the larger cities of Trenton, New Jersey and Philadelphia, Pennsylvania (6 miles and 9 miles apart, respectively) and is bordered by Tullytown Borough, Middletown Township, Lower Makefield Township, Morrisville Borough and the Delaware River with the State of New Jersey on the opposite side of the river. The Township and neighboring municipalities are closely related in terms of both economics and physical development and are served in some cases by the same highways, water lines and sewer lines. The 2020 U.S. Census reports a population of 34,716.

The Township is principally residential, commercial, and industrial in character. There are several major retail shopping areas in the Township, most notable of which are the Court at Oxford Valley and the Fairless Hills Shopping Center. Jefferson Health's Bucks County Campus, one of three major hospitals that serve the Lower Bucks County area, is in Falls Township.

The Pennsbury School District administrative offices are located within Falls Township. Pennsbury High School campus, east and west, and six grade schools serve the community with an approximate enrollment of 9,791. The district provides educational services to Falls Township and three neighboring municipalities. The school district has been named a model high school by the Federal Department of Education. Education from nursery school through the eighth grade is also provided by the Pen Ryn School, a private school within the Township's boundaries.

The Falls Township Police Department started on January 2, 1950, when Franklin Kirby was sworn in as the first Police Officer/Chief (Kirby had worked as a part time constable in 1948 and 1949). At that time, Kirby was the Township's only police officer. By 1959, the department had grown to 28 officers as the population of Falls Township grew with the establishment of the U.S. Steel facility. Today, the Falls Township Police Department has a force of 53 sworn officers. The towns of Morrisville, Fallsington, Fairless Hills, and Levittown all have residents within the borders of Falls Township.

The Police Department's 53 sworn officers includes the Chief of Police and three Lieutenants. The department has clerical and support personnel including a records division, evidence custodian/court liaison and range officers. The department has a fleet of 44 police vehicles. The Police Department has officers assigned to the Bucks County South SWAT Team and the Bucks County Major Incident Response Team (MIRT), as well as officers trained in traffic crash reconstruction, crisis negotiation, drug investigations and police canine. Currently, 13 officers are trained as Emergency Medical Technicians (EMTs).

The men and women of the Falls Township Police Department work hard to provide the highest level of police services to the community. The Department takes pride in proactively addressing issues through aggressive, targeted patrols. Officers are provided with the training and equipment needed to accomplish this mission. The Falls Township Police Department is accredited by the Pennsylvania Chiefs of Police Association and meets or exceeds the best practices standards of the police profession.

The Falls Township Police Department pioneered the concept of "Special Populations" to proactively address a wide range of issues including Megan's Law offenders, people suffering with mental illness, drug dependency and addiction, and the homeless.

The policing model that the Falls Township Police Department uses combines aspects of community-oriented policing, problem-oriented policing, intelligence-lead policing, and evidence-based policing with a proactive focus on traffic enforcement and drug enforcement.

The Falls Township Police Department has 2 co-responder programs. The Falls Township Supporting Recovery (FTSR) program consists of 2 co-responders who are trained as Certified Recovery Specialists (CRSs). The CRSs respond to and follow up on calls for service that involve substance use, connecting people in need with substance use treatment. The CRSs also conduct training in the use of Narcan and supply Narcan to different businesses in the community. The Human Services co-responder program consists of a social worker who responds to and follows up on calls for service involving mental health or domestic violence issues. The Human Services co-responder connects individuals in need in Falls Township with a variety of services that are available in Bucks County. Both programs improve the outcomes for individuals that have contact with the police and are in need of non-traditional police assistance.

The Falls Township Police Department seeks at all times to reduce serious crime, hold offenders accountable, maintain safety and order, reassure the public, provide quality services, use force and authority fairly and effectively, and use financial resources fairly, efficiently and effectively.

The Falls Township Fire Marshal's Department continually strives to achieve goals in fire safety and environmental concerns. The department is continuing to upgrade its operations by expanding its radio system for emergency management and municipal use. An ongoing project in the department includes an Emergency Preparedness Planning and training of various hotel/motel and business operators in the event of an emergency. This project helps both the responders and the community by gathering and distributing contact information before emergencies happen and training entities in the procedures to follow until rescue services arrive. The department also uses the Fire Safety Trailer for community functions to promote safety awareness for children and adults. The trailer simulates smoke in a home and fire officials train citizens what to do in the event of a fire and how to exit the home. They also distribute fire related materials, smoke detectors and offer free safety inspections. Most recently, the department launched a very successful Food Bank Program collecting non-perishable, non-expired food and toiletries for donation to our area food banks serving local, less fortunate families. Donations can be dropped off or non-contact pickup can be arranged by emailing Fallsfoodbank@fallstwp.com. The Fire Marshal's department is made up of the fire marshal, three full-time inspectors, and one secretary.

Falls Township is served by three volunteer Fire Companies – Falls Fire Company, Levittown Fire Company, and Fairless Hills Fire Company. The Township is also served by two Rescue Squads – Levittown Fairless Hills Rescue Squad and Capital Health EMS. These agencies provide professional emergency services to Falls Township twenty-four hours a day, seven days a week as well as serving neighboring communities in Pennsylvania and New Jersey, when requested. All agencies receive financial aid from tax dollars contributed by the Township (a total of \$533,000 in support for 2022) although tax funding covers only a portion of their operating costs. Most of the funding for operations comes from individual contributions via fund drives and other fund-raising events. In total, approximately one hundred individuals volunteer for the three Fire Companies and about twenty volunteer at the Rescue Squads.

The Falls Township Parks and Recreation Department is responsible for the overall supervision of nineteen parks, facilities, and open space areas. Falls Township's parks contain playgrounds, athletic fields, tot lots, basketball courts, gardens, trails, and pavilions encompassing over 408 acres. Our parks are also home to: the Challenger Field at the Levittown Continental Little League field located off of Mill Creek Road, which provides our special needs youths a fully accessible baseball field; an Inclusive Playspace on Phase I of the Township Community Park, which is completely accessible for anyone using a wheelchair or walker, allowing children of any ability to play; a fishing pier at the Community Park lake; a boat ramp located in Quaker Penn Park, which provides area boaters access to the Delaware River; and, a maintenance-free compost toilet facility in Quaker Penn Park benefitting users of the park's Babe Ruth baseball field and playground equipment. These parks, facilities, and open space areas are maintained by the Township's Public Works department and patrolled by the Park Security staff. In 2020, the department launched a playground replacement program intending to update/replace playgrounds on a yearly basis to bring our

play spaces up to the highest standards possible. This initiative began with the replacement of play equipment at Kirby Park and at Mill Creek Manor Playground. The Parks and Recreation Department also provides year-round programs and activities for our residents and non-residents as well.

In addition to the parks, the Parks and Recreation Department oversees operations at the Pinewood Pool. The pool was fully renovated in 2003, transforming a forty-year-old pool into a state-of-the-art facility designed for the safety and enjoyment of all swimmers. This pool provides entertainment for the community at extremely reasonable prices while maintaining the finest amenities. A new water slide was installed on the pool property in 2010. The wading pool underwent complete re-plastering and tilework in 2014, and the main pool underwent that same process prior to the season opening in 2016.

Economic Conditions and Outlook

The Township of Falls' initial growth was due largely to the location of the United States Steel plant in the Township in March of 1951. On 3,800 acres of farmland, the steel plant, referred to as the Fairless Works, employed 9,000 to 10,000 individuals from Falls Township and its surrounding communities. To accommodate the migration of steelworkers to Falls Township, Danhurst Corporation developed 1,100 single-family homes and William Levitt developed 4,000 single-family homes increasing the township's population from 3,000 to 30,000 residents. The Danhurst development was named Fairless Hills and the Levitt development called Levittown. Land values rose rapidly, enticing farmers to sell their land to developers.

From 1950 through the 1970s, the township experienced significant commercial development due largely to the mill operations. The Fairless Hills Shopping Center, along with several strip malls, was built to accommodate the needs of the growing population. Unfortunately, in 1973, the steel making operations at the Fairless Works began a steady decline. The downturn had a devastating effect on the Township's economy.

In the southern portion of Falls Township, the Warner Company developed a 46-acre landfill and began operations in August of 1970. The Warner Company, through its subsidiary Geological Reclamation Operations and Waste Systems, Inc. (G.R.O.W.S.), was issued permits to operate a solid waste disposal facility in the Morrisville section of the Township. The facility, which was subsequently sold to Waste Management, Inc., has expanded to approximately 752.8 acres since operations began. These operations provide the Township, as the host community, with waste disposal tonnage fees and benefit the residents through refuse removal and recycling pick up at no charge based on Solid Waste Agreements negotiated by Township Officials.

In 1991, a Development Agreement was signed with Wheelabrator Falls Inc., a subsidiary of Waste Management, Inc., to permit the construction of the first recycling and energy recovery facility in Bucks County. Operations began in May of 1994 providing the Township with an additional revenue stream of per-ton fees for refuse delivered to the plant.

The Township has experienced renewed economic growth due to the redevelopment of the former Fairless Works site. Although the major steel operations are no longer continuing, the sections of land previously occupied by the mill are being subdivided and redeveloped into building lots with several large industries locating, or in the process of locating, at this site.

In 2004, a large portion of the former Fairless Works site was designated a Keystone Opportunity Improvement Zone (KOIZ). This designation brought capital investment and job creation to Falls Township and, with the expiration of the tax abatement period in 2019, those businesses are now on the tax rolls. Some of the companies now located there include CSC Sugar, Reed Minerals, Airgas USA, Sika Corporation, Dominion Power, Toll Brothers, Morton Salt, Kinder Morgan, Exelon, A.L. Patterson, Abington Reldon, Hiossen, Mount Materials, Four Seasons Trucking, GMA Garnet, U.S. Steel Galvanizing, Kelly Pipe, Covanta, Fox Railroad Construction, Mazza Iron & Steel, Resource Recycling Management, LLC, and MM Metals USA, LLC.

In 2020, the redevelopment continued with NorthPoint Development, the new owner of 1,846 acres of the former U.S. Steel site, who has begun construction of 10 million square feet of warehouse space, attracting a variety of large Fortune 500 companies to Falls Township. Effective 1/1/2021, this site was designated a Keystone Opportunity Improvement Zone (KOIZ). This designation was approved by Falls Township, Pennsbury School District and Bucks County. As a KOIZ designated area, a fifteen-year tax abatement was granted to make the site more attractive to businesses opting to relocate into the Township. NorthPoint Development has renamed the site the Keystone Trade Center. This expansive redevelopment project includes a multi-million-dollar remediation effort, demolition of old buildings, fresh landscaping throughout, upgraded utilities, and refreshed roadways and rail lines. The company is expected to invest more than \$1 billion into our community. Once complete, this project will provide between five- to ten-thousand new jobs for our Township.

One of the standards used by the financial industry to determine the financial condition of a municipality is an examination of the entity's ability to borrow funds. As of December 31, 1991, the Township could legally borrow up to \$5 million dollars. As of December 31, 2022, the Township is legally able to borrow over \$80 million dollars. The Board of Supervisors recently issued \$20,055,000 in General Obligation Bonds, the first debt issuance since January 1, 1992.

Long-Term Financial Planning

The Township continues to maintain a long-term restricted savings account designed to be available when tipping fees from the landfill, operated by Waste Management, are no longer received. By December 31, 2022, the Township had approximately \$35,000,000 in the account. With aggressive savings and competitive interest rates, it is anticipated that the interest earned can assist the General Fund with a revenue stream on an annual basis achieving the Township's goal of funding operating costs long after tipping fees have ceased.

Relevant Financial Policies

Internal Control Structure: Management of the Township is responsible for establishing and maintaining an internal control structure that is designed to ensure that the assets of the Township are protected from loss, theft or misuse, that transactions are executed in accordance with management's integrity, and to ensure that adequate accounting data is compiled to allow for preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

Budgeting Controls: The annual budget is the financial blueprint for Falls Township. By documenting the allocation of funds, the budget reflects the policies and projects that are priorities to the Township. As per section 3201 of the Second-Class Township Code, the Township's fiscal year begins on the first day in January and ends on December 31st of that calendar year. Generally, a proposed budget for the ensuing fiscal year is approved by the Board of Supervisors in mid-December. The Second-Class Township Code permits the Board to amend the budget following any municipal election. The amended budget must then be adopted by February 15th and no proposed amended budget shall, before final adoption, be revised upward in excess of 10% in the aggregate or in excess of 25% of the amount of any major category.

Activities of the general fund, special revenue funds, and capital projects funds are included in the annual appropriated budget.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by departmental classification.

The Township also maintains an encumbrance accounting system as an additional technique of budgetary control. Encumbrances outstanding at year-end are liquidated.

Major Initiatives

Throughout 2022, Falls Township remained committed to providing services to our community despite the lingering effects of the COVID-19 pandemic. Everyone across all departments of the organization stepped up to the challenges brought on by the pandemic and worked tirelessly to continue to provide outstanding service. Through technology and innovation, departments adapted to working and meeting remotely to ensure uninterrupted operations for the residents and businesses we serve. The Township has implemented new procedures and secured updated software systems to increase capabilities and efficiencies as we continue to move past the difficulties brought on by the coronavirus.

During 2022, the Township continued its participation in the Bucks County Consortium of Municipalities. The Consortium is comprised of all municipalities in Bucks County that employ professional management staff. The goal of the Consortium is to encourage inter-municipal cooperation in such areas as purchasing of materials and supplies, household hazardous waste collection and disposal, and personnel related matters.

Fiscal year 2022 marks the twentieth year of the Township's participation in the NPDES (National Pollution Discharge Elimination System) Phase II. This is a program mandated by the Commonwealth of Pennsylvania. The Township continues to enforce all requirements associated in accordance with NPDES.

Also, in 2022, the Township planned for the full depth reconstruction of Pinewood Drive and the mill and overlay of Taylor Drive, Martha Drive, Robin Hood Drive, Sherwood Drive, Franklin Drive, Martha Circle, Progress Drive, Enterprise Avenue, Steel Road South, and Dean Sievers Place. Full depth reconstruction historically has consisted of new curbs, driveway aprons, various sidewalks, storm sewer pipes and the roadway itself. The Township remains committed to its goal of the reconstruction of all Township-owned roadways.

Other Information

The independent auditor appointed by the Board of Supervisors for the year ended December 31, 2022 is the firm of Zelenkofske Axelrod, LLC. The independent auditor's report on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information is included in the Financial Section of this report. Zelenkofske Axelrod, LLC has issued an unmodified opinion for the year ended December 31, 2022.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Township of Falls for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021. To be awarded a Certificate of Achievement, the Township published an easily readable and efficiently organized 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. The Township believes the current report conforms to the Certificate of Achievement program requirements and is submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

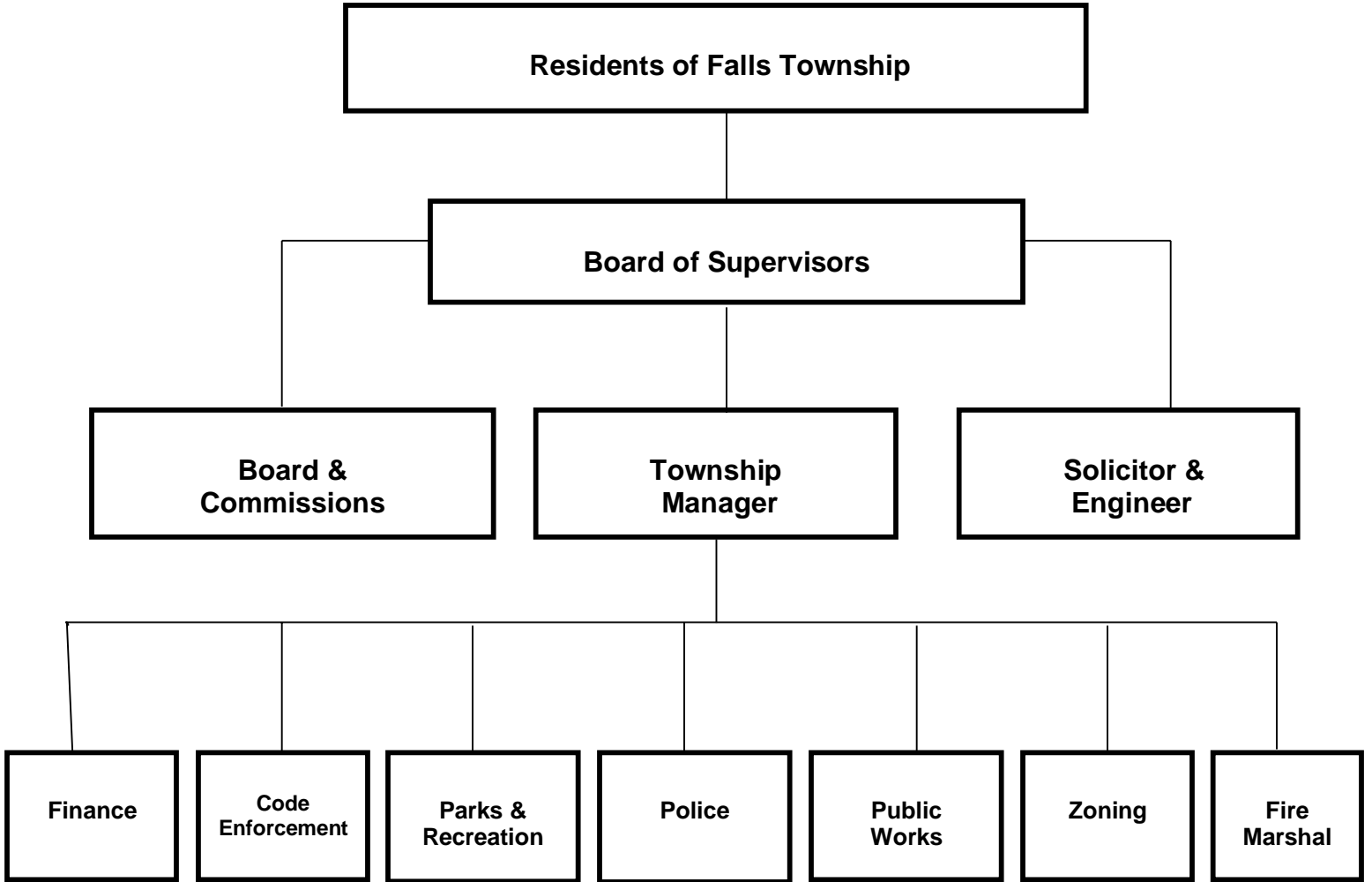
The preparation of the 2022 Annual Comprehensive Financial Report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Members of the Administration, Code Enforcement, Zoning, Fire Marshal, Parks and Recreation, Public Works, and Police departments who assisted and contributed to the preparation of this report have my sincere appreciation for their contributions. Due credit should be given as well to the Board of Supervisors for their interest, support and leadership in planning and conducting the operations of the Township in a responsible and progressive manner. Without their support, the preparation of this report would not have been possible.

Respectfully Submitted,



Jean E. Reukauf
Finance Director

**Falls Township
Organizational Chart**



Appointed Citizen Advisory Boards and Commissions

- | | |
|--|-----------------------------------|
| Board of Auditors | Cable Advisory Board |
| Environmental Advisory Council | Board of Appeals |
| Disabled Persons Advisory Board | Parks and Recreation Board |
| Planning Commission | Zoning Hearing Board |
| Police Pension Committee | Shade Tree Commission |
| Historic Preservation Commission | |
| Neighborhood Traffic Advisory Committee | |
| Community and Economic Development Commission | |

2022 BOARD OF SUPERVISORS

Jeffrey E. Dence, Chairperson

Jeffrey M. Boraski, Vice Chairperson

Brian M. Galloway, Secretary/Treasurer

John W. Palmer, Member

Erin M. Mullen, Member

CURRENT EXECUTIVE OFFICIALS

Matthew Takita, AIA, MCP, Township Manager/CCEO/Zoning Officer

Michael P. Clarke, Esq., Township Solicitor

Joseph G. Jones, PE, CFM, Township Engineer

Nelson Whitney, Police Chief

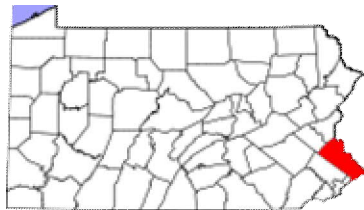
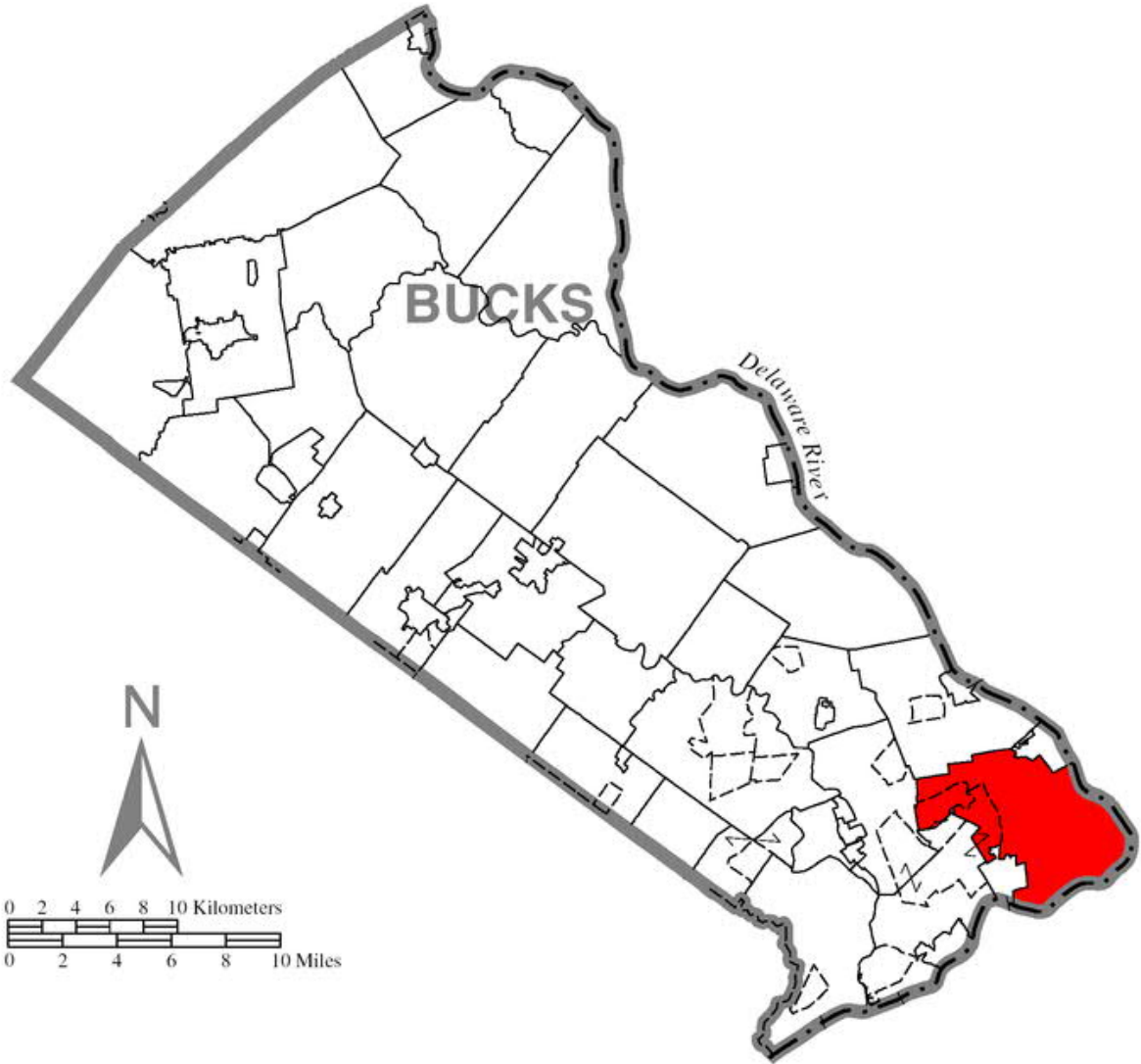
Jean E. Reukauf, Finance Director

Richard Dippolito, CFEL, CVFI, Emergency Services Director/Fire Marshal

Jason R. Lawson, Public Works Director

Brian Andrews, Parks & Recreation Director

**TOWNSHIP OF FALLS
BUCKS COUNTY, PENNSYLVANIA**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Township of Falls
Pennsylvania**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

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Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Township of Falls
Fairless Hills, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and statement of revenues, expenditures, and changes in fund balances – budget and actual – general fund of the Township of Falls (the “Township”), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and statement of revenues, expenditures, and changes in fund balances – budget and actual – general fund of the Township, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

To the Board of Supervisors
Township of Falls
Fairless Hills, Pennsylvania

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in plans' net pension liability and related ratios, employer contributions, and investment returns, and the schedule of changes in the OPEB plan's liability and related ratios on pages 20 through 31 and pages 77 through 82 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

To the Board of Supervisors
Township of Falls
Fairless Hills, Pennsylvania

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, nonmajor governmental funds budget and actual schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, capital asset schedules and budgetary comparison schedules are 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 combining and individual nonmajor fund financial statements, capital asset schedules and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the introductory and statistical sections included in the annual report. The other information comprises the Required Supplementary Information, Other Supplementary Information, and Statistical Section, but does not include the financial statements and our auditor's 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 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.

Other Report Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2023 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania
July 19, 2023

**Falls Township
Bucks County, Pennsylvania**

**Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
For the Fiscal Year Ended December 31, 2022**

Unaudited

As management of the Township of Falls, we offer readers of the Falls Township financial statements this narrative overview and analysis of the financial activities of Falls Township for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages 3-9 of this report. Readers should also review the independent auditor's opinion letter, the notes to the basic financial statements, and the financial statements themselves to enhance their understanding of the Township's financial performance.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the governmental activities of Falls Township exceeded its liabilities and deferred inflow of resources by \$127,426,192 and \$121,855,804 at the close of the years ended December 31, 2022 and 2021, respectively. Of the 2022 amount, \$34,132,966 may be used to meet the government's ongoing obligations for general operations of the Township, whereas in 2021, \$31,808,004 was available for that purpose.

The Township's governmental net position increased by a total of \$5,570,388 during 2022. This increase in net position is primarily due to a rise in the Township's cash reserves. The influx of cash to the Township is due to the revenues generated by the development of the former U.S. Steel site by NorthPoint Development who has begun construction of 10 million square feet of warehouse space.

As of the end of 2022, Falls Township's governmental funds reported combined ending fund balances of \$64,419,192. As a comparison, at the end of 2021, the balance was \$60,409,658, an increase of \$4,009,534.

Business-type activities' net position increased by \$15,637 from \$34,934 in 2021 to \$50,571 in 2022. The reason for this increase was higher revenues generated by pool memberships, guest fees, programs and concession income.

At the end of the 2022, the unassigned fund balance for the general fund was \$17,227,930 or 54.75% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Falls Township's basic financial statements. Falls Township's basic financial statements are comprised of three components:

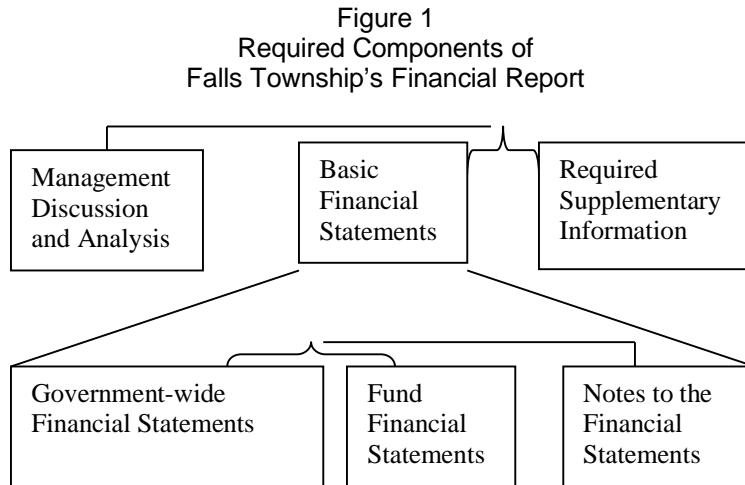
- 1) government-wide financial statements
- 2) fund financial statements
- 3) notes to the financial statements

This report also contains other supplementary information in addition to the basic financial statements themselves.

**Falls Township
Bucks County, Pennsylvania**

**Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
For the Fiscal Year Ended December 31, 2022**

Figure 1 shows how the required parts of the Financial Section are arranged and relate to one another.



Government-wide financial statements

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as uncollected taxes and earned but unused leave.

Both government-wide financial statements distinguish functions of Falls Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Falls Township include general government, public safety, highways and parks and recreation. The business-type activities of the Township of Falls include the ongoing operation of a recreational pool.

The government-wide financial statements can be found on pages 35 and 37 of this report.

**Falls Township
Bucks County, Pennsylvania**

**Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
For the Fiscal Year Ended December 31, 2022**

Fund financial statements

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

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Falls Township maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund and the Capital Reserve fund, which are considered major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Falls Township adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 38-41 of this report.

Proprietary Funds

Falls Township maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Falls Township uses an enterprise fund to account for its Pinewood Pool fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 43-45 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for the proprietary funds.

The basic fiduciary fund financial statements can be found on pages 46 and 47 of this report.

**Falls Township
Bucks County, Pennsylvania**

**Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
For the Fiscal Year Ended December 31, 2022**

Notes to the Financial Statements

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

The notes to the financial statements can be found on pages 48-73 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Township's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 77-82 of this report.

The combining statements referred to earlier in connection with the non-major governmental funds are presented immediately following the required supplementary information on pensions and other post-employment benefits. Combining and non-major governmental fund budget comparison schedules can be found on pages 85-97 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. For Falls Township, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$127,476,763 and \$121,890,738 at the close of the years ended December 31, 2022 and 2021, respectively.

The following table provides a summary of the Township's net position on December 31, 2022 compared to the prior year's figures:

**FALLS TOWNSHIP
NET POSITION**

| | Governmental | | Business-Type | | Totals | |
|-----------------------------------|-----------------------|-----------------------|-------------------|-------------------|-----------------------|-----------------------|
| | Activities | | Activities | | | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Current and other assets | \$ 68,974,838 | \$ 66,134,434 | \$ - | \$ - | \$ 68,974,838 | \$ 66,134,434 |
| Capital assets | 90,055,934 | 87,553,541 | 162,700 | 162,700 | 90,218,634 | 87,716,241 |
| Total Assets | <u>\$ 159,030,772</u> | <u>\$ 153,687,975</u> | <u>\$ 162,700</u> | <u>\$ 162,700</u> | <u>\$ 159,193,472</u> | <u>\$ 153,850,675</u> |
| Deferred Outflows of Resources | <u>\$ 10,774,849</u> | <u>\$ 5,615,524</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,774,849</u> | <u>\$ 5,615,524</u> |
| Long-term liabilities outstanding | \$ 36,405,345 | \$ 31,422,731 | \$ - | \$ - | \$ 36,405,345 | \$ 31,422,731 |
| Other liabilities | 3,321,636 | 5,165,594 | 112,129 | 127,766 | 3,433,765 | 5,293,360 |
| Total Liabilities | <u>\$ 39,726,981</u> | <u>\$ 36,588,325</u> | <u>\$ 112,129</u> | <u>\$ 127,766</u> | <u>\$ 39,839,110</u> | <u>\$ 36,716,091</u> |
| Deferred Inflows of Resources | <u>\$ 2,652,448</u> | <u>\$ 859,370</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,652,448</u> | <u>\$ 859,370</u> |
| Net Position: | | | | | | |
| Net Investment in capital assets | \$ 90,055,934 | \$ 87,553,541 | \$ 162,700 | \$ 162,700 | \$ 90,218,634 | \$ 87,716,241 |
| Restricted | 3,237,292 | 2,494,259 | - | - | 3,237,292 | 2,494,259 |
| Unrestricted | 34,132,966 | 31,808,004 | (112,129) | (127,766) | 34,020,837 | 31,680,238 |
| Total Net Position | <u>\$ 127,426,192</u> | <u>\$ 121,855,804</u> | <u>\$ 50,571</u> | <u>\$ 34,934</u> | <u>\$ 127,476,763</u> | <u>\$ 121,890,738</u> |

**Falls Township
Bucks County, Pennsylvania**

**Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
For the Fiscal Year Ended December 31, 2022**

The largest portion of Falls Township's net position, 71%, reflects its investment in capital assets (land, building, machinery, equipment, open space, and roads/road improvements). Falls Township uses these capital assets to provide services to the citizens and, therefore, these assets are not available for future spending. Note that all capital assets reported have no outstanding debt on their initial purchases.

A very small portion of Falls Township's net position, 2.5%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$34,020,837, may be used to meet the government's ongoing obligations to citizens and creditors of the Township.

At the end of the current fiscal year, Falls Township reports positive balances in all three categories of net position for the government as a whole.

CHANGES IN NET POSITION

Governmental activities

Governmental activities increased Falls Township's net position by \$5,570,388 for the year ended December 31, 2022, adding to the increase of \$5,113,431 for the year ended December 31, 2021. The recovery of cash reserves in 2022 is due to the continued revenue from tipping fees received from Waste Management landfill operations. Fiscal year 2017 was the first full year of operations of the Fairless Landfill, a new municipal waste landfill, consisting of 330.5 acres of permit area, of which 197 acres are for waste disposal. Falls Township is committed to maintaining high quality services and recreation facilities for its residents without increasing real estate taxes or charging exorbitant user fees. The Township has been able to expend cash reserves when needed to meet rising costs without burdening our residents.

Business-type activities

Business-type activities increased Falls Township's net position by \$15,637 for the year ended December 31, 2022, adding to the increase of \$42,538 for the year ended December 31, 2021. In March 2020, the World Health Organization recognized the novel strain of coronavirus, COVID-19, as a global pandemic, causing the United States government to declare a national emergency. As a result, all businesses not deemed life sustaining were forced to close temporarily. This included the closure of the Township's Pinewood Pool for the 2020 season. As a result, there were no operating revenues for the year ended December 31, 2020. The pool has recovered nicely from this forced shutdown as reflected in this year's operating gain.

The results of this year's operations as a whole are reported in the Statement of Activities on page 37. All expenses are reported in the first column. Specific charges, grants, and contributions that directly relate to specific expense categories are netted against them to determine the final amount of the Township's activities that are supported by other general revenues, primarily Host Community Fees and Property Taxes. Basically, the Statement shows which Township expenses are funded by specific program revenues and the balance of expenses left to be funded by general revenues.

The following table takes the information from the Statement of Activities and rearranges it slightly, so you can see the Township's total revenues for the year ended December 31, 2022 compared to the prior year's figures.

**Falls Township
Bucks County, Pennsylvania**

**Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
For the Fiscal Year Ended December 31, 2022**

**FALLS TOWNSHIP
CHANGES IN NET POSITION**

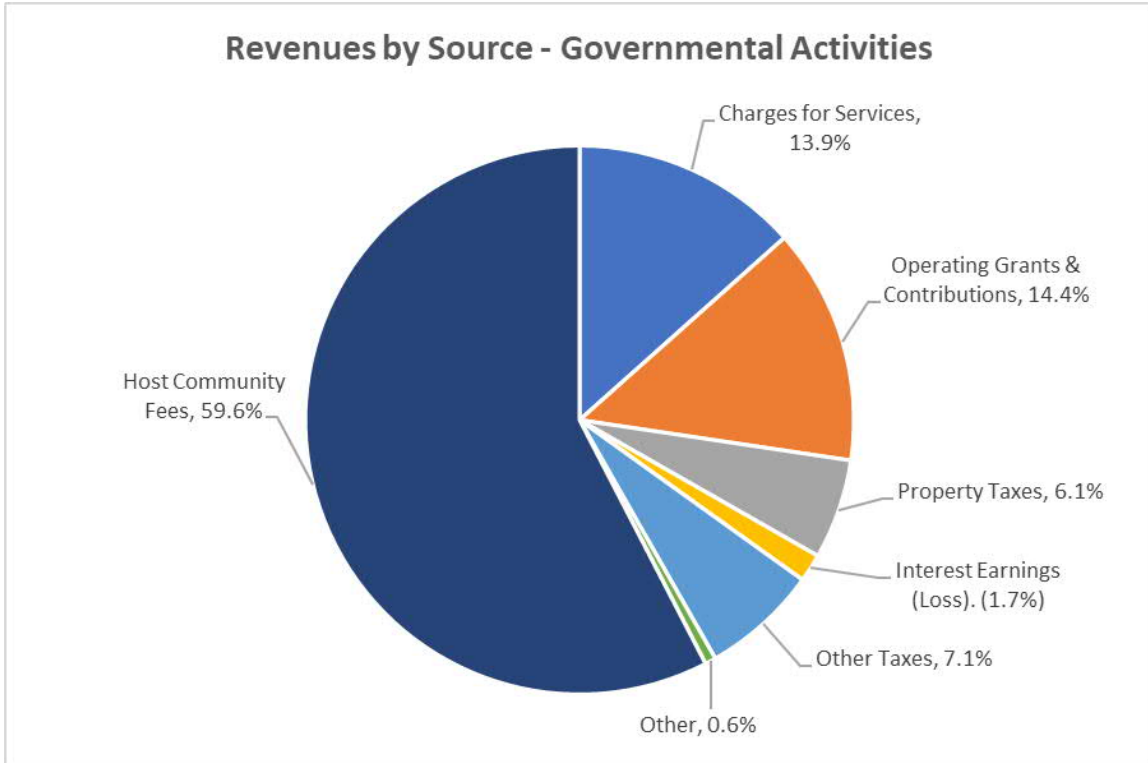
| | Governmental | | Business-type | | Total | |
|--------------------------------------|-----------------------|-----------------------|------------------|------------------|-----------------------|-----------------------|
| | Activities | | Activities | | | |
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| REVENUES | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 5,330,821 | \$ 3,502,635 | \$ 271,117 | \$ 207,837 | \$ 5,601,938 | \$ 3,710,472 |
| Operating Grants and Contributions | 5,532,148 | 2,092,984 | - | - | 5,532,148 | 2,092,984 |
| Capital Grants and Contributions | - | - | - | - | - | - |
| General Revenues: | | | | | | |
| Property taxes | 2,339,099 | 2,322,828 | - | - | 2,339,099 | 2,322,828 |
| Other taxes | 2,726,751 | 3,594,259 | - | - | 2,726,751 | 3,594,259 |
| Host Community Fees | 22,866,158 | 25,087,169 | - | - | 22,866,158 | 25,087,169 |
| Other | (397,770) | 92,252 | - | - | (397,770) | 92,252 |
| Total Revenues | 38,397,207 | 36,692,127 | 271,117 | 207,837 | 38,668,324 | 36,899,964 |
| EXPENSES: | | | | | | |
| General Government | 3,003,088 | 4,520,223 | | | 3,003,088 | 4,520,223 |
| Public Safety | 22,057,721 | 19,669,655 | | | 22,057,721 | 19,669,655 |
| Highway and Streets | 6,298,835 | 6,136,621 | | | 6,298,835 | 6,136,621 |
| Parks and Recreation | 1,467,175 | 1,202,197 | | | 1,467,175 | 1,202,197 |
| Pinewood Pool | - | - | 255,480 | 215,299 | 255,480 | 215,299 |
| Total Expenses | 32,826,819 | 31,528,696 | 255,480 | 215,299 | 33,082,299 | 31,743,995 |
| Excess (deficiency) before transfers | 5,570,388 | 5,163,431 | 15,637 | (7,462) | 5,586,025 | 5,155,969 |
| Transfers | - | (50,000) | - | 50,000 | - | - |
| Change in Net Position | 5,570,388 | 5,113,431 | 15,637 | 42,538 | 5,586,025 | 5,155,969 |
| Net Position, Beginning | 121,855,804 | 116,742,373 | 34,934 | (7,604) | 121,890,738 | 116,734,769 |
| Net Position, Ending | \$ 127,426,192 | \$ 121,855,804 | \$ 50,571 | \$ 34,934 | \$ 127,476,763 | \$ 121,890,738 |

Falls Township
Bucks County, Pennsylvania

Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
For the Fiscal Year Ended December 31, 2022

Governmental Activities

The following chart shows the Government-wide sources of revenues for the year ended December 31, 2022:

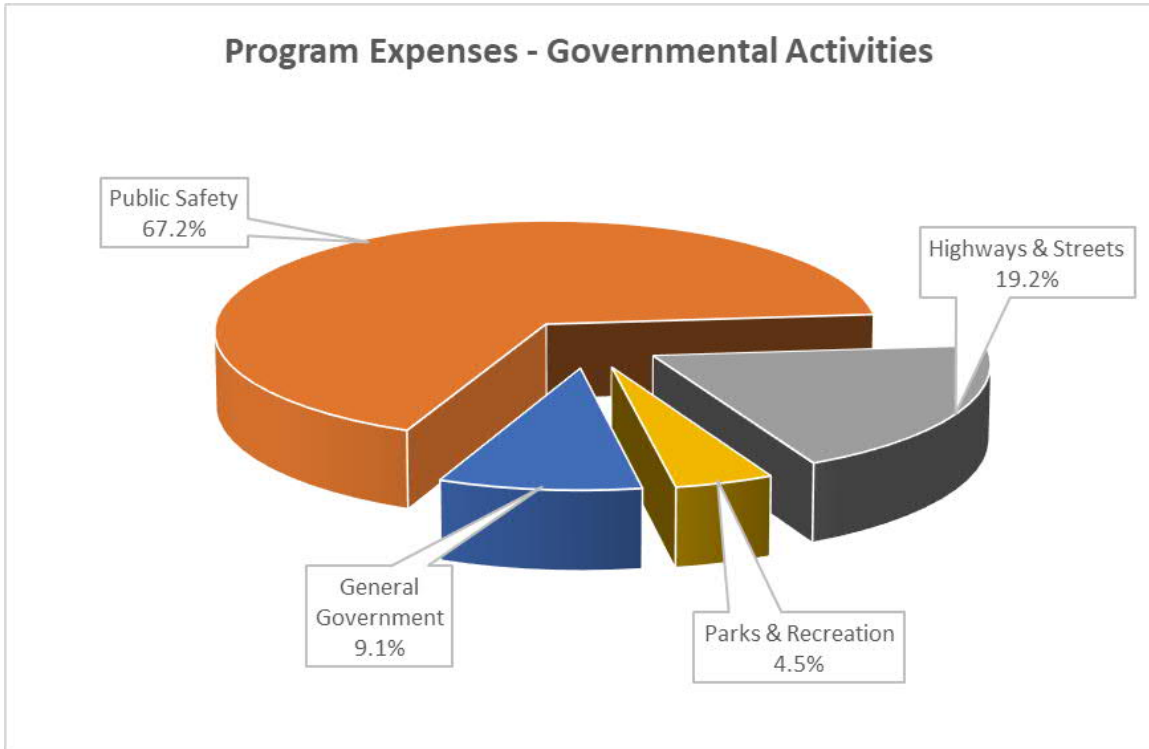


Of the total Government-wide revenues of \$38,397,207, \$22,866,158 were Host Community Fees or “tipping” fees received from Waste Management for the landfill and incinerator operations. Also contributing to the Township’s revenue stream were Charges for Services with revenues of \$5,330,821 which were generated for various items from business licenses to permits. Property taxes netted the Township \$2,339,099, Other Taxes brought in \$2,726,751, Operating Grants and Contributions added \$5,532,148, Interest Earnings (Loss) netted (\$653,382), and Other (miscellaneous) revenues were \$255,612.

**Falls Township
Bucks County, Pennsylvania**

**Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
For the Fiscal Year Ended December 31, 2022**

The following chart shows the Government-wide sources of program expenses and revenues for the year ended December 31, 2022:



Most of the expenses that occurred in the year 2022 were related to Public Safety. Public Safety expenses were \$22,057,721. This broad category encompasses police protection, animal control, fire marshal's services, code enforcement, zoning services and environmental protection. Highway and Streets expenses were \$6,298,835 which includes road reconstruction, engineering costs, construction and rebuilding of storm sewers, operation and maintenance of traffic signals, and snow removal. Parks and Recreation expenses were \$1,467,175 which includes maintenance/upgrades at 19 parks, facilities, and open space areas. General Government expenses were \$3,003,088 and include costs for staffing, benefits, insurance, and various other administrative costs.

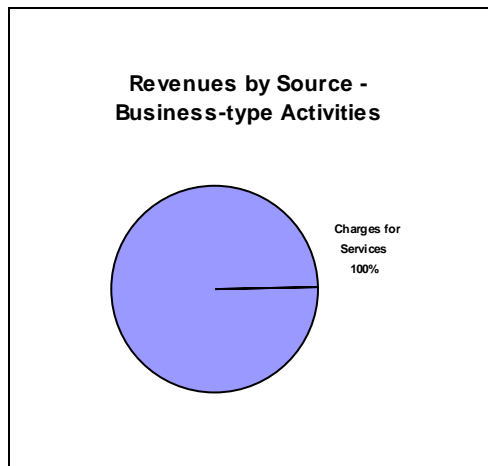
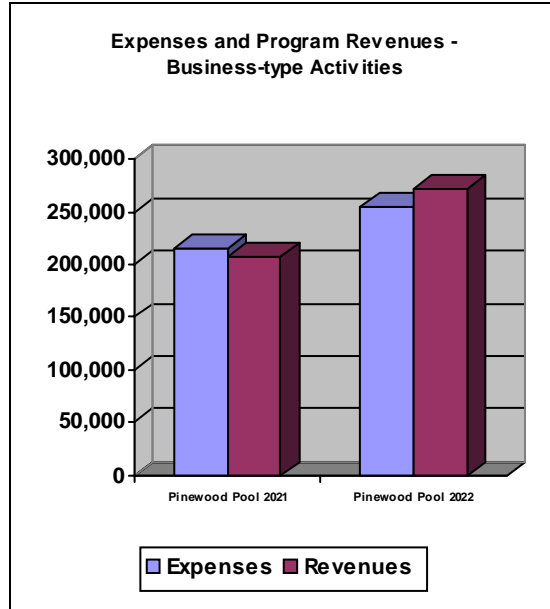
**Falls Township
Bucks County, Pennsylvania**

**Management’s Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
For the Fiscal Year Ended December 31, 2022**

Business-type activities

Business-type activities increased the Township’s net position by \$15,637. The single business-type activity of Falls Township is the operation of the Pinewood Pool.

The Pinewood Pool fund experienced an operating gain of \$15,637 in 2022. The operating gain was achieved by revenues from pool memberships, guest fees, programs, and the concession stand outpacing operating expenses.



Charges for services represent 100% of program revenues for the Pinewood Pool. Fiscal year 2022 saw revenues outpace expenses due to a number of factors: more aggressive marketing, a “refer a friend” rebate offer, added programming at the pool, increased memberships, and guest attendance. The Township continues to offer low membership rates to residents in the interest of providing affordable family entertainment.

**Falls Township
Bucks County, Pennsylvania**

**Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
For the Fiscal Year Ended December 31, 2022**

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

As Falls Township completed the year, its governmental funds reported a combined fund balance of \$64,419,192 an increase of \$4,009,534 compared to the previous year. Of the combined fund balance total: \$17,227,930 constitutes *unassigned fund balance*, which is available to meet the Township's current and future needs at the Township's discretion; an additional \$44,506,178 is assigned for specific purposes; \$2,062,667 is restricted for particular purposes; and, the remaining \$622,417 is non-spendable.

As noted earlier, Falls Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

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

General Fund

The General Fund is the chief operating fund of Falls Township. At the end of the current fiscal year, unassigned fund balance of the general fund was \$17,227,930 while total fund balance reached \$60,049,629. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures of \$31,467,864. The total fund balance of Falls Township's general fund increased \$4,029,027 during 2022. This is the result of continued income from Waste Management for tipping fees at the new Fairless Landfill. Host Community Fees topped \$22 million in 2022. The host community fees received from Waste Management allow Falls Township to provide high quality services to our residents without raising real estate taxes.

Capital Reserve

The Capital Reserve fund serves to finance various Township purchases and projects. At the end of 2022, the assigned and total fund balance was \$2,300,312. This is a decrease in the amount of \$40,179. With no dedicated revenue stream in this fund, annual expenditures are closely monitored so they do not deplete the remaining fund balance too quickly.

Proprietary Funds

Falls Township's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Pinewood Pool

The Pinewood Pool fund accounts for the operations of a recreational community pool. At the end of 2022, the net position was \$50,571. This represents an increase of \$15,637 over the prior year. The Township strives to offer a state-of-the-art facility at an affordable rate for our residents.

General Fund Budgetary Highlights

A minor difference of \$73,130 between the original budget and the final amended budget occurred during the year as revenues were adjusted upward of original projections. Some of the highlights of the comparison between the original budget and actual were as follows. Overall, total revenues came in over budget by \$7,463,369 for 2022. The largest contributing factor was the receipt of \$3,519,605 in Coronavirus State and Local Fiscal Recovery Funds (SLFRF), established by the American Rescue Plan Act (ARPA) of 2021, that provided funding to

**Falls Township
Bucks County, Pennsylvania**

**Management’s Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
For the Fiscal Year Ended December 31, 2022**

governments across the country to support their response to and recovery from the COVID-19 public health emergency. The Township also saw higher than anticipated increases in Real Estate Transfer Taxes and Licenses and Permits revenue due to the redevelopment of over 1,800 acres of the former U.S. Steel site by NorthPoint Development. Total expenditures for the year were under budget by a total of \$3,680,637. The greatest savings occurred in expenditures for Capital Outlays with Public Works – Highway and Streets under budget by \$2,490,339. Many of the budgeted projects not completed in 2022 have been carried forward to the 2023 budget.

Capital Asset and Debt Administration

Capital Assets

The Township’s investment in capital assets for its governmental and business type activities as of December 31, 2022, amount to \$90,218,634 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, open space, roads, and bridges.

Major capital asset events during 2022 included the following:

The purchase of two 2023 International HV507 trucks at a combined cost of \$196,614 for the Public Works Department.

Road improvements for various roads in the Township amounting to \$2,651,263 in construction and engineering costs. The Rice Drive culvert project was completed at a cost of \$215,950. And traffic signal projects and repairs were completed for intersection improvements at a cost of \$57,219.

Park improvements and the replacement of play equipment at Elderberry Park totaling \$168,353. The expansion of a walking path at the Community Park at a cost of \$93,794. A surveillance camera project at the Community Park at a cost of \$96,500.

Engineering and construction of the roof at Three Arches totaling \$163,556.

Capital purchases for the Police Department, including five new vehicles totaling \$235,259.

FALLS TOWNSHIP
Capital Assets
(net of accumulated depreciation)

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | |
|----------------------------------|--------------------------------|----------------------|---------------------------------|-------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Land | \$ 16,460,926 | \$ 16,460,926 | \$ 162,700 | \$ 162,700 |
| Construction in Progress | 1,218,822 | 13,337 | - | - |
| Building and System | 1,538,010 | 1,494,414 | - | - |
| Improvements other than Building | 1,286,243 | 1,132,093 | - | - |
| Machinery and Equipment | 1,609,622 | 1,604,152 | - | - |
| Infrastructure | 67,942,311 | 66,848,619 | - | - |
| | <u>\$ 90,055,934</u> | <u>\$ 87,553,541</u> | <u>\$ 162,700</u> | <u>\$ 162,700</u> |

Additional information on Falls Township’s capital assets can be found in Note D on page 57 of this report.

**Falls Township
Bucks County, Pennsylvania**

**Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
For the Fiscal Year Ended December 31, 2022**

Debt Administration

As of December 31, 2022, Falls Township had no outstanding long-term bonds or note debt.

Information on Falls Township's long-term liabilities can be found in Note F on page 58 of this report.

Economic Factors and Next Year's Budgets and Rates

- 1) Tipping fees received from the landfill located in the Township have been on the rise since 2008, netting \$8.6 million that year and rising to an average of \$13.8 million for fiscal years 2012 through 2015. Fiscal year 2016 brought in over \$14 million, while 2017 saw revenues spike to over \$20 million with the first full year of operation of the Fairless Landfill. That spike continued through 2022 with fiscal year 2023 operations on track to bring in approximately \$22 million.
- 2) Effective January 1, 2023, Falls Township has enacted a 1% Earned Income Tax (EIT) to be collected by Keystone Collections Group for the Township. The EIT is imposed on both Township residents and on non-residents who work within the Township limits. The EIT is expected to generate \$5,250,000 in 2023.
- 3) The Pinewood Pool is expected to continue operations while trying to contain costs and exceed projected revenues. The Township will continue in-house management of the pool for 2023 in an effort to control costs. Pool membership registrations and program income are expected to increase in 2023. These increases are expected as a result of the Township's "refer a friend" rebate offer as well as added programming at the pool.

These factors were considered in preparing the Falls Township budget for 2023.

Requests for Information

Falls Township's financial report is designed to provide a general overview of the Township's finances for those interested in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, Falls Township, 188 Lincoln Highway, Suite 100, Fairless Hills, PA 19030.

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BASIC FINANCIAL STATEMENTS

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TOWNSHIP OF FALLS
STATEMENT OF NET POSITION
DECEMBER 31, 2022

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|--------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ 42,639,921 | \$ - | \$ 42,639,921 |
| Investments | 22,029,544 | - | 22,029,544 |
| Taxes receivable | 61,024 | - | 61,024 |
| Accounts Receivable, net of allowance for uncollectibles | 2,379,608 | - | 2,379,608 |
| Prepaid assets | 622,417 | - | 622,417 |
| Internal balances | 67,699 | (67,699) | - |
| Total Current Assets | 67,800,213 | (67,699) | 67,732,514 |
| Noncurrent Assets: | | | |
| Net pension asset - nonuniform pension plan | 1,174,625 | - | 1,174,625 |
| Capital Assets, net of accumulated depreciation | | | |
| Land | 16,460,926 | 162,700 | 16,623,626 |
| Construction in progress | 1,218,822 | - | 1,218,822 |
| Buildings and systems | 1,538,010 | - | 1,538,010 |
| Infrastructure | 67,942,311 | - | 67,942,311 |
| Improvements other than buildings | 1,286,243 | - | 1,286,243 |
| Machinery, equipment and vehicles | 1,609,622 | - | 1,609,622 |
| Total Capital Assets | 90,055,934 | 162,700 | 90,218,634 |
| TOTAL ASSETS | 159,030,772 | 95,001 | 159,125,773 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred amounts related to police pension | 8,970,880 | - | 8,970,880 |
| Deferred amounts related to nonuniform pension | 211,548 | - | 211,548 |
| Deferred amounts related to other postemployment benefits | 1,592,421 | - | 1,592,421 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 10,774,849 | - | 10,774,849 |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts payable | 1,100,525 | 42,891 | 1,143,416 |
| Accrued salaries and benefits | 454,497 | 1,539 | 456,036 |
| Unearned revenue | 241,559 | - | 241,559 |
| Deposits | 843,118 | - | 843,118 |
| Portion due or payable within one year: | | | |
| Compensated absences | 681,937 | - | 681,937 |
| Total Current Liabilities | 3,321,636 | 44,430 | 3,366,066 |
| Long-term Liabilities | | | |
| Portion due or payable after one year: | | | |
| Compensated absences | 1,336,433 | - | 1,336,433 |
| Net police pension liability | 26,942,120 | - | 26,942,120 |
| Other postemployment benefits | 8,126,792 | - | 8,126,792 |
| Total Long-Term Liabilities | 36,405,345 | - | 36,405,345 |
| TOTAL LIABILITIES | 39,726,981 | 44,430 | 39,771,411 |

(Continued)

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF FALLS
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2022

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|-----------------------|
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred amounts related to nonuniform pension plan | 842,822 | - | 842,822 |
| Deferred amounts related to other postemployment benefits | 1,809,626 | - | 1,809,626 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 2,652,448 | - | 2,652,448 |
| NET POSITION | | | |
| Net investment in capital assets | 90,055,934 | 162,700 | 90,218,634 |
| Restricted for: | | | |
| Recycling expenditures | 457,362 | - | 457,362 |
| Parks and recreation | 444,837 | - | 444,837 |
| Rescue squad | 37,788 | - | 37,788 |
| Fire hydrant | 110,554 | - | 110,554 |
| Fire protection | 30,806 | - | 30,806 |
| Library | 4,479 | - | 4,479 |
| Highway aid | 716,176 | - | 716,176 |
| Street lighting | 260,665 | - | 260,665 |
| Pension asset | 1,174,625 | - | 1,174,625 |
| Unrestricted (Deficit) | 34,132,966 | (112,129) | 34,020,837 |
| TOTAL NET POSITION | \$ 127,426,192 | \$ 50,571 | \$ 127,476,763 |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF FALLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Program Revenues | | | | Net (Expenses) Revenues and Changes in Net Position | | |
|---|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | |
| | | | | | Governmental Activities | Business-Type Activities | Total |
| GOVERNMENTAL ACTIVITIES | | | | | | | |
| General government | \$ 3,003,088 | \$ 299,362 | \$ 882,217 | \$ - | \$ (1,821,509) | \$ - | \$ (1,821,509) |
| Public safety | 22,057,721 | 4,662,728 | 3,764,328 | - | (13,630,665) | - | (13,630,665) |
| Public works - highways and streets | 6,298,835 | 163,688 | 885,603 | - | (5,249,544) | - | (5,249,544) |
| Parks and recreation | 1,467,175 | 205,043 | - | - | (1,262,132) | - | (1,262,132) |
| TOTAL GOVERNMENTAL ACTIVITIES | <u>32,826,819</u> | <u>5,330,821</u> | <u>5,532,148</u> | <u>-</u> | <u>(21,963,850)</u> | <u>-</u> | <u>(21,963,850)</u> |
| BUSINESS-TYPE ACTIVITIES | | | | | | | |
| Pinewood Pool | <u>255,480</u> | <u>271,117</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>15,637</u> | <u>15,637</u> |
| TOTAL BUSINESS-TYPE ACTIVITIES | <u>255,480</u> | <u>271,117</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>15,637</u> | <u>15,637</u> |
| TOTAL GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES | <u>\$ 33,082,299</u> | <u>\$ 5,601,938</u> | <u>\$ 5,532,148</u> | <u>\$ -</u> | <u>(21,963,850)</u> | <u>15,637</u> | <u>(21,948,213)</u> |
| GENERAL REVENUES | | | | | | | |
| Property taxes, levied for general purposes | | | | | 2,339,099 | - | 2,339,099 |
| Real estate transfer taxes | | | | | 1,939,655 | - | 1,939,655 |
| Local services taxes | | | | | 691,553 | - | 691,553 |
| Mechanical device tax | | | | | 43,000 | - | 43,000 |
| Other taxes | | | | | 52,543 | - | 52,543 |
| Contributions not restricted to specific programs | | | | | 22,866,158 | - | 22,866,158 |
| Interest earnings (loss) | | | | | (653,382) | - | (653,382) |
| Gain on sale | | | | | 25,326 | - | 25,326 |
| Miscellaneous revenues | | | | | 230,286 | - | 230,286 |
| TOTAL GENERAL REVENUES AND TRANSFERS | | | | | <u>27,534,238</u> | <u>-</u> | <u>27,534,238</u> |
| CHANGE IN NET POSITION | | | | | <u>5,570,388</u> | <u>15,637</u> | <u>5,586,025</u> |
| NET POSITION AT BEGINNING OF YEAR | | | | | <u>121,855,804</u> | <u>34,934</u> | <u>121,890,738</u> |
| NET POSITION AT END OF YEAR | | | | | <u>\$ 127,426,192</u> | <u>\$ 50,571</u> | <u>\$ 127,476,763</u> |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF FALLS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

| | General Fund | Capital Reserve | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|---------------------|-----------------------------|-----------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 36,801,919 | \$ 3,734,500 | \$ 2,103,502 | \$ 42,639,921 |
| Investments | 22,029,544 | - | - | 22,029,544 |
| Accounts receivable (net of allowance for uncollectibles) | 2,379,394 | - | 214 | 2,379,608 |
| Taxes receivable | 22,241 | - | 38,783 | 61,024 |
| Interfund receivable | 662,011 | - | - | 662,011 |
| Prepaid items | 615,833 | - | 6,584 | 622,417 |
| TOTAL ASSETS | \$ 62,510,942 | \$ 3,734,500 | \$ 2,149,083 | \$ 68,394,525 |
| LIABILITIES | | | | |
| Accounts payable | \$ 1,074,536 | \$ 2,782 | \$ 23,207 | \$ 1,100,525 |
| Deposits | 5,651 | 837,467 | - | 843,118 |
| Interfund payable | - | 593,939 | 373 | 594,312 |
| Salaries and benefits payable | 1,117,923 | - | 18,511 | 1,136,434 |
| Unearned revenue - other | 241,559 | - | - | 241,559 |
| TOTAL LIABILITIES | 2,439,669 | 1,434,188 | 42,091 | 3,915,948 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue - real estate taxes | 21,644 | - | 37,741 | 59,385 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 21,644 | - | 37,741 | 59,385 |
| FUND BALANCES | | | | |
| Nonspendable: | | | | |
| Prepaid items | 615,833 | - | 6,584 | 622,417 |
| Restricted for: | | | | |
| Recycling expenditures | - | - | 457,362 | 457,362 |
| Parks and recreation | - | - | 444,837 | 444,837 |
| Rescue squad | - | - | 37,788 | 37,788 |
| Fire hydrant | - | - | 110,554 | 110,554 |
| Fire protection | - | - | 30,806 | 30,806 |
| Library | - | - | 4,479 | 4,479 |
| Highway aid | - | - | 716,176 | 716,176 |
| Street lighting | - | - | 260,665 | 260,665 |
| Assigned to: | | | | |
| Capital projects | 42,205,866 | 2,300,312 | - | 44,506,178 |
| Unassigned | 17,227,930 | - | - | 17,227,930 |
| TOTAL FUND BALANCES | 60,049,629 | 2,300,312 | 2,069,251 | 64,419,192 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 62,510,942 | \$ 3,734,500 | \$ 2,149,083 | \$ 68,394,525 |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF FALLS
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2022

| | | |
|--|----|--------------|
| TOTAL GOVERNMENTAL FUND BALANCES | \$ | 64,419,192 |
| <p>Amounts reported for governmental activities on the statement of net position are different because of the following:</p> | | |
| <p>Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in the governmental funds. The cost of the assets is \$178,274,327 and the accumulated depreciation is \$88,218,393.</p> | | 90,055,934 |
| <p>Long-term Net pension asset - nonuniform - not recorded as an asset in the funds.</p> | | 1,174,625 |
| <p>Certain revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.</p> | | 59,385 |
| <p>Deferred outflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.</p> | | 10,774,849 |
| <p>Deferred inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.</p> | | (2,652,448) |
| <p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Those liabilities consist of:</p> | | |
| <p>Other postemployment benefits</p> | | (8,126,792) |
| <p>Net pension liability - police</p> | | (26,942,120) |
| <p>Compensated absences</p> | | (1,336,433) |
| | | (36,405,345) |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ | 127,426,192 |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF FALLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

| | General Fund | Capital Reserve | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|---------------------|-----------------------------|-----------------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Property | \$ 853,651 | \$ - | \$ 1,489,834 | \$ 2,343,485 |
| Real estate transfer | 1,939,655 | - | - | 1,939,655 |
| Local services | 691,553 | - | - | 691,553 |
| Mechanical device | 43,000 | - | - | 43,000 |
| Motor fuel tax | - | - | 885,603 | 885,603 |
| Other | 22,803 | - | 29,740 | 52,543 |
| Host community fees | 22,866,158 | - | - | 22,866,158 |
| Licenses and permits | 3,925,723 | - | - | 3,925,723 |
| Fines and forfeits | 154,727 | - | - | 154,727 |
| Interest earnings (loss) | (703,141) | 32,605 | 17,154 | (653,382) |
| Rents | 6,468 | - | 18,010 | 24,478 |
| Intergovernmental | 4,401,822 | - | 244,723 | 4,646,545 |
| Charges for services | 1,038,860 | - | 187,033 | 1,225,893 |
| Miscellaneous | 78,139 | - | - | 78,139 |
| Refunds of prior years | 152,147 | - | - | 152,147 |
| TOTAL REVENUES | 35,471,565 | 32,605 | 2,872,097 | 38,376,267 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 2,875,709 | 62,784 | - | 2,938,493 |
| Public safety | 19,652,631 | - | 899,882 | 20,552,513 |
| Public works - highways and streets | 2,354,615 | - | 1,085,192 | 3,439,807 |
| Parks and recreation | 366,533 | - | 728,433 | 1,094,966 |
| Capital outlay | | | | |
| General government | 1,205,486 | 10,000 | - | 1,215,486 |
| Public safety | 312,884 | - | - | 312,884 |
| Public works - highways and streets | 4,087,758 | - | 137,904 | 4,225,662 |
| Parks and recreation | 612,248 | - | - | 612,248 |
| TOTAL EXPENDITURES | 31,467,864 | 72,784 | 2,851,411 | 34,392,059 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 4,003,701 | (40,179) | 20,686 | 3,984,208 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from sale of assets | 25,326 | - | - | 25,326 |
| TOTAL OTHER FINANCING SOURCES (USES) | 25,326 | - | - | 25,326 |
| NET CHANGE IN FUND BALANCES | 4,029,027 | (40,179) | 20,686 | 4,009,534 |
| FUND BALANCES, BEGINNING OF YEAR | 56,020,602 | 2,340,491 | 2,048,565 | 60,409,658 |
| FUND BALANCES, END OF YEAR | \$ 60,049,629 | \$ 2,300,312 | \$ 2,069,251 | \$ 64,419,192 |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF FALLS
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

| | | |
|--|----|-------------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ | 4,009,534 |
| <p>Capital outlays are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense:</p> | | |
| Capital outlay | | 6,366,280 |
| Depreciation expense | | (3,863,887) |
| <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p> | | |
| | | (4,386) |
| <p>Compensated absences do not require the use of current financial resources, therefore, are not reported as expenditures in Government Funds.</p> | | |
| | | 106,463 |
| <p>On the Statement of Activities the actual and projected long term expenditures for pension benefits are reported, whereas on the governmental funds only the actual expenditures are recorded for pensions.</p> | | |
| | | (1,220,597) |
| <p>On the Statement of Activities the actual and projected long term expenditures for other postemployment benefits are reported, whereas on the governmental funds only the actual expenditures are recorded for postemployment benefits.</p> | | |
| | | 176,981 |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ | 5,570,388 |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF FALLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-----------------------|-----------------------|----------------------|----------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | | | | |
| Property | \$ 880,866 | \$ 880,866 | \$ 853,651 | \$ (27,215) |
| Real estate transfer | 850,000 | 850,000 | 1,939,655 | 1,089,655 |
| Local services | 590,000 | 590,000 | 691,553 | 101,553 |
| Mechanical device | 37,000 | 37,000 | 43,000 | 6,000 |
| Other | - | - | 22,803 | 22,803 |
| Host community fees | 21,177,300 | 21,177,300 | 22,866,158 | 1,688,858 |
| Licenses and permits | 789,000 | 789,000 | 3,925,723 | 3,136,723 |
| Fines and forfeits | 154,500 | 154,500 | 154,727 | 227 |
| Investment earnings (loss) | 870,000 | 870,000 | (703,141) | (1,573,141) |
| Rents | 38,800 | 38,800 | 6,468 | (32,332) |
| Intergovernmental | 662,600 | 662,600 | 4,401,822 | 3,739,222 |
| Charges for services | 1,885,000 | 1,680,130 | 1,038,860 | (641,270) |
| Miscellaneous | - | 278,000 | 78,139 | (199,861) |
| Refunds of prior years | - | - | 152,147 | 152,147 |
| TOTAL REVENUES | 27,935,066 | 28,008,196 | 35,471,565 | 7,463,369 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | | | | |
| Supervisors | 36,228 | 36,228 | 37,335 | (1,107) |
| Manager | 320,914 | 320,914 | 337,659 | (16,745) |
| Finance and administration | 855,015 | 855,015 | 776,099 | 78,916 |
| Attorney | 561,000 | 561,000 | 974,430 | (413,430) |
| Other | 758,385 | 758,385 | 750,186 | 8,199 |
| Total general government | 2,531,542 | 2,531,542 | 2,875,709 | (344,167) |
| Public safety | | | | |
| Police | 16,826,013 | 16,826,013 | 17,705,237 | (879,224) |
| Fire | 727,000 | 727,000 | 689,095 | 37,905 |
| Code enforcement | 1,214,701 | 1,214,701 | 1,258,299 | (43,598) |
| Total public safety | 18,767,714 | 18,767,714 | 19,652,631 | (884,917) |
| Public works | | | | |
| Highways and streets | 2,254,860 | 2,254,860 | 2,354,615 | (99,755) |
| Total public works | 2,254,860 | 2,254,860 | 2,354,615 | (99,755) |
| Total parks and recreation | - | - | 366,533 | (366,533) |
| Capital outlay | | | | |
| General government | 3,226,920 | 3,226,920 | 1,205,486 | 2,021,434 |
| Public safety | 1,333,636 | 1,333,636 | 312,884 | 1,020,752 |
| Public works - highway and streets | 6,578,097 | 6,578,097 | 4,087,758 | 2,490,339 |
| Parks and recreation | 455,732 | 455,732 | 612,248 | (156,516) |
| Total capital outlay | 11,594,385 | 11,594,385 | 6,218,376 | 5,376,009 |
| TOTAL EXPENDITURES | 35,148,501 | 35,148,501 | 31,467,864 | 3,680,637 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURE | (7,213,435) | (7,140,305) | 4,003,701 | 3,782,732 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 220,000 | 220,000 | - | (220,000) |
| Transfers out | (250,000) | (250,000) | - | 250,000 |
| Fund reserve | (45,353,560) | (45,353,560) | - | 45,353,560 |
| Sale of assets | - | - | 25,326 | 25,326 |
| TOTAL OTHER FINANCING SOURCES (USES) | (45,383,560) | (45,383,560) | 25,326 | 45,408,886 |
| NET CHANGE IN FUND BALANCE | (52,596,995) | (52,523,865) | 4,029,027 | 49,191,618 |
| FUND BALANCE, BEGINNING OF YEAR | 50,598,949 | 50,598,949 | 56,020,602 | 5,421,653 |
| FUND BALANCE, END OF YEAR | \$ (1,998,046) | \$ (1,924,916) | \$ 60,049,629 | \$ 54,613,271 |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF FALLS
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2022

| | Activities - Enterprise Fund |
|--|---------------------------------|
| | Pinewood Pool Current Year |
| ASSETS | |
| Current assets | |
| Cash and cash equivalents | \$ - |
| Noncurrent assets: | |
| Capital assets, net of accumulated depreciation: | |
| Land | 162,700 |
| TOTAL CAPITAL ASSETS | 162,700 |
| TOTAL ASSETS | 162,700 |
| LIABILITIES | |
| Current Liabilities | |
| Interfund payable | 67,699 |
| Accounts payable | 42,891 |
| Salaries and benefits payable | 1,539 |
| TOTAL CURRENT LIABILITIES | 112,129 |
| NET POSITION | |
| Net investment in capital assets | 162,700 |
| Unrestricted (deficit) | (112,129) |
| TOTAL NET POSITION (DEFICIT) | \$ 50,571 |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF FALLS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Business-Type Activities - Enterprise Fund |
|---|--|
| | Pinewood Pool Current Year |
| OPERATING REVENUES | |
| Charges for sales and services | |
| Pool memberships | \$ 208,522 |
| Guest fees | 39,879 |
| Program income | 16,750 |
| Concession income | 5,966 |
| | 271,117 |
| TOTAL OPERATING REVENUES | |
| OPERATING EXPENSES | |
| Cost of sales and services | 203,102 |
| Administration | 52,378 |
| | 255,480 |
| TOTAL OPERATING EXPENSES | |
| CHANGE IN NET POSITION | 15,637 |
| NET POSITION (DEFICIT), BEGINNING OF YEAR | 34,934 |
| NET POSITION (DEFICIT), END OF YEAR | \$ 50,571 |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF FALLS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Business-Type Activities - Enterprise Fund |
|---|--|
| | Pinewood Pool Current Year |
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from customers and users | 271,117 |
| Payments to suppliers | (33,075) |
| Payments to employees | (180,404) |
| | 57,638 |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Increase (decrease) in interfund payable | (57,638) |
| | (57,638) |
| NET CASH PROVIDED BY (UNSED IN) NONCAPITAL FINANCING ACTIVITIES | |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | - |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | - |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ - |
| RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | |
| Change in Net Position | \$ 15,637 |
| Adjustments to reconcile change in net position to net cash provided by used in operating activities | |
| Increase (decrease) in: | |
| Accounts payable | 41,959 |
| Salaries and benefits payable | 42 |
| TOTAL ADJUSTMENTS | 42,001 |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | \$ 57,638 |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF FALLS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

| | Pension Trust Funds | Custodial Fund |
|--|----------------------|---------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 6,000,174 | \$ 8,649,112 |
| Prepaid pension payments | 212,362 | 1,704 |
| Accrued income | 28,618 | - |
| Accounts receivable | 13,482 | - |
| Investments, at fair value | | |
| Mutual funds | 26,954,446 | - |
| TOTAL ASSETS | 33,209,082 | 8,650,816 |
| LIABILITIES | | |
| Payables | 13,275 | 149,644 |
| NET POSITION | | |
| Net position restricted for pensions | 33,195,807 | - |
| Net position restricted for custodial purposes | - | 8,501,172 |
| TOTAL NET POSITION | \$ 33,195,807 | \$ 8,501,172 |

The accompanying notes are an integral part of the financial statements.

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

| | <u>Pension Trust Fund</u> | <u>Custodial Fund</u> |
|---|-------------------------------|-----------------------|
| ADDITIONS | | |
| Contributions | | |
| Employer | \$ 2,832,099 | \$ - |
| Plan member | 352,838 | - |
| Commonwealth | 694,181 | - |
| Developers | - | 3,380,410 |
| Total Contributions | <u>3,879,118</u> | <u>3,380,410</u> |
| Investment Income | | |
| Dividend income | 894,141 | 12,280 |
| Net appreciation in fair value of investments | (6,117,747) | - |
| Total Investment Income | <u>(5,223,606)</u> | <u>12,280</u> |
| Less: investment expenses | <u>(137,229)</u> | <u>-</u> |
| Net Investment Income | <u>(5,360,835)</u> | <u>12,280</u> |
| TOTAL ADDITIONS | <u>(1,481,717)</u> | <u>3,392,690</u> |
| DEDUCTIONS | | |
| Benefits and contribution refunds | 3,064,496 | - |
| Administrative expenses | 13,275 | - |
| Escrow disbursements | - | 4,756,675 |
| TOTAL DEDUCTIONS | <u>3,077,771</u> | <u>4,756,675</u> |
| CHANGE IN NET POSITION | (4,559,488) | (1,363,985) |
| NET POSITION, BEGINNING OF YEAR | <u>37,755,295</u> | <u>9,865,157</u> |
| NET POSITION, END OF YEAR | <u>\$ 33,195,807</u> | <u>\$ 8,501,172</u> |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Township of Falls, County of Bucks, Commonwealth of Pennsylvania (the "Township"), was founded in 1692. The Township is a second-class township and is governed by an elected board of five supervisors and a board-appointed Township Manager. The Township covers approximately 26.5 square miles in Lower Bucks County and has a population of 34,716 per the 2020 U.S. Census.

The Township provides a full range of municipal services. These services include police protection; fire protection; park and recreation activities; highway maintenance and reconstruction operations; refuse; and general administrative services.

The Township has followed the guidelines of the Governmental Accounting Standards Board's ("GASB") Statements No. 14, 39, 61 and 80, and has determined that no entities should be consolidated into its, basic financial statements as component units. Therefore, the reporting entity consists of the primary government financial statements only. No entities are considered component units, except the Police Pension Plan which is a fiduciary component of the Township.

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the Township. For the most part, the effects of interfund activity have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary fund, and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. These statements present each major fund as a separate column on the fund financial statements, and all nonmajor funds are aggregated and presented in a single column.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets and liabilities are included on the statement of net position. 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

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2022

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.

Governmental fund financial statements are reported 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 sixty days of the end of the current fiscal period. Expenditures generally are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The accounts of the Township are organized and operated on the basis of funds.

The Township reports the following major governmental funds:

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

The *Capital Reserve Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities and capital assets, other than those financed by proprietary and fiduciary funds.

The Township reports the following major proprietary fund:

The *Pinewood Pool Fund* accounts for operations of a recreational pool.

Additionally, the Township reports the following Fiduciary funds:

The *Police Pension Trust Fund*, the Township's component unit, accounts for the accumulation of resources for pension benefit payments to qualified uniformed police officers.

The *Township Escrow and Subdivision Fund* is a custodial fund used to account for assets held by the Township in a fiduciary capacity for developers as required by developer agreements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule is payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2022

general revenues, rather than as program revenues. Likewise, general revenues include all taxes and investment earnings.

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 Pinewood pool fund are charges to customers for pool memberships. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Assets, Liabilities, and Net Position or Equity

1) *Deposits and Investments*

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The deposit and investment policy of the Township adheres to state statutes and prudent business practice. Deposits of the Township are either maintained in demand deposits, highly liquid money market funds or pooled for investment purposes in the Pennsylvania Local Government Investment Trust (PLGIT) and are captioned as "cash and cash equivalents" in the balance sheet and statement of net position. The deposits and investments of the fiduciary funds are administered by trustees and are held separately from those of other municipal funds. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the Township.

Investments for the Township are reported at fair value. The State Treasurer's Investment Pool operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2) *Receivables and Payables*

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

Real estate taxes are levied on March 1 and 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. Taxes unpaid are liened in January of the subsequent year.

3) *Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

TOWNSHIP OF FALLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2022

4) Capital Assets

Capital assets, which include land, buildings and systems, improvements, machinery and equipment, and infrastructure (roads, bridges, sidewalks, and similar items), are reported in the governmental or business-type activities columns in the government-wide financial statements.

The Township defines capital assets as assets with an estimated useful life in excess of two years and an initial, individual cost greater than \$10,000. Such assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. Infrastructure includes retroactive reporting of assets prior to June 30, 1980.

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

Major outlays for capital assets and improvements are capitalized as projects as constructed. Prior to 2021, interest incurred during the construction phase of capital assets was included as part of the capitalized value of the assets constructed. Effective January 1, 2021, as a result of adopting GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, interest cost is to be expensed as incurred.

Property, plant, and equipment of the Township is being depreciated using the straight line method over the following estimated useful lives:

| | Years |
|-------------------------------------|-------|
| Buildings and improvements | 25 |
| Land improvements | 10 |
| Infrastructure - Roads | 40 |
| Infrastructure - Street light poles | 50 |
| Infrastructure - Street lights | 10 |
| Vehicles | 6 |
| Machinery and equipment | 8 |

5) Compensated Absences

It is the Township's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

6) Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business type activities, or proprietary fund type statement of net position. The Township does not have any outstanding bonds or notes payable. In the fund financial statements, Governmental Funds recognize issuance of long-term debt during the current period. The face amount of debt issued is reported as other financing sources and payment of principal and interest reported as expenditures.

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2022

7) Other Postemployment Benefits (“OPEB”) Other than Pensions

The Township provides other postemployment benefits to police officers, public works, and AFSCME group employees, as part of their collective bargaining agreements. Effective January 1, 2018, the Township adopted the provisions of GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.” GASB Statement No. 75 replaced the requirements of FASB Statement No. 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. GASB Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (“RSI”) about their OPEB liabilities.

8) Fund Equity

The Township reports fund balance in accordance with GASB Statement No. 54. GASB Statement No. 54 establishes standards for fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Additionally, the definitions of the general fund, special revenue fund type, debt service fund type and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain items within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definitions of other governmental fund types have also been modified for clarity and consistency.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: Restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Board of Supervisors – the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board of Supervisors removes the specified use by taking the same type of action imposing the commitment.

Assigned fund balance. This classification reflects amounts constrained by the Township’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Board of Supervisors or the finance director, who has been given the authority by a resolution of the Board of Supervisors have the authority to assign amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

TOWNSHIP OF FALLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2022

Use of fund balance. The restricted fund balance shall be reduced to the extent that the underlying reason for the restriction has been eliminated. Then committed, assigned and unassigned shall be reduced in that order as needed.

9) Net Position

Net position is considered restricted if the use is constrained to a particular purpose. The government-wide statement of net position reports \$3,237,292 of restricted net position, \$444,837 is restricted by enabling legislation.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental funds, except the recycling fund. All appropriations lapse at fiscal year-end. All agencies of the government submit requests for appropriations to the township manager and a final budget must be prepared and adopted no later than December 31.

The appropriated budget is prepared by fund, function, and department. The Township's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Board of Supervisors. The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is the department level. There were no budgetary transfers during the year.

Encumbrance accounting is employed in governmental funds. All encumbrances are liquidated at year end.

B. Excess of Expenditures over Appropriations

The General Fund had excess of actual expenditures over budget for the year ended December 31, 2022 in the departments below:

| Department | Excess over Appropriations |
|----------------------|-------------------------------|
| General Government | \$ 344,167 |
| Public Safety | 884,917 |
| Public Works | 99,755 |
| Parks and Recreation | 366,533 |

These over-expenditures were funded during the year by available fund balance.

3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Under Act No. 72 enacted by the General Assembly of the Commonwealth of Pennsylvania, the funds deposited with the depository are permitted to be secured on a pooled basis with all other public funds which the banking institution has on deposit in excess of the Federal Depository Insurance limit. These may be bonds of the United States, any State of the United States, or bonds of any political subdivision of Pennsylvania, or the general state authority or other authorities created by the General Assembly of the Commonwealth of Pennsylvania or insured with the Federal Depository Insurance Corporation. The uninsured deposits, (as defined by GASB Statement No. 40) of the Township were exposed to custodial credit risk as follows:

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2022

Collateral held by pledging bank's trust
department not in the Township's name \$ 37,160,731

Credit Risk. Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The Township has an accounts with PA Treasury's INVEST program and PLGIT totaling \$19,337,640 that is not insured by FDIC nor is it covered by Act 72.

State statutes authorize the Township to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

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

Information related to the Township's investments measured at fair value on a recurring basis at December 31, 2022, is as follows:

Governmental Activities

| | <u>12/31/2022</u> | <u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> |
|--|----------------------|---|--|--|
| Investments by fair value level | | | | |
| Debt securities | | | | |
| U.S. Treasury Notes | \$ 6,236,348 | \$ 6,236,348 | \$ - | \$ - |
| U.S. Government Agencies | 13,337,351 | - | 13,337,351 | - |
| Total debt securities | <u>19,573,699</u> | <u>6,236,348</u> | <u>13,337,351</u> | <u>-</u> |
| Equity securities | | | | |
| Money market funds | \$ 2,455,845 | \$ 2,455,845 | \$ - | \$ - |
| Total equity securities | <u>2,455,845</u> | <u>2,455,845</u> | <u>-</u> | <u>-</u> |
| Total investments at fair value | <u>\$ 22,029,544</u> | <u>\$ 8,692,193</u> | <u>\$ 13,337,351</u> | <u>\$ -</u> |

Trust Fund

| | <u>12/31/2022</u> | <u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> |
|--|----------------------|---|--|--|
| Investments by fair value level | | | | |
| Debt securities | | | | |
| Fixed Income Mutual Funds | \$ 10,247,764 | \$ 10,247,764 | \$ - | \$ - |
| Total debt securities | <u>10,247,764</u> | <u>10,247,764</u> | <u>-</u> | <u>-</u> |
| Equity securities | | | | |
| Other mutual funds | 16,706,682 | 16,706,682 | - | - |
| Total equity securities | <u>16,706,682</u> | <u>16,706,682</u> | <u>-</u> | <u>-</u> |
| Total investments at fair value | <u>\$ 26,954,446</u> | <u>\$ 26,954,446</u> | <u>\$ -</u> | <u>\$ -</u> |

Custodial Credit Risk – Investments. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2022

security that are in the possession of an outside party. The Township has no investments subject to custodial credit risk.

Credit Risk. Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The Township has no investment policy that would limit its investment choices to certain credit ratings. As of December 31, 2022, the Township's investments were rated as:

| Investment Type | Rating |
|---------------------------|--------|
| Fixed Income Mutual Funds | AA |
| U.S. Treasury Notes | AA |
| U.S. Government Agencies | AA |

Concentration of Credit Risk. A concentration of investments in any one single user of debt securities presents a greater risk for loss in the even the issuer fails on its obligations. The Township does not have a formal policy regarding concentration of credit risk. More than five percent of the Government-wide investments are invested in the following single issuers:

At December 31, 2022, there were no securities that exceeded 5% of trust fund investments. At December 31, 2022, 28.3% of the investments in the General Fund were invested in U.S. Treasury Notes and 44.5% were invested in U.S Government Agencies (16.0% Federal National Mortgage Assn, 28.5% Federal Home Loan Bank DTD).

Interest Rate Risk. Interest Rate Risk is the risk that changes in interest rates will adversely affect an investment's value. The Township does not have a formal policy regarding interest rate risk. As of December 31, 2022, the Township's investments had the following weighted average maturities:

| Investment Type | Investment Maturities (in Years) | | | | |
|---------------------------|----------------------------------|--------------|---------------|--------------|--------------|
| | Market Value | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| Fixed Income Mutual Funds | \$ 10,247,764 | \$ 1,347,838 | \$ 1,347,106 | \$ 7,552,820 | \$ - |
| Total Fiduciary Funds | 10,247,764 | 1,347,838 | 1,347,106 | 7,552,820 | - |
| Money Market Funds | 2,455,845 | 2,455,845 | - | - | - |
| U.S. Treasury Notes | 6,236,348 | 6,236,348 | - | - | - |
| U.S. Government Agencies | 13,337,351 | - | 13,337,351 | - | - |
| Total Governmental Funds | \$ 22,029,544 | \$ 8,692,193 | \$ 13,337,351 | \$ - | \$ - |

A portion of the Township's investments are in the Pennsylvania Local Government Investment Trust (PLGIT) and the Pennsylvania Treasury Investment Community Pool, which both act like money market mutual funds in that the objective is to maintain a stable net asset value of \$1 per share. These investments are not subject to interest rate risk.

B. Receivables

Receivables as of year-end for government's individual major funds, fiduciary funds and nonmajor funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2022

| | General | Nonmajor Funds | Fiduciary Funds | Total |
|------------------------------------|---------------------|-------------------|--------------------|---------------------|
| Receivables: | | | | |
| Taxes | \$ 22,241 | \$ 38,783 | \$ - | \$ 61,024 |
| Accounts/other | 2,596,819 | 214 | 13,482 | 2,610,515 |
| Gross receivables | 2,619,060 | 38,997 | 13,482 | 2,671,539 |
| Less: Allowance for uncollectibles | 217,425 | - | - | 217,425 |
| Total Net Receivables | <u>\$ 2,401,635</u> | <u>\$ 38,997</u> | <u>\$ 13,482</u> | <u>\$ 2,454,114</u> |

C. Unearned/Unavailable Revenue

Governmental funds reported unearned or unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Unearned revenue is considered a liability, while unavailable revenue is reported as a deferred inflow of resources. At the end of the current fiscal year, the components of unearned/unavailable revenue reported in governmental funds were as follows:

| | Unavailable | Unearned |
|--|------------------|-------------------|
| Delinquent property taxes receivable - General Fund | \$ 21,644 | \$ - |
| Delinquent property taxes receivable - Special Revenue Funds | 37,741 | - |
| Unearned revenue - other | - | 241,559 |
| Total Governmental Unearned/Unavailable Revenue | <u>\$ 59,385</u> | <u>\$ 241,559</u> |

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2022

D. Capital Assets

Capital asset activity for the year ended December 31, 2022 is as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|---------------------|------------------|----------------------|
| <i>Government Activities:</i> | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 16,460,926 | \$ - | \$ - | \$ 16,460,926 |
| Construction in progress | 13,337 | 1,218,822 | 13,337 | 1,218,822 |
| Total capital assets not being depreciated | <u>16,474,263</u> | <u>1,218,822</u> | <u>13,337</u> | <u>17,679,748</u> |
| Capital assets being depreciated | | | | |
| Buildings | 6,005,505 | 178,506 | - | 6,184,011 |
| Improvements other than buildings | 16,633,930 | 419,037 | - | 17,052,967 |
| Machinery, equipment, and vehicles | 10,124,847 | 534,204 | 281,542 | 10,377,509 |
| Infrastructure | <u>122,951,044</u> | <u>4,029,048</u> | <u>-</u> | <u>126,980,092</u> |
| Total capital assets being depreciated | <u>155,715,326</u> | <u>5,160,795</u> | <u>281,542</u> | <u>160,594,579</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 4,511,091 | 134,910 | - | 4,646,001 |
| Improvements other than buildings | 15,501,837 | 264,887 | - | 15,766,724 |
| Machinery, equipment, and vehicles | 8,520,695 | 528,734 | 281,542 | 8,767,887 |
| Infrastructure | <u>56,102,425</u> | <u>2,935,356</u> | <u>-</u> | <u>59,037,781</u> |
| Total accumulated depreciation | <u>84,636,048</u> | <u>3,863,887</u> | <u>281,542</u> | <u>88,218,393</u> |
| Total capital assets being depreciated, net | <u>71,079,278</u> | <u>1,296,908</u> | <u>-</u> | <u>72,376,186</u> |
| Governmental activities capital assets, net | <u>\$ 87,553,541</u> | <u>\$ 2,515,730</u> | <u>\$ 13,337</u> | <u>\$ 90,055,934</u> |
| | Beginning Balance | Increases | Decreases | Ending Balance |
| <i>Business-Type Activities:</i> | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 162,700 | | | \$ 162,700 |
| Capital assets being depreciated | | | | |
| Machinery and equipment | <u>19,730</u> | | | <u>19,730</u> |
| Less accumulated depreciation for: | | | | |
| Machinery and equipment | <u>19,730</u> | | | <u>19,730</u> |
| Business-Type activities capital assets, net | <u>\$ 162,700</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 162,700</u> |

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

Governmental Activities:

| | |
|--|---------------------|
| General government | \$ 58,271 |
| Public safety | 276,148 |
| Public works | 3,172,858 |
| Parks and recreation | <u>356,610</u> |
| Total depreciation expense - governmental activities | <u>\$ 3,863,887</u> |

Depreciation expense charged to business-type activities was \$0.

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2022

E. Interfund Receivables, Payables, and Transfers

The following is a summary of interfund receivables and payables at December 31, 2022:

| | Receivable | Payable | |
|-----------------|------------|------------|--|
| General Fund | \$ 662,011 | \$ - | |
| Capital Reserve | - | 593,939 | |
| Nonmajor Funds | - | 373 | |
| Pool Fund | - | 67,699 | |
| | \$ 662,011 | \$ 662,011 | |

The amounts payable for the Pool Fund and Nonmajor Funds are recorded to eliminate negative cash balances in those funds. Other amounts payable represent reimbursable expenses paid on behalf of one fund by another fund of the Township.

F. Long-term Liabilities

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2021 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|-------------------------------|----------------------|------------|------------|-------------------|------------------------|
| Governmental Activities | | | | | |
| Compensated Absences | \$ 2,312,987 | \$ 249,616 | \$ 544,233 | \$ 2,018,370 | \$ 681,937 |
| Total Governmental Activities | \$ 2,312,987 | \$ 249,616 | \$ 544,233 | \$ 2,018,370 | \$ 681,937 |

The General Fund has been used to liquidate the liability for the compensated absences of the governmental activities.

4. OTHER INFORMATION

A. Risk Management

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, and injuries to employees. As a method of financing the risk, the Township purchases commercial insurance. The Township participates in the Delaware Valley Worker's Compensation Trust. The amount of settlement did not exceed insurance coverage for the past three years. There have been no significant reductions in insurance coverage during the year ended December 31, 2022.

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Township expects such amounts, if any, to be immaterial. The Township is a defendant in several lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, in the opinion of Township Management, the resolution of these matters will not have a material adverse effect on the financial condition of the Township.

TOWNSHIP OF FALLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2022

C. Financial Guarantee

The Township entered into a Guarantee Agreement dated September 1, 2011, as authorized pursuant to the Debt Act, to guarantee the full and prompt payment of the Township of Falls Authority's Guaranteed Water & Sewer Revenue Bonds Series 2011. The Township of Falls Authority was created pursuant to an ordinance enacted by the Board of Supervisors of the Township, and the Township appoints the members of the Authority Board. The guarantee extended through December 31, 2021. The Township of Falls Authority agreed in the Guarantee Agreement to reimburse the Township for any payments made.

The Township entered into a Supplemental Guarantee Agreement dated May 4, 2016, as authorized pursuant to the Debt Act, to guarantee the full and prompt payments of the Township of Falls Authority's Guaranteed Water & Sewer Revenue Bonds Series 2016. The Township of Falls Authority was created pursuant to an ordinance enacted by the Board of Supervisors of the township and the Township appoints the members of the Authority Board. The guarantee extended through December 21, 2020. The Township of Falls Authority agreed in the Guarantee Agreement to reimburse the Township for any payments made.

In 2021, the Authority refinanced through a current refunding of the outstanding 2011 Bonds and 2016 Bonds through issuance of its Guaranteed Water and Sewer Revenue Bonds, Series of 2021 in the aggregate amount of \$16,030,000. The new trust indenture between the Township and Authority was dated October 26, 2021 and the Township agreed to enter into a Guaranty Agreement on that date. The Authority agrees to reimburse the Township for any payments made. The outstanding balance of the 2021 Bonds as of December 31, 2022 was \$15,170,000.

D. Other Postemployment Benefits

Plan Description

The Township provides postemployment healthcare benefits in a single employer defined benefit plan, as per the requirements of collective bargaining agreements, for certain retired police officers, public works employees, and AFSCME union members. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The Township calculates its actuarial valuation in accordance with GASB Statement 75, as required. Separate financial statements are not issued for the plan.

Benefits Provided

The Township pays: \$3,600 to \$23,250 per year for the premiums of healthcare coverage for police officers who retire with 25 years of full-time service or become disabled (for all officers retiring after 3/13/2019, the post-retirement healthcare stipend shall be payable to age 65 and cease thereafter); \$4,500 per year for AFSCME members retiring with 20 years of service (these payments will continue until Medicare age is obtained); and, \$4,800 to \$15,000 per year for Public Works employees retiring with 20 years of service (these payments will continue until Medicare age is obtained).

Employees Covered by the Plan

The following eligible Police and Non-Uniformed employees and retirees were covered by the plan:

| | |
|---|-----|
| Fully Eligible Active Plan Members | 12 |
| Other Active Employees not Fully Eligible | 74 |
| Retirees and Beneficiaries Currently Receiving Benefits | 41 |
| Total | 127 |

TOWNSHIP OF FALLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2022

Contributions

The Township is not currently making contributions to a qualified Trust.

Method Used to Value Investments

The Township does not have a GASB-qualified trust, and therefore, there are no investments.

Long-Term Expected Rate of Return

Since there are no invested assets, there is no long-term expected rate of return.

Actuarial Assumptions

An actuarial valuation of the total OPEB liability is performed biennially. The total OPEB liability as of December 31, 2022 was determined as part of an actuarial valuation at January 1, 2021. Update procedures were used to roll forward to the municipality's fiscal year ended December 31, 2022. This report was based upon the Plan's actuarial assumptions, asset valuation method and cost method as described below:

| | |
|---------------------------|---|
| Actuarial Assumptions: | |
| Valuation method | Entry age normal |
| Discount rate | 4.31% |
| Salary increases | 5.00% |
| Investment rate of return | N/A |
| Mortality rates | Police - PUB-2010 Safety mortality tables and Non-Uniformed - PUB-2020 General mortality tables |
| Healthcare cost trends | Medical and prescription drug costs are assumed to increase by 5.25% during 2021 and 5% per year thereafter. Vision costs are assumed to increase by 5% per year and dental costs are assumed to increase by 2% per year. |

Discount Rate

The discount rate used to measure the total OPEB liability was 4.31% and is based on the S&P 20 year AA municipal bond rate.

Net OPEB Liability Sensitivity – Discount Rate

The following is a sensitivity analysis of the net OPEB liability to changes in the discount rate. The table below presents the net OPEB liability calculated using the discount rate of 3.25% as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.41%) or 1 percentage point higher (5.31%) than the current rate.

| | 1% Decrease | Current Discount | 1% Increase |
|--------------------|--------------|------------------|--------------|
| | 3.31% | 4.31% | 5.31% |
| Net OPEB Liability | \$ 8,850,282 | \$ 8,126,792 | \$ 7,493,721 |

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2022

Net OPEB Liability Sensitivity – Healthcare Trend

The following is a sensitivity analysis of the net OPEB liability to changes in the healthcare trend rate. The table below presents the net OPEB liability calculated using the current trend rate as well as what the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1 percent lower or 1 percent higher than expected.

| | 1% Decrease | Current Trend Rates | 1% Increase |
|--------------------|--------------|---------------------|--------------|
| Net OPEB Liability | \$ 7,967,624 | \$ 8,126,792 | \$ 8,310,849 |

Changes in Net OPEB Liability

The following table shows the changes in net OPEB liability recognized over the measurement period.

| | Total OPEB Liability |
|--|----------------------|
| Balance at 12/31/2021 | \$ 9,985,170 |
| Changes for the year: | |
| Service Cost | 158,690 |
| Interest | 221,205 |
| Differences between Expected and actual Experience | - |
| Changes in Assumptions and Cost Method | (1,609,740) |
| Benefit Payments | (628,533) |
| Net Changes | (1,858,378) |
| Balance at 12/31/2022 | \$ 8,126,792 |

Changes of assumptions reflect a change in the discount rate from 2.25% in 2021 to 4.31% in 2022.

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources

For the year ended December 31, 2022, the Township recognized OPEB expense of \$453,652.

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2022

At December 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Experience | \$ 38,186 | \$ 374,039 |
| Changes in Assumptions | 1,554,235 | 1,435,587 |
| Total | \$ 1,592,421 | \$ 1,809,626 |

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

| Year Ending December 31: | |
|--------------------------|-----------|
| 2023 | \$ 71,840 |
| 2024 | 72,212 |
| 2025 | 15,750 |
| 2026 | (48,414) |
| 2027 | (47,618) |
| Thereafter | (280,975) |

E. Pension Plans

The Township maintains a single-employer defined benefit pension plan that covers all of the Township’s full-time sworn police officers, a defined benefit pension plan administered by the Pennsylvania Municipal Retirement System (PMRS) agent multiple-employer system for employees in the public works union, and a single-employer defined contribution pension plan that covers all other full-time employees.

Police Pension Plan

Plan Description

The Falls Township Police Pension Plan is a single employer defined benefit plan covering all full-time police officers. The Plan was established effective January 1, 1969, is controlled by the provisions of Ordinance 05-5, and the Collective Bargaining Agreement adopted pursuant to Act 600. The Plan is governed by the Board of Township Supervisors, who has delegated the authority to manage Plan assets to T.J. Anderson & Associates. Complete financial statements may be obtained at the Township building. A separate, audited GAAP-basis pension plan report is not issued.

Benefits Provided

The following is a summary of the Plan benefit provisions:

- *Eligibility Requirements:*
 - Normal Retirement – Age 50 with 25 years of service. No early retirement.
 - Vesting – 100% after completion of 12 years of vesting service

TOWNSHIP OF FALLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2022

- *Retirement Benefit:* 50% of average salary during the last 36 months of employment, plus \$100 per month for each year of service in excess of 25 years, up to a maximum of \$500 per month.
- *Survivor Benefit:* Killed-in-service – 100% of salary. Post-retirement – 50% of retirement benefit; Vested – refund of contributions with interest or 50% of vested benefit payable beginning at officer’s super-annuation retirement date.
- *Disability Benefit Service Related:* 50% of average preceding 36 months compensation.
- *Post Retirement Adjustments:* Those members who begin retirement benefits on or after January 1, 1992 may be provided a C.O.L.A. in accordance with Act 600. The COLA is based on the Philadelphia area CPI with an annual cap of 8%, up to 130% of the original amount of the member’s pension, or the original maximum amount allowable under Act 600, whichever is higher.
- *Pre Act 44 Deferred Retirement Option Program (DROP):* An active Member who has met the eligibility requirements for normal retirement may elect to participate in the DROP for a period of up to 66 months.
- *Member Contributions:* 5% contribution rate and 5% interest rate credited to member contributions.

Plan Membership

Membership of the plan consisted of the following at December 31, 2022:

| | |
|--|-----|
| Active Plan Members | 46 |
| Inactive Plan Members Currently Receiving Benefits | 63 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 1 |
| | 110 |

Pension Plan Investments

The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the Pension Board. The following is the plans target asset allocation:

| Asset Class | Target Allocation |
|--------------|-------------------|
| Cash | 19% |
| Mutual Funds | 81% |

The money-weighted rate of return on the pension plan investments, net of pension plan investment expense was (14.05)% for the year ended December 31, 2022. The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

Additional details on the investments of the Plan can be found in Note 3-A of the financial statements.

Contributions and Funding Policy

Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, initiated actuarial funding requirements for Pennsylvania municipal pension plans. Under Act 205 provisions, a municipal budget must provide for the full payment of the minimum municipal obligation (MMO) to each employee pension fund of the municipality. Act 189 of 1990 amended Act 205 and redefined the calculation used to determine the MMO to employee pension funds. The MMO is not defined

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2022

as the total financial requirements to the pension fund, less funding adjustments and estimated member contributions.

As a condition of participation, full-time officers are required to contribute 5% of their compensation into the Plan. This contribution is governed by the Plan's ordinances and collective bargaining agreement. In accordance with Act 205, as amended, the Township was required to contribute to the Plan for the year 2022. The payment from the Commonwealth for State Aid is recognized as revenue in the General Fund and an expenditure to the Fiduciary Fund. The Township contributed State Aid of \$694,181 and Township contribution of \$2,832,099 into the plan for 2022.

Basis of Accounting

For 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 have been determined on the same basis as they are reported by the Plan. The Plan's financial statements are prepared using the accrual basis of accounting. Plan payments and member/employer contributions are recognized in the period in which they are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Expenses

Investment expenses consist of investment management, custodial fees, and other significant investment related costs. Administrative expenses consist of consulting, actuarial, legal, and accounting services, along with any other significant plan related costs. The above expenses are allowable pension plan expenditures in accordance with Act 205 and may be funded with Plan assets.

Net Pension Liability

The total pension liability was based on an actuarial valuation dated January 1, 2021 and update procedures were used to rollforward the total pension liability to the December 31, 2022 measurement date. The components of the net pension liability of the Township at December 31, 2022 were as follows:

| | |
|--|----------------------|
| Total pension liability | \$ 60,137,927 |
| Plan fiduciary net position | <u>33,195,807</u> |
| Township's net pension liability | <u>\$ 26,942,120</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 55.2% |

Change in the Township's net pension liability for the year ended December 31, 2022 was as follows:

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2022

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|---------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances at 12/31/21 | \$ 57,749,960 | \$ 37,755,295 | \$ 19,994,665 |
| Changes for the year: | | | |
| Service Cost | 1,016,789 | - | 1,016,789 |
| Interest | 4,435,674 | - | 4,435,674 |
| Contributions - Employer | - | 2,832,099 | (2,832,099) |
| Contributions - State Aid | - | 694,181 | (694,181) |
| Contributions - Member | - | 352,838 | (352,838) |
| Net Investment Income | - | (5,360,835) | 5,360,835 |
| Benefit Payments | (3,064,496) | (3,064,496) | - |
| Administrative Expense | - | (13,275) | 13,275 |
| Net Changes | 2,387,967 | (4,559,488) | 6,947,455 |
| Balances at 12/31/22 | \$ 60,137,927 | \$ 33,195,807 | \$ 26,942,120 |

An actuarial valuation of the total pension liability is performed biennially. The total pension liability as of December 31, 2022 was determined as part of an actuarial valuations at January 1, 2021. Update procedures were used to roll forward January 1, 2021 liabilities to the plan's fiscal plan year ended December 31, 2022. The actuarial assumptions used in the January 1, 2021 valuation are as follows:

| | |
|---------------------------|----------------------------|
| Actuarial Assumptions: | |
| Inflation Rate | 2.45% |
| Salary increases | 5.00% |
| Investment rate of return | 7.75% |
| Mortality rates | PUBS-2010 Mortality Tables |

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projections of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Based upon the Plan's current targeted investment allocation and the associated long-term returns may be less than its actuarial discount rate assumption used to determine its pension liability. This may result in future increased total and net pension liability.

Net Pension Liability Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 8.0% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.75%) or 1 percentage point higher (8.75%) than the current rate.

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2022

| | 1% Decrease <u>6.75%</u> | Current Discount Rate <u>7.75%</u> | 1% Increase <u>8.75%</u> |
|-----------------------|-----------------------------|--|-----------------------------|
| Net Pension Liability | \$ 33,771,664 | \$26,942,120 | \$ 21,193,566 |

Long Term Expected Rate of Return on Investments

The long-term expected rate of return on the Plan's investments was determined using an asset allocation study conducted by the plan's investment management consultant in December 2022 in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were 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 or arithmetic real rates of return for each major class included in the plan's target asset allocation as of December 31, 2022 are listed in the table below:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-------------------------------|--------------------------|---|
| Domestic Large Cap Stocks | 24.0% | 5.9% |
| Domestic Mid/Small Cap Stocks | 5.0% | 5.5% |
| World Equity ex-US | 22.0% | 6.8% |
| Emerging Markets Equity | 3.0% | 7.2% |
| U.S. High Yield | 4.0% | 5.3% |
| Emerging Markets Debt | 4.0% | 6.3% |
| Multi Asset Real Assets | 5.0% | 4.2% |
| U.S. Equity Factor | 8.0% | 6.4% |
| Limited Duration Fixed Income | 5.0% | 3.2% |
| Core Fixed Income | 20.0% | 4.0% |

Pension expense and deferred outflows of resources and deferred inflows of resources

For the year ended December 31, 2022, the Township recognized pension expense of \$5,009,311. At December 31, 2022 the Township reported deferred outflows and inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences Between Expected and Actual Experience | \$ 126,283 | \$ - |
| Change in Assumptions | 2,361,646 | - |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | <u>6,482,951</u> | - |
| Total | <u>\$ 8,970,880</u> | <u>\$ -</u> |

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

TOWNSHIP OF FALLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2022

| | | |
|--------------------------|----|-----------|
| Year Ending December 31, | | |
| 2023 | \$ | 2,164,343 |
| 2024 | | 2,498,159 |
| 2025 | | 2,521,602 |
| 2026 | | 1,786,776 |
| 2027 | | - |
| Thereafter | | - |

Non-Uniform Defined Benefit Pension Plan

Plan Description

The Falls Township Non-Uniform Defined Benefit Pension Plan is an agent multi-employer plan covering the full-time employees covered by the public works union in accordance with Ordinance No. 2010-01. The plan participates in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employer public employee retirement system with the purpose to administer sound, cost effective pensions for local government employees. PMRS was created by the act of the Pennsylvania General Assembly in 1974 and is headquartered in Harrisburg, Pennsylvania. Responsibility for the organization and administration of the System is vested in the eleven-member PMRS Board. PMRS issues a separate Annual Comprehensive Financial Report. The Annual Comprehensive Financial Report is available on the publications page of the PMRS website at www.pmr.state.pa.us, or a copy can be obtained by contacting the PMRS accounting office at 717-787-2065. The most recent Annual Comprehensive Financial Report available is for the year ended December 31, 2021.

Benefits Provided

The following is a summary of the Plan benefit provisions:

- *Eligibility Requirements:*
 - Normal Retirement – Age 60
 - Early Retirement – Age 55 and 25 years of service
 - Vesting – 100% after 3 years of service
- *Retirement Benefit:* The member will receive an annuity equal to a single life annuity starting on the effective date of retirement with a present value equal to the accumulated municipal contributions and any member deductions, regular interest and all excess investment earnings credited to the member's account.
- *Early Retirement:* Benefits available upon attainment of age 55 and 25 years of service.
- *Member Contributions:* 5% contribution rate
- *Voluntary Member Contributions:* Up to 20%

Plan Membership

Membership of the plan consisted of the following at December 31, 2021:

| | |
|--|----|
| Active Plan Members | 16 |
| Inactive Plan Members Currently Receiving Benefits | 2 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 1 |
| | 19 |

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2022

Contributions and Funding Policy

Due to the plan design as a cash balance pension plan, there are no actuarially determined contributions for the plan. The statutorily required contribution is 5% of covered employee payroll.

As a condition of participation, full-time members of the public works union are required to contribute 5% of compensation into the Plan. This contribution is governed by the Plan's ordinances and collective bargaining agreement. In accordance with the statutorily required contribution, the Township contributed \$202,283 to the Plan for the year 2022.

Basis of Accounting

For 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 Plan and additions to/deduction from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. The Plan's financial statements are prepared using the accrual basis of accounting. Plan payments and member/employer contributions are recognized in the period in which they are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Expenses

Investment expenses consist of investment management, custodial fees, and other significant investment related costs. Administrative expenses consist of consulting, actuarial, legal, and accounting services, along with any other significant plan related costs. The above expenses are allocated by PMRS to each employer account pro-rata based on their beginning fiduciary net position.

Net Pension Liability

The Township's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020.

The actuarial assumptions used in the December 31, 2020 valuation are as follows:

| | |
|----------------------------|--|
| Investment rate of return | 5.25%, net of pension plan investment expense, including inflation |
| Projected salary increases | Age/Merit Scale including inflation ranging of 2.8% |
| Inflation | 2.8% |

Mortality rates Pre-Retirement for the December 31, 2020 valuation were based on the RP-2000 Non-Annuitant Table projected 15 years with scale AA for males and with a 5 year setback for females. Mortality rates Post-Retirement were based on the RP-2000 Annuitant Table projected 5 years with scale AA for males and projected 10 years with scale AA for females.

The actuarial assumptions used in the December 31, 2020 valuation were based on the PMRS Experience Study for the period covering January 1, 2014 through December 31, 2020 issued by the actuary in September 2020 as well as subsequent Board approved assumption changes.

The PMRS system's long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future nominal rates of return (net of investment expenses) are developed for each asset class. These returns are

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2022

combined to produce the System's Long-Term Expected Real Rate of Return by calculating the weighted average return for each asset class using each respective target asset allocation percentage and multiplying by the expected future nominal rate of return, while also factoring in covariance across asset classes, then deducting expected inflation (2.5%). Best estimates of geometric real rates of return for each utilized asset class are included in the pension plan's target asset allocation as of December 31, 2021 and summarized in the table below:

| Asset Class | Target | Nominal Net Rate of Return | Long-Term Expected Real Rate of Return |
|--|---------------|-------------------------------|--|
| Domestic Equities (large capitalized firms) | 24.5% | 7.49% | 4.99% |
| Domestic Equities (small capitalized firms) | 8.0% | 8.18% | 5.68% |
| International Equities (international developed markets) | 14.5% | 8.07% | 5.57% |
| International Equities (emerging markets) | 3.0% | 8.21% | 5.71% |
| Global Equities | 5.0% | 7.28% | 4.78% |
| Real Estate | 10.0% | 7.40% | 4.90% |
| Timber | 5.0% | 6.17% | 3.67% |
| Fixed Income (Core Investment Grade) | 24.0% | 4.32% | 1.82% |
| Fixed Income (Opportunistic Credit) | 5.0% | 7.88% | 5.38% |
| Cash | 1.0% | 1.18% | -1.32% |
| Total Portfolio | <u>100.0%</u> | <u>7.42%</u> | <u>4.92%</u> |

Based on the aforementioned methodology, the PMRS Board established the System's Long-Term Expected Rate of Return at 7.42%.

In addition to determining the System's Long-Term Expected Rate of Return, the PMRS Board, under the laws of the Commonwealth of Pennsylvania (Act 15 of 1974), is obligated to develop and apply the Regular Interest Rate to each of the individual participating municipalities' actuarial asset accounts held by PMRS. The rationale for the difference between the System's Long-Term Expected Rate of Return and the individual participating municipalities' Regular Interest Rate is described in the following section "Discount Rate." As of December 31, 2021, this rate is equal to 5.25%.

Discount Rate

While it is often common practice to establish an actuarial Discount Rate that is equal to the Long-Term Expected Rate of Return, PMRS is required by law (Act 15 of 1974) to establish a Discount Rate equal to the Regular Interest Rate. The PMRS Board establishes the Regular Interest Rate/Discount Rate on the basis of expected stable and consistent earnings on investments to be applied to the accounts of the individual participating municipalities and includes the accounts of plan participants, municipalities, and plan retirees each year. As a starting point, the Board considers the following five quantitative factors in reviewing the Regular Interest Rate/Discount Rate:

- 1.) Retiree Plan liability as a percentage of total Plan liability,
- 2.) Active Plan participant liability as a percentage of total Plan liability,
- 3.) Annuity purchase rate Pension Benefit Guarantee Corporation (PBGC) annuity rates have been used as a proxy for this purchase rate,
- 4.) PMRS System Long-Term Expected Rate of Return, and
- 5.) PMRS investment expenses

The Board then considers the Regular Interest Rate/Discount Rate derived from the above formula against a variety of qualitative factors such as the desire to minimize Regular Interest Rate/Discount

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2022

Rate volatility, probability of achieving the Regular Interest Rate, varying levels of asset allocation and liquidity, trending of annuity rates, total PMRS actuarial and market value funding ratios, feedback from existing PMRS municipalities, and recommendations from the System's investment and actuarial consultants. The Regular Interest Rate/Discount Rate adopted by the Board and used to measure the individual participating municipalities, total pension liability was 5.25% as of December 31, 2021.

The Regular Interest Rate / Discount Rate will likely be less than the System Long-Term Expected Rate of Return. Should the System experience a prolonged period of investment returns in excess of the Regular Interest Rate/Discount Rate, the Board is authorized to allocate any applicable portion of such excess in accordance with Board policies in the form of Excess Interest as provided for in the law.

The projection of cash flows for each underlying municipal plan, used to determine if any adjustment to the Regular Interest Rate/Discount Rate was required ("depletion testing"), used the following assumptions: 1.) member contributions will be made at the current contribution rate 2.) participating plan sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate, and 3.) the System's Long-Term Expected Rate of Return will be used in the depletion testing of projected cash flows. Based on those assumptions, the PMRS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|---|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances at 12/31/21 (based on 12/31/20 measurement date) | \$ 2,970,946 | \$ 3,466,357 | \$ (495,411) |
| Changes for the year: | | | |
| Service Cost | 407,019 | - | 407,019 |
| Interest | 232,877 | - | 232,877 |
| Contributions - Employer | - | 185,210 | (185,210) |
| Contributions - PMRS Assessment | - | 1,020 | (1,020) |
| Contributions - Member | - | 221,809 | (221,809) |
| PMRS Investment Income | - | 236,928 | (236,928) |
| Market value investment income | - | 688,582 | (688,582) |
| Transfers | 1,923,911 | 1,923,911 | - |
| Benefit Payments | (235,262) | (235,262) | - |
| Administrative Expense | - | (14,439) | 14,439 |
| Net Changes | 2,328,545 | 3,007,759 | (679,214) |
| Balances at 12/31/22 (based on 12/31/21 measurement date) | \$ 5,299,491 | \$ 6,474,116 | \$ (1,174,625) |

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2022

Net Pension Liability Sensitivity

The following is a sensitivity analysis of the net pension liability calculated using the discount rate of 5.25% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.25%) or 1 percentage point higher (6.25%) than the current rate.

| | 1% Decrease 4.25% | Current Discount Rate 5.25% | 1% Increase 6.25% |
|-------------------------------|----------------------|-----------------------------------|----------------------|
| Net Pension Liability/(Asset) | \$ (189,867) | \$ (1,174,625) | \$ (2,152,097) |

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

For the year ended December 31, 2022, the Township recognized a reduction in pension expense of (\$66,084). At December 31, 2022 the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual Experience | \$ 3,919 | \$ 31,946 |
| Change in Assumptions | 12,299 | - |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - | 810,876 |
| Contributions Subsequent to the Measurement Date | 195,330 | - |
| Total | \$ 211,548 | \$ 842,822 |

The \$195,330 reported as deferred outflows of resources related to pensions resulting from the Township's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023 financial statements. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending December 31, | |
|--------------------------|--------------|
| 2023 | \$ (214,980) |
| 2024 | (269,024) |
| 2025 | (197,790) |
| 2026 | (140,668) |
| 2027 | (3,142) |
| Thereafter | (1,000) |

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2022

Non-Uniform Defined Contribution Pension Plan

Plan Description

The Township administers the single employer defined contribution pension plan in which all crossing guards are eligible to participate. The Plan is controlled by the provisions of Ordinance 98-4. The Plan is governed by the Board of Township Supervisors which may amend plan provisions, and which is responsible for the management of Plan assets. The Board of Township Supervisors has delegated the authority to manage Plan assets to ICMA Retirement Corporation.

Benefits Provided

The following is a summary of the Plan benefit provisions:

- *Eligibility Requirements:*
 - Normal Retirement – Age 55
 - Vesting – 100% vested immediately
- *Member Contributions:* Not required.

Summary of Significant Accounting Policies

The financial statements of the Plan are prepared using the accrual basis of accounting. The Township's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with terms of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price on the Township's balance sheet date. The plan does not issue separate financial statements.

Contributions and Funding Policy

The contribution requirements of the Township are established and may be amended by the Board of Supervisors. Plan members are not required to contribute. The Township is required to contribute at a determined rate, which is currently 5% of annual covered payroll. The Township contributed \$6,433 for the year ended December 31, 2022.

F. New Accounting Pronouncements

Adoption of Governmental Accounting Standards Board (GASB) Statements

In 2022, the Township adopted the requirements of GASB issued Statement No. 87, "Leases". The adoption of this statement had no effect on previously reported amounts.

In 2022, the Township adopted the requirements of GASB issued Statement No. 91, "Conduit Debt Obligations". The adoption of this statement had no effect on previously reported amounts.

In 2022, the Township adopted the requirements of GASB issued Statement No. 92, "Omnibus 2020". The adoption of this statement had no effect on previously reported amounts.

In 2022, the Township adopted the requirements of GASB issued Statement No. 93, "Replacement of Interbank Offered Rates". The adoption of this statement had no effect on previously reported amounts.

In 2022, the Township adopted all remaining provisions of GASB issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". The adoption of this statement had no effect on previously reported amounts.

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2022

Pending Changes in Accounting Principles

In March 2020, the GASB issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The Township is required to adopt statement No. 94 for its calendar year 2023 financial statements.

In May 2020, the GASB issued Statement No. 96, "Subscription-Based Information Technology Arrangements". The Township is required to adopt statement No. 96 for its calendar year 2023 financial statements.

In April 2022, the GASB issued Statement No. 99, "Omnibus 2022". The Township is required to adopt statement No. 99 for its calendar year 2023 financial statements.

In June 2022, the GASB issued Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62". The Township is required to adopt Statement No. 100 for its calendar year 2024 financial statements.

In June 2022, the GASB issued Statement No. 101, "Compensated Absences". The Township is required to adopt Statement No. 101 for its calendar year 2024 financial statements.

The Township has not yet completed the various analysis required to estimate the financial statement impact of these new pronouncements.

G. Subsequent Events

In May of 2023, the Township issued General Obligation Bonds, Series of 2023 in the amount of \$20,055,000. The purpose of the bonds will be to fund capital projects involving the planning, designing, constructing, renovating, and equipping of the Township administration building and to pay the costs of issuing the bonds.

The Township has evaluated all subsequent events through the report issue date.

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REQUIRED SUPPLEMENTARY INFORMATION

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TOWNSHIP OF FALLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN PLAN'S NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION PLAN
Last Ten Fiscal Years *

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability | | | | | | | | | |
| Service Cost | \$ 662,062 | \$ 756,746 | \$ 794,583 | \$ 736,797 | \$ 773,637 | \$ 814,432 | \$ 855,154 | \$ 968,370 | \$ 1,016,789 |
| Interest | 2,962,558 | 3,249,829 | 3,398,444 | 3,539,586 | 3,684,929 | 3,743,174 | 3,890,135 | 4,261,185 | 4,435,674 |
| Changes of Benefit Terms | - | - | - | - | - | - | - | - | - |
| Differences Between Expected and Actual Experience | - | 1,873,097 | - | (943,976) | - | (1,139,322) | - | 557,157 | - |
| Changes of Assumptions | - | - | - | 926,401 | - | - | - | 3,856,358 | - |
| Benefit Payments, Including Refunds of Member Contributions | (1,927,596) | (2,075,442) | (2,297,995) | (2,408,790) | (2,584,096) | (2,679,844) | (2,842,803) | (2,988,525) | (3,064,496) |
| Net Change in Total Pension Liability | 1,697,024 | 3,804,230 | 1,895,032 | 1,850,018 | 1,874,470 | 738,440 | 1,902,486 | 6,654,545 | 2,387,967 |
| Total Pension Liability - Beginning | 37,333,715 | 39,030,739 | 42,834,969 | 44,730,001 | 46,580,019 | 48,454,489 | 49,192,929 | 51,095,415 | 57,749,960 |
| Total Pension Liability - Ending | <u>\$ 39,030,739</u> | <u>\$ 42,834,969</u> | <u>\$ 44,730,001</u> | <u>\$ 46,580,019</u> | <u>\$ 48,454,489</u> | <u>\$ 49,192,929</u> | <u>\$ 51,095,415</u> | <u>\$ 57,749,960</u> | <u>\$ 60,137,927</u> |
| Plan Fiduciary Net Position | | | | | | | | | |
| Contributions - Employer | \$ 1,222,066 | \$ 1,697,576 | \$ 1,957,876 | \$ 1,956,735 | \$ 2,167,153 | \$ 2,117,244 | \$ 2,166,252 | \$ 2,448,323 | \$ 2,832,099 |
| Contributions - State Aid | 518,939 | 537,154 | 621,200 | 633,179 | 665,183 | 711,750 | 669,641 | 681,214 | 694,181 |
| Contributions - Member | 314,428 | 311,101 | 315,499 | 353,703 | 316,462 | 353,460 | 365,197 | 365,508 | 352,838 |
| Net Investment Income | 1,188,621 | (190,002) | 1,246,210 | 2,543,064 | (923,856) | 2,830,365 | 2,613,131 | 2,565,644 | (5,360,835) |
| Benefit Payments, Including Refunds of Member Contributions | (1,927,596) | (2,075,442) | (2,297,995) | (2,408,790) | (2,584,096) | (2,679,844) | (2,842,803) | (2,988,525) | (3,064,496) |
| Administrative Expense | - | (19,154) | - | (20,126) | (14,926) | (6,300) | (10,900) | (11,725) | (13,275) |
| Net Change in Plan Fiduciary Net Position | 1,316,458 | 261,233 | 1,842,790 | 3,057,765 | (374,080) | 3,326,675 | 2,960,518 | 3,060,439 | (4,559,488) |
| Plan Net Position - Beginning | 22,303,497 | 23,619,955 | 23,881,188 | 25,723,978 | 28,781,743 | 28,407,663 | 31,734,338 | 34,694,856 | 37,755,295 |
| Plan Net Position - Ending | <u>\$ 23,619,955</u> | <u>\$ 23,881,188</u> | <u>\$ 25,723,978</u> | <u>\$ 28,781,743</u> | <u>\$ 28,407,663</u> | <u>\$ 31,734,338</u> | <u>\$ 34,694,856</u> | <u>\$ 37,755,295</u> | <u>\$ 33,195,807</u> |
| Plan's Net Pension Liability | <u>\$ 15,410,784</u> | <u>\$ 18,953,781</u> | <u>\$ 19,006,023</u> | <u>\$ 17,798,276</u> | <u>\$ 20,046,826</u> | <u>\$ 17,458,591</u> | <u>\$ 16,400,559</u> | <u>\$ 19,994,665</u> | <u>\$ 26,942,120</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 60.5% | 55.8% | 57.5% | 61.8% | 58.6% | 64.5% | 67.9% | 65.4% | 55.2% |
| Covered Payroll | \$ 5,284,622 | \$ 5,924,242 | \$ 6,025,885 | \$ 6,178,344 | \$ 6,348,464 | \$ 6,300,000 | \$ 6,400,000 | \$ 6,800,000 | \$ 7,033,760 |
| Plan's Net Pension Liability as a Percentage of Covered Payroll | 291.6% | 319.9% | 315.4% | 288.1% | 315.8% | 277.1% | 256.3% | 294.0% | 383.0% |

Notes to Schedules:

Assumption Change - In 2017, the mortality assumption was changed from the 1992 Railroad Board Table to the Blue Collar RP-2000 Table.

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full 10-year trend is complete, available information is presented.

TOWNSHIP OF FALLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION PLAN
Last Ten Fiscal Years

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially determined contribution | \$ 1,470,557 | \$ 1,741,005 | \$ 2,234,730 | \$ 2,579,076 | \$ 2,589,914 | \$ 2,832,336 | \$ 2,828,993 | \$ 2,835,893 | \$ 3,129,537 | \$ 3,526,280 |
| Contributions made | 1,470,557 | 1,741,005 | 2,234,730 | 2,579,076 | 2,589,914 | 2,832,336 | 2,828,993 | 2,835,893 | 3,129,537 | 3,526,280 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 4,719,500 | \$ 5,284,622 | \$ 5,924,242 | \$ 6,025,885 | \$ 6,178,344 | \$ 6,348,464 | \$ 6,300,000 | \$ 6,400,000 | \$ 6,800,000 | \$ 7,033,760 |
| Contributions as a Percentage of Covered Payroll | 31.2% | 32.9% | 37.7% | 42.8% | 41.9% | 44.6% | 44.9% | 44.3% | 46.0% | 50.1% |

Notes to schedules:

Valuation date - Actually determined contributions are calculated biennially as of January 1 - most recent valuation is January 1, 2021

Methods and assumptions used to determine contribution rates:

| | |
|---------------------------|---|
| Actuarial cost method | Entry Age |
| Amortization method | Level Dollar |
| Asset valuation method | 5 Year Smoothing |
| Inflation | 2.25% |
| Salary Increases | 5.00% |
| Investment rate of return | 7.75% (Net of pension plan investment expenses including inflation) |
| Retirement age | 50 |
| Mortality rates | PUBS-2010 Mortality |

TOWNSHIP OF FALLS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF INVESTMENT RETURNS
 POLICE PENSION PLAN
 Last Ten Years *

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-------|--------|-------|-------|--------|-------|-------|-------|---------|
| Annual money-weighted rate of return, net of investment expenses | 5.50% | -0.80% | 5.16% | 9.79% | -3.18% | 9.88% | 8.19% | 7.34% | -14.05% |

* This schedule is presented to illustrate the requirement to show information for ten years.
 However, until a full 10-year trend is complete, available information is presented.

TOWNSHIP OF FALLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN PLAN'S NET PENSION LIABILITY AND RELATED RATIOS
NONUNIFORM PENSION PLAN
Last Ten Fiscal Years *

| | Measurement Date | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Total Pension Liability | | | | | | | | |
| Service Cost | \$ 136,121 | \$ 131,154 | \$ 136,023 | \$ 148,369 | \$ 161,037 | \$ 152,777 | \$ 164,134 | \$ 407,019 |
| Interest | 75,226 | 86,385 | 98,040 | 106,054 | 113,687 | 130,777 | 142,502 | 232,877 |
| Changes of Benefit Terms | - | - | - | - | 23,985 | - | - | - |
| Differences Between Expected and Actual Experience | 113 | 132 | 168 | - | 395 | (47,921) | 4,566 | - |
| Changes of Assumptions | - | 471 | 1,770 | - | - | - | 14,721 | - |
| Transfers | - | - | - | - | - | - | - | 1,923,911 |
| Benefit Payments, Including Refunds of Member Contributions | (5,191) | (5,191) | (5,191) | (5,191) | (23,087) | (23,243) | (61,108) | (235,262) |
| Net Change in Total Pension Liability | 206,269 | 212,951 | 230,810 | 249,232 | 276,017 | 212,390 | 264,815 | 2,328,545 |
| Total Pension Liability - Beginning | 1,318,462 | 1,524,731 | 1,737,682 | 1,968,492 | 2,217,724 | 2,493,741 | 2,706,131 | 2,970,946 |
| Total Pension Liability - Ending | <u>\$ 1,524,731</u> | <u>\$ 1,737,682</u> | <u>\$ 1,968,492</u> | <u>\$ 2,217,724</u> | <u>\$ 2,493,741</u> | <u>\$ 2,706,131</u> | <u>\$ 2,970,946</u> | <u>\$ 5,299,491</u> |
| Plan Fiduciary Net Position | | | | | | | | |
| Contributions - Employer | \$ 66,091 | \$ 62,740 | \$ 58,953 | \$ 63,012 | \$ 71,804 | \$ 67,984 | \$ 68,943 | \$ 185,210 |
| Contributions - PMRS Assessments | - | - | 20 | - | 20 | 400 | - | 1,020 |
| Contributions - Member | 70,029 | 68,414 | 77,070 | 85,357 | 89,233 | 84,793 | 95,192 | 221,809 |
| Net Investment Income | 70,284 | (12,456) | 131,230 | 340,274 | (155,646) | 487,933 | 432,075 | 925,510 |
| Transfers | - | - | - | - | - | - | - | 1,923,911 |
| Benefit Payments, Including Refunds of Member Contributions | (5,191) | (5,191) | (5,191) | (5,191) | (23,087) | (23,243) | (61,108) | (235,262) |
| Administrative Expense | (3,256) | (3,971) | (5,180) | (5,270) | (5,473) | (4,952) | (6,747) | (14,439) |
| Net Change in Plan Fiduciary Net Position | 197,957 | 109,536 | 256,902 | 478,182 | (23,149) | 612,915 | 528,355 | 3,007,759 |
| Plan Net Position - Beginning | 1,305,659 | 1,503,616 | 1,613,152 | 1,870,054 | 2,348,236 | 2,325,087 | 2,938,002 | 3,466,357 |
| Plan Net Position - Ending | <u>\$ 1,503,616</u> | <u>\$ 1,613,152</u> | <u>\$ 1,870,054</u> | <u>\$ 2,348,236</u> | <u>\$ 2,325,087</u> | <u>\$ 2,938,002</u> | <u>\$ 3,466,357</u> | <u>\$ 6,474,116</u> |
| Plan's Net Pension Liability (Asset) | <u>\$ 21,115</u> | <u>\$ 124,530</u> | <u>\$ 98,438</u> | <u>\$ (130,512)</u> | <u>\$ 168,654</u> | <u>\$ (231,871)</u> | <u>\$ (495,411)</u> | <u>\$ (1,174,625)</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 98.6% | 92.8% | 95.0% | 105.9% | 93.2% | 108.6% | 116.7% | 122.2% |
| Covered Payroll | \$ 1,321,820 | \$ 1,254,799 | \$ 1,179,054 | \$ 1,260,246 | \$ 1,436,085 | \$ 1,359,682 | \$ 1,378,847 | \$ 3,704,183 |
| Plan's Net Pension Liability as a Percentage of Covered Payroll | 1.6% | 9.9% | 8.3% | -10.4% | 11.7% | -17.1% | -35.9% | -31.7% |

Notes to Schedules:

Assumption Change - In 2017, the mortality assumption was changed from the 1992 Railroad Board Table to the Blue Collar RP-2000 Table.

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full 10-year trend is complete, available information is presented.

TOWNSHIP OF FALLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
NONUNIFORM PENSION PLAN
Last Ten Fiscal Years *

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|
| Statutorily Required Contribution (SRC) | \$ 66,432 | \$ 63,080 | \$ 59,293 | \$ 63,372 | \$ 72,164 | \$ 67,984 | \$ 68,943 | \$ 186,230 | \$ 202,283 |
| Contributions in Relation to the SRC | 66,091 | 62,740 | 58,973 | 63,012 | 71,824 | 67,984 | 68,943 | 186,230 | 202,283 |
| Contribution deficiency (excess) | <u>\$ 341</u> | <u>\$ 340</u> | <u>\$ 320</u> | <u>\$ 360</u> | <u>\$ 340</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered Payroll | \$ 1,321,820 | \$ 1,254,799 | \$ 1,179,054 | \$ 1,260,246 | \$ 1,436,085 | \$ 1,359,680 | \$ 1,378,847 | \$ 3,704,183 | \$ 3,758,256 |
| Contributions as a Percentage of Covered Payroll | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.4% |

Notes to schedules:

Valuation date - Actually determined contributions are calculated biennially as of January 1 - most recent valuation is January 1, 2021

Methods and assumptions used to determine contribution rates:

| | |
|---------------------------|--|
| Actuarial cost method | Entry Age Normal |
| Cost of living increases | 2.20% |
| Inflation | 2.80% |
| Salary Increases | 3.30% |
| Investment rate of return | 5.25% (Net of pension plan investment expenses including inflation) |
| Retirement age | 60 |
| Mortality rates | Pre-Retirement: PUB-2010 General Employees male and female tables Post-Retirement: RP-2006 Annuitant male and female tables |

For 12/31/20, assumptions are based on the PMRS Experience Study for the period covering January 1, 2014 through December 31, 2018 issued by the actuary in September 2020.

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full 10-year trend is complete, available information is presented.

TOWNSHIP OF FALLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN PLAN'S NET OPEB LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years *

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB Liability | | | | | | |
| Service Cost | \$ 206,828 | \$ 217,169 | \$ 125,851 | \$ 132,144 | \$ 151,132 | \$ 158,690 |
| Interest | 410,283 | 415,612 | 292,226 | 289,196 | 226,293 | 221,205 |
| Changes of Benefit Terms | - | - | (2,905,326) | - | 107,169 | - |
| Differences Between Expected and Actual Experience | - | - | 96,246 | - | (476,135) | - |
| Changes of Assumptions | - | - | 682,714 | - | 1,645,727 | (1,609,740) |
| Benefit Payments | (474,056) | (496,584) | (516,459) | (518,742) | (597,181) | (628,533) |
| Net Change in Total OPEB Liability | 143,055 | 136,197 | (2,224,748) | (97,402) | 1,057,005 | (1,858,378) |
| Total OPEB Liability - Beginning | 10,971,063 | 11,114,118 | 11,250,315 | 9,025,567 | 8,928,165 | 9,985,170 |
| Total OPEB Liability - Ending | <u>\$ 11,114,118</u> | <u>\$ 11,250,315</u> | <u>\$ 9,025,567</u> | <u>\$ 8,928,165</u> | <u>\$ 9,985,170</u> | <u>\$ 8,126,792</u> |
| Covered-Employee Payroll | \$ 9,101,282 | \$ 9,556,346 | \$ 9,536,304 | \$ 10,013,119 | \$ 10,616,293 | \$ 11,147,107 |
| Total OPEB liability as a percentage of covered-employee payroll | 122.1% | 117.7% | 94.6% | 89.2% | 94.1% | 72.9% |

Notes to schedules:

The discount rate changed from 1.93% in 2020 to 2.25% in 2021.

The discount rate changed from 2.25% in 2021 to 4.31% in 2022.

Effective January 1, 2020, changes to the Public Works contract:

(a) Minimum service to receive OPEB changed from no minimum service requirement to a minimum of 20 years of service.

(b) For retirees with a minimum of 20 years of service, monthly stipend increased from \$500 to \$1,250 per month.

Within the Police group, the cost of coverage for the only retiree in the Township decreased by 12% as opposed to increasing by 11% as projected.

The Township has not accumulated assets in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay OPEB benefits.

* This schedule is presented to illustrate the requirement to show information for ten years.

However, until a full 10-year trend is complete, available information is presented.

OTHER SUPPLEMENTARY INFORMATION

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TOWNSHIP OF FALLS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2022

| | Special Revenue Funds | | | | | | | | Total |
|---|-----------------------|-------------------|-------------------|------------------|-----------------|-------------------|--------------------|------------------|-----------------------------|
| | Fire Hydrant | Highway Aid | Street Lighting | Fire Protection | Library | Recycling | Parks & Recreation | Rescue Squad | Nonmajor Governmental Funds |
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ 125,453 | \$ 717,865 | \$ 260,465 | \$ 30,522 | \$ 4,427 | \$ 457,362 | \$ 469,733 | \$ 37,675 | \$ 2,103,502 |
| Accounts receivable, net | - | - | - | - | - | - | 214 | - | 214 |
| Taxes receivable | 2,308 | - | 7,485 | 10,565 | 1,895 | - | 12,304 | 4,226 | 38,783 |
| Prepaid items | - | - | - | 898 | - | - | 5,686 | - | 6,584 |
| TOTAL ASSETS | \$ 127,761 | \$ 717,865 | \$ 267,950 | \$ 41,985 | \$ 6,322 | \$ 457,362 | \$ 487,937 | \$ 41,901 | \$ 2,149,083 |
| LIABILITIES | | | | | | | | | |
| Accounts payable | \$ 14,960 | \$ 1,689 | \$ - | \$ - | \$ - | \$ - | \$ 6,558 | \$ - | \$ 23,207 |
| Interfund payable | - | - | - | - | - | - | 373 | - | 373 |
| Salaries and benefits payable | - | - | - | - | - | - | 18,511 | - | 18,511 |
| TOTAL LIABILITIES | 14,960 | 1,689 | - | - | - | - | 25,442 | - | 42,091 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | |
| Unavailable revenue - real estate taxes | 2,247 | - | 7,285 | 10,281 | 1,843 | - | 11,972 | 4,113 | 37,741 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 2,247 | - | 7,285 | 10,281 | 1,843 | - | 11,972 | 4,113 | 37,741 |
| FUND BALANCES | | | | | | | | | |
| Nonspendable: | | | | | | | | | |
| Prepaid items | - | - | - | 898 | - | - | 5,686 | - | 6,584 |
| Restricted for: | | | | | | | | | |
| Recycling expenditures | - | - | - | - | - | 457,362 | - | - | 457,362 |
| Parks and recreation | - | - | - | - | - | - | 444,837 | - | 444,837 |
| Rescue Squad | - | - | - | - | - | - | - | 37,788 | 37,788 |
| Fire hydrant | 110,554 | - | - | - | - | - | - | - | 110,554 |
| Fire protection | - | - | - | 30,806 | - | - | - | - | 30,806 |
| Library | - | - | - | - | 4,479 | - | - | - | 4,479 |
| Highway aid | - | 716,176 | - | - | - | - | - | - | 716,176 |
| Street lighting | - | - | 260,665 | - | - | - | - | - | 260,665 |
| TOTAL FUND BALANCES | 110,554 | 716,176 | 260,665 | 31,704 | 4,479 | 457,362 | 450,523 | 37,788 | 2,069,251 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 127,761 | \$ 717,865 | \$ 267,950 | \$ 41,985 | \$ 6,322 | \$ 457,362 | \$ 487,937 | \$ 41,901 | \$ 2,149,083 |

TOWNSHIP OF FALLS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

| | Special Revenue Funds | | | | | | | Total | |
|-------------------------------------|-----------------------|-------------------|-------------------|------------------|-----------------|-------------------|--------------------|------------------|-----------------------------|
| | Fire Hydrant | Highway Aid | Street Lighting | Fire Protection | Library | Recycling | Parks & Recreation | Rescue Squad | Nonmajor Governmental Funds |
| REVENUES | | | | | | | | | |
| Taxes | | | | | | | | | |
| Property | \$ 87,643 | \$ - | \$ 285,637 | \$ 405,728 | \$ 74,647 | \$ - | \$ 473,888 | \$ 162,291 | \$ 1,489,834 |
| Motor fuel tax | - | 885,603 | - | - | - | - | - | - | 885,603 |
| Other | 1,749 | - | 5,702 | 8,099 | 1,490 | - | 9,460 | 3,240 | 29,740 |
| Interest Earnings | - | 7,973 | - | - | - | 1,869 | 7,312 | - | 17,154 |
| Rents | - | - | - | - | - | - | 18,010 | - | 18,010 |
| Intergovernmental | - | - | - | 244,723 | - | - | - | - | 244,723 |
| Charges for services | - | - | - | - | - | - | 187,033 | - | 187,033 |
| TOTAL REVENUES | <u>89,392</u> | <u>893,576</u> | <u>291,339</u> | <u>658,550</u> | <u>76,137</u> | <u>1,869</u> | <u>695,703</u> | <u>165,531</u> | <u>2,872,097</u> |
| EXPENDITURES | | | | | | | | | |
| Current | | | | | | | | | |
| Public safety | 88,055 | - | - | 651,746 | - | - | - | 160,081 | 899,882 |
| Public works - highways and streets | - | 783,221 | 301,971 | - | - | - | - | - | 1,085,192 |
| Parks and recreation | - | - | - | - | 75,000 | - | 653,433 | - | 728,433 |
| Capital outlay | | | | | | | | | |
| Public works - highways and streets | - | 137,904 | - | - | - | - | - | - | 137,904 |
| TOTAL EXPENDITURES | <u>88,055</u> | <u>921,125</u> | <u>301,971</u> | <u>651,746</u> | <u>75,000</u> | <u>-</u> | <u>653,433</u> | <u>160,081</u> | <u>2,851,411</u> |
| NET CHANGES IN FUND BALANCES | 1,337 | (27,549) | (10,632) | 6,804 | 1,137 | 1,869 | 42,270 | 5,450 | 20,686 |
| FUND BALANCES, BEGINNING OF YEAR | <u>109,217</u> | <u>743,725</u> | <u>271,297</u> | <u>24,900</u> | <u>3,342</u> | <u>455,493</u> | <u>408,253</u> | <u>32,338</u> | <u>2,048,565</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 110,554</u> | <u>\$ 716,176</u> | <u>\$ 260,665</u> | <u>\$ 31,704</u> | <u>\$ 4,479</u> | <u>\$ 457,362</u> | <u>\$ 450,523</u> | <u>\$ 37,788</u> | <u>\$ 2,069,251</u> |

TOWNSHIP OF FALLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FIRE HYDRANT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance with Final Budget Positive (Negative) |
|----------------------------|-------------------------|-------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Property tax | \$ 89,078 | \$ 89,078 | \$ 87,643 | \$ (1,435) |
| Other taxes | 1,749 | 1,749 | 1,749 | - |
| TOTAL REVENUES | <u>90,827</u> | <u>90,827</u> | <u>89,392</u> | <u>(1,435)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | 88,000 | 88,000 | 88,055 | (55) |
| TOTAL EXPENDITURES | <u>88,000</u> | <u>88,000</u> | <u>88,055</u> | <u>(55)</u> |
| NET CHANGE IN FUND BALANCE | 2,827 | 2,827 | 1,337 | (1,490) |
| FUND BALANCE, BEGINNING | <u>109,295</u> | <u>109,295</u> | <u>109,217</u> | <u>(78)</u> |
| FUND BALANCE, ENDING | <u>\$ 112,122</u> | <u>\$ 112,122</u> | <u>\$ 110,554</u> | <u>\$ (1,568)</u> |

TOWNSHIP OF FALLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
HIGHWAY AID SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-------------------------------------|--------------------------|--------------------------|--------------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Motor fuel tax | \$ 863,960 | \$ 863,960 | \$ 885,603 | \$ 21,643 |
| Interest earnings | 100 | 100 | 7,973 | 7,873 |
| TOTAL REVENUES | <u>864,060</u> | <u>864,060</u> | <u>893,576</u> | <u>29,516</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public works - highways and streets | 988,810 | 988,810 | 783,221 | 205,589 |
| Capital outlay | | | | |
| Public works - highways and streets | <u>360,000</u> | <u>360,000</u> | <u>137,904</u> | <u>222,096</u> |
| TOTAL EXPENDITURES | <u>1,348,810</u> | <u>1,348,810</u> | <u>921,125</u> | <u>427,685</u> |
| NET CHANGE IN FUND BALANCE | (484,750) | (484,750) | (27,549) | 457,201 |
| FUND BALANCE (DEFICIT), BEGINNING | <u>794,914</u> | <u>794,914</u> | <u>743,725</u> | <u>(51,189)</u> |
| FUND BALANCE (DEFICIT), ENDING | <u><u>\$ 310,164</u></u> | <u><u>\$ 310,164</u></u> | <u><u>\$ 716,176</u></u> | <u><u>\$ 406,012</u></u> |

TOWNSHIP OF FALLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
STREET LIGHTING SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance with Final Budget Positive (Negative) |
|-------------------------------------|-------------------------|-------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Property tax | \$ 289,645 | \$ 289,645 | \$ 285,637 | \$ (4,008) |
| Other taxes | 5,702 | 5,702 | 5,702 | - |
| TOTAL REVENUES | <u>295,347</u> | <u>295,347</u> | <u>291,339</u> | <u>(4,008)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public works - highways and streets | <u>300,000</u> | <u>300,000</u> | <u>301,971</u> | <u>(1,971)</u> |
| TOTAL EXPENDITURES | <u>300,000</u> | <u>300,000</u> | <u>301,971</u> | <u>(1,971)</u> |
| NET CHANGE IN FUND BALANCE | (4,653) | (4,653) | (10,632) | (5,979) |
| FUND BALANCE, BEGINNING | <u>264,529</u> | <u>264,529</u> | <u>271,297</u> | <u>6,768</u> |
| FUND BALANCE, ENDING | <u>\$ 259,876</u> | <u>\$ 259,876</u> | <u>\$ 260,665</u> | <u>\$ 789</u> |

TOWNSHIP OF FALLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FIRE PROTECTION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-------------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Property tax | \$ 410,558 | \$ 410,558 | \$ 405,728 | \$ (4,830) |
| Other Taxes | 8,099 | 8,099 | 8,099 | - |
| Intergovernmental | 200,000 | 200,000 | 244,723 | 44,723 |
| TOTAL REVENUES | <u>618,657</u> | <u>618,657</u> | <u>658,550</u> | <u>39,893</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public works - highways and streets | 604,600 | 604,600 | 651,746 | (47,146) |
| TOTAL EXPENDITURES | <u>604,600</u> | <u>604,600</u> | <u>651,746</u> | <u>(47,146)</u> |
| NET CHANGE IN FUND BALANCE | 14,057 | 14,057 | 6,804 | (7,253) |
| FUND BALANCE (DEFICIT), BEGINNING | <u>23,079</u> | <u>23,079</u> | <u>24,900</u> | <u>1,821</u> |
| FUND BALANCE (DEFICIT), ENDING | <u>\$ 37,136</u> | <u>\$ 37,136</u> | <u>\$ 31,704</u> | <u>\$ (5,432)</u> |

TOWNSHIP OF FALLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
LIBRARY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance with Final Budget Positive (Negative) |
|----------------------------|-------------------------|-----------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Property tax | \$ 74,895 | \$ 74,895 | \$ 74,647 | \$ (248) |
| Other taxes | 1,490 | 1,490 | 1,490 | - |
| TOTAL REVENUES | <u>76,385</u> | <u>76,385</u> | <u>76,137</u> | <u>(248)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Parks and recreation | <u>75,000</u> | <u>75,000</u> | <u>75,000</u> | <u>-</u> |
| TOTAL EXPENDITURES | <u>75,000</u> | <u>75,000</u> | <u>75,000</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | 1,385 | 1,385 | 1,137 | (248) |
| FUND BALANCE, BEGINNING | <u>2,412</u> | <u>2,412</u> | <u>3,342</u> | <u>930</u> |
| FUND BALANCE, ENDING | <u>\$ 3,797</u> | <u>\$ 3,797</u> | <u>\$ 4,479</u> | <u>\$ 682</u> |

TOWNSHIP OF FALLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PARKS AND RECREATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|----------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Property tax | \$ 479,635 | \$ 479,635 | \$ 473,888 | \$ (5,747) |
| Other taxes | 9,460 | 9,460 | 9,460 | - |
| Rents | 13,000 | 13,000 | 18,010 | 5,010 |
| Charges for services | 208,800 | 208,800 | 187,033 | (21,767) |
| Interest earnings | 2,000 | 2,000 | 7,312 | 5,312 |
| Contribution and donations | 2,000 | 2,000 | - | (2,000) |
| TOTAL REVENUES | <u>714,895</u> | <u>714,895</u> | <u>695,703</u> | <u>(19,192)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Parks and recreation | <u>693,728</u> | <u>693,728</u> | <u>653,433</u> | <u>40,295</u> |
| TOTAL EXPENDITURES | <u>693,728</u> | <u>693,728</u> | <u>653,433</u> | <u>40,295</u> |
| NET CHANGE IN FUND BALANCE | 21,167 | 21,167 | 42,270 | 21,103 |
| FUND BALANCE, BEGINNING | <u>387,994</u> | <u>387,994</u> | <u>408,253</u> | <u>20,259</u> |
| FUND BALANCE, ENDING | <u>\$ 409,161</u> | <u>\$ 409,161</u> | <u>\$ 450,523</u> | <u>\$ 41,362</u> |

TOWNSHIP OF FALLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
RESCUE SQUAD SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|----------------------------|-------------------------|------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Property tax | \$ 164,148 | \$ 164,148 | \$ 162,291 | \$ (1,857) |
| Other taxes | 3,240 | 3,240 | 3,240 | - |
| TOTAL REVENUES | <u>167,388</u> | <u>167,388</u> | <u>165,531</u> | <u>(1,857)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public safety | <u>161,000</u> | <u>161,000</u> | <u>160,081</u> | <u>919</u> |
| TOTAL EXPENDITURES | <u>161,000</u> | <u>161,000</u> | <u>160,081</u> | <u>919</u> |
| NET CHANGE IN FUND BALANCE | 6,388 | 6,388 | 5,450 | (938) |
| FUND BALANCE, BEGINNING | <u>31,600</u> | <u>31,600</u> | <u>32,338</u> | <u>738</u> |
| FUND BALANCE, ENDING | <u>\$ 37,988</u> | <u>\$ 37,988</u> | <u>\$ 37,788</u> | <u>\$ (200)</u> |

TOWNSHIP OF FALLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL RESERVE CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|----------------------------|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Interest earnings | \$ 10,000 | \$ 10,000 | \$ 32,605 | \$ 22,605 |
| TOTAL REVENUES | <u>10,000</u> | <u>10,000</u> | <u>32,605</u> | <u>22,605</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 60,000 | 60,000 | 62,784 | (2,784) |
| Parks and recreation | 500 | 500 | - | 500 |
| Capital outlay | | | | |
| General government | <u>15,000</u> | <u>15,000</u> | <u>10,000</u> | <u>5,000</u> |
| TOTAL EXPENDITURES | <u>75,500</u> | <u>75,500</u> | <u>72,784</u> | <u>2,716</u> |
| NET CHANGE IN FUND BALANCE | (65,500) | (65,500) | (40,179) | 25,321 |
| FUND BALANCE, BEGINNING | <u>2,346,196</u> | <u>2,346,196</u> | <u>2,340,491</u> | <u>(5,705)</u> |
| FUND BALANCE, ENDING | <u>\$ 2,280,696</u> | <u>\$ 2,280,696</u> | <u>\$ 2,300,312</u> | <u>\$ 19,616</u> |

TOWNSHIP OF FALLS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2022

| | 2021 | 2022 |
|--|-----------------------|-----------------------|
| GOVERNMENTAL FUNDS CAPITAL ASSETS | | |
| Land | \$ 16,460,926 | \$ 16,460,926 |
| Construction in progress | 13,337 | 1,218,822 |
| Building | 6,005,505 | 6,184,011 |
| Machinery and Equipment | 5,960,370 | 5,820,427 |
| Improvements | 16,633,930 | 17,052,967 |
| Infrastructure | 122,951,044 | 126,980,092 |
| Vehicles | 4,164,477 | 4,557,082 |
| TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS | \$ 172,189,589 | \$ 178,274,327 |
| | | |
| | 2021 | 2022 |
| INVESTMENTS IN GOVERNMENTAL FUNDS | | |
| CAPITAL ASSETS BY SOURCE | | |
| General Fund | \$ 6,482,240 | \$ 6,482,240 |
| Special Revenue Fund | 3,547,020 | 3,684,924 |
| Capital Reserve Fund | 5,243,953 | 5,253,952 |
| Host Community Fees Fund | 151,174,789 | 157,111,624 |
| Donations | 5,741,587 | 5,741,587 |
| TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS | \$ 172,189,589 | \$ 178,274,327 |

TOWNSHIP OF FALLS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY

FOR THE YEAR ENDED DECEMBER 31, 2022

| <u>Function and Activity</u> | <u>Land</u> | <u>Construction in progress</u> | <u>Buildings</u> | <u>Improvements Other Than Buildings</u> | <u>Machinery and Equipment</u> | <u>Infrastructure</u> | <u>Vehicles</u> | <u>Total</u> |
|--|----------------------|-------------------------------------|---------------------|--|--|-----------------------|---------------------|-----------------------|
| General government: | | | | | | | | |
| Supervisors | \$ - | \$ - | \$ 29,444 | \$ - | \$ 6,739 | \$ - | \$ - | \$ 36,183 |
| Manager | - | - | 41,214 | - | 17,741 | - | - | 58,955 |
| Finance and Administration | - | - | 2,690,051 | - | 663,942 | - | - | 3,353,993 |
| Other-unclassified | - | 1,218,822 | 458,969 | 15,600 | 171,833 | - | - | 1,865,224 |
| Total general government | <u>-</u> | <u>1,218,822</u> | <u>3,219,678</u> | <u>15,600</u> | <u>860,255</u> | <u>-</u> | <u>-</u> | <u>5,314,355</u> |
| Public Safety | | | | | | | | |
| Police | - | - | 188,233 | - | 2,229,179 | - | 2,064,026 | 4,481,438 |
| Fire and Emergency | - | - | - | - | 44,204 | - | 200,576 | 244,780 |
| License and Inspection | - | - | - | - | 46,847 | - | 121,612 | 168,459 |
| Total public safety | <u>-</u> | <u>-</u> | <u>188,233</u> | <u>-</u> | <u>2,320,230</u> | <u>-</u> | <u>2,386,214</u> | <u>4,894,677</u> |
| Highways and Streets: | | | | | | | | |
| Engineering | - | - | 646,771 | - | - | 8,723,088 | - | 9,369,859 |
| Maintenance | - | - | - | 19,374 | 2,309,317 | 399,090 | 2,039,570 | 4,767,351 |
| Street System | 1,757,000 | - | - | - | - | 117,857,914 | - | 119,614,914 |
| Total highways and streets | <u>1,757,000</u> | <u>-</u> | <u>646,771</u> | <u>19,374</u> | <u>2,309,317</u> | <u>126,980,092</u> | <u>2,039,570</u> | <u>133,752,124</u> |
| Parks and recreation | 14,703,926 | - | 2,129,329 | 17,017,993 | 330,625 | - | 131,298 | 34,313,171 |
| Total governmental funds capital assets | <u>\$ 16,460,926</u> | <u>\$ 1,218,822</u> | <u>\$ 6,184,011</u> | <u>\$ 17,052,967</u> | <u>\$ 5,820,427</u> | <u>\$ 126,980,092</u> | <u>\$ 4,557,082</u> | <u>\$ 178,274,327</u> |

TOWNSHIP OF FALLS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

FOR THE YEAR ENDED DECEMBER 31, 2022

| <u>Function and Activity</u> | Governmental Funds Capital Assets January 1, 2022 | Additions | Deletions | Governmental Funds Capital Assets December 31, 2022 |
|---|--|---------------------|-------------------|--|
| General Government | | | | |
| Supervisors | \$ 36,183 | \$ - | \$ - | \$ 36,183 |
| Manager | 58,955 | - | - | 58,955 |
| Finance and Administration | 3,926,855 | - | - | 3,926,855 |
| Other-Unclassified | 73,540 | 1,218,822 | - | 1,292,362 |
| Total general government | <u>4,095,533</u> | <u>1,218,822</u> | <u>-</u> | <u>5,314,355</u> |
| Public Safety | | | | |
| Police | 4,336,332 | 235,259 | 90,154 | 4,481,437 |
| Fire and Emergency Management | 220,683 | 42,897 | 18,800 | 244,780 |
| License and Inspection | 133,732 | 34,728 | - | 168,460 |
| Total public safety | <u>4,690,747</u> | <u>312,884</u> | <u>108,954</u> | <u>4,894,677</u> |
| Highway and Streets | | | | |
| Engineering | 8,888,504 | 1,585,970 | - | 10,474,474 |
| Maintenance | 4,613,146 | 236,211 | 172,588 | 4,676,769 |
| Street System | 116,197,400 | 2,403,481 | - | 118,600,881 |
| Total highways and streets | <u>129,699,050</u> | <u>4,225,662</u> | <u>172,588</u> | <u>133,752,124</u> |
| Parks and recreation | <u>33,704,259</u> | <u>622,249</u> | <u>13,337</u> | <u>34,313,171</u> |
| Total governmental funds capital assets | <u>\$ 172,189,589</u> | <u>\$ 6,379,617</u> | <u>\$ 294,879</u> | <u>\$ 178,274,327</u> |

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STATISTICAL SECTION

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**TOWNSHIP OF FALLS
COUNTY OF BUCKS, PENNSYLVANIA**

Statistical Section

This part of the Falls 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 Township's most significant local revenue source, the property tax.

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.

Operating 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 comprehensive annual financial report for the relevant year.

TOWNSHIP OF FALLS
Net Position by Components
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Governmental activities | | | | | | | | | | |
| Net position, invested in capital assets | \$ 90,055,934 | \$ 87,553,541 | \$ 87,526,313 | \$ 87,863,974 | \$ 89,222,686 | \$ 91,172,798 | \$ 92,304,493 | \$ 94,701,771 | \$ 96,366,263 | \$ 95,245,962 |
| Restricted | 3,237,292 | 2,494,259 | 2,283,848 | 2,131,956 | 1,937,753 | 1,853,004 | 1,130,649 | 616,792 | 693,937 | 864,626 |
| Unrestricted | 34,132,966 | 31,808,004 | 26,932,212 | 25,371,740 | 17,496,375 | 18,581,076 | 16,378,231 | 18,405,489 | 36,613,764 | 40,705,849 |
| Total governmental activities net position | <u>\$ 127,426,192</u> | <u>\$ 121,855,804</u> | <u>\$ 116,742,373</u> | <u>\$ 115,367,670</u> | <u>\$ 108,656,814</u> | <u>\$ 111,606,878</u> | <u>\$ 109,813,373</u> | <u>\$ 113,724,052</u> | <u>\$ 133,673,964</u> | <u>\$ 136,816,437</u> |
| Business-type activities | | | | | | | | | | |
| Net position, invested in capital assets | \$ 162,700 | \$ 162,700 | \$ 162,700 | \$ 162,700 | \$ 164,673 | \$ 166,646 | \$ 168,619 | \$ 170,592 | \$ 172,565 | \$ 174,538 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | (112,129) | (127,766) | (170,304) | (122,927) | (165,406) | (132,911) | (126,453) | (104,443) | (155,586) | (175,414) |
| Total business-type activities net position | <u>\$ 50,571</u> | <u>\$ 34,934</u> | <u>\$ (7,604)</u> | <u>\$ 39,773</u> | <u>\$ (733)</u> | <u>\$ 33,735</u> | <u>\$ 42,166</u> | <u>\$ 66,149</u> | <u>\$ 16,979</u> | <u>\$ (876)</u> |
| Primary government | | | | | | | | | | |
| Net position, invested in capital assets | \$ 90,218,634 | \$ 87,716,241 | \$ 87,689,013 | \$ 88,026,674 | \$ 89,387,359 | \$ 91,339,444 | \$ 92,473,112 | \$ 94,872,363 | \$ 96,538,828 | \$ 95,420,500 |
| Restricted | 3,237,292 | 2,494,259 | 2,283,848 | 2,131,956 | 1,937,753 | 1,853,004 | 1,130,649 | 616,792 | 693,937 | 864,626 |
| Unrestricted | 34,020,837 | 31,680,238 | 26,761,908 | 25,248,813 | 17,330,969 | 18,448,165 | 16,251,778 | 18,301,046 | 36,458,178 | 40,530,435 |
| Total primary government net position | <u>\$ 127,476,763</u> | <u>\$ 121,890,738</u> | <u>\$ 116,734,769</u> | <u>\$ 115,407,443</u> | <u>\$ 108,656,081</u> | <u>\$ 111,640,613</u> | <u>\$ 109,855,539</u> | <u>\$ 113,790,201</u> | <u>\$ 133,690,943</u> | <u>\$ 136,815,561</u> |

Note: GASB Statement No. 68 has been implemented beginning in the 2015 year and the prior years have not been restated.

Source: Falls Township records

TOWNSHIP OF FALLS
Changes in Net Position
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| General government | \$ 3,003,088 | \$ 4,520,223 | \$ 3,912,871 | \$ 3,249,482 | \$ 2,873,517 | \$ 2,777,044 | \$ 2,526,600 | \$ 2,604,253 | \$ 2,713,828 | \$ 2,573,012 |
| Public safety | 22,057,721 | 19,669,655 | 18,449,272 | 16,036,113 | 18,673,866 | 18,450,556 | 18,063,659 | 17,048,216 | 16,080,941 | 15,554,489 |
| Public works - highways and streets | 6,298,835 | 6,136,621 | 6,311,940 | 6,523,490 | 6,304,948 | 6,143,092 | 5,964,181 | 6,112,069 | 6,198,874 | 5,817,812 |
| Parks and recreation | 1,467,175 | 1,202,197 | 1,431,403 | 1,457,548 | 1,702,130 | 1,647,909 | 1,583,519 | 1,381,797 | 1,826,865 | 1,902,802 |
| Total governmental activities expenses | <u>32,826,819</u> | <u>31,528,696</u> | <u>30,105,486</u> | <u>27,266,633</u> | <u>29,554,461</u> | <u>29,018,601</u> | <u>28,137,959</u> | <u>27,146,335</u> | <u>26,820,508</u> | <u>25,848,115</u> |
| Business-type activities | | | | | | | | | | |
| Pinewood Pool | 255,480 | 215,299 | 97,377 | 208,208 | 220,009 | 186,823 | 201,255 | 191,930 | 169,094 | 222,846 |
| Total business-type activities expenses | <u>255,480</u> | <u>215,299</u> | <u>97,377</u> | <u>208,208</u> | <u>220,009</u> | <u>186,823</u> | <u>201,255</u> | <u>191,930</u> | <u>169,094</u> | <u>222,846</u> |
| Total primary government expenses | <u>\$ 33,082,299</u> | <u>\$ 31,743,995</u> | <u>\$ 30,202,863</u> | <u>\$ 27,474,841</u> | <u>\$ 29,774,470</u> | <u>\$ 29,205,424</u> | <u>\$ 28,339,214</u> | <u>\$ 27,338,265</u> | <u>\$ 26,989,602</u> | <u>\$ 26,070,961</u> |
| Program revenues | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | \$ 299,362 | \$ 405,328 | \$ 993,247 | \$ 1,189,498 | \$ 1,084,762 | \$ 1,168,042 | \$ 1,221,268 | \$ 1,126,255 | \$ 1,089,257 | \$ 1,021,066 |
| Public safety | 4,662,728 | 2,852,864 | 1,861,102 | 2,016,786 | 1,664,920 | 1,710,954 | 1,683,666 | 1,562,830 | 1,547,850 | 1,537,430 |
| Public works - highways and streets | 163,688 | 75,252 | 46,195 | 58,116 | 88,563 | 49,849 | 40,756 | 83,773 | 55,208 | 140,425 |
| Parks and recreation | 205,043 | 169,191 | 47,425 | 216,936 | 189,182 | 203,229 | 183,297 | 154,321 | 155,373 | 178,347 |
| Operating grants & contributions | | | | | | | | | | |
| General government | 882,217 | 965,119 | 889,388 | 883,379 | 827,383 | 633,179 | 704,953 | 600,873 | 630,338 | 628,019 |
| Public safety | 3,764,328 | 242,244 | 227,528 | 257,363 | 247,377 | 263,627 | 300,765 | 279,659 | 296,721 | 312,828 |
| Public works - highways and streets | 885,603 | 885,621 | 943,567 | 971,833 | 1,178,465 | 1,160,217 | 893,062 | 737,750 | 822,537 | 702,500 |
| Parks and recreation | - | - | - | 3,245 | 4,699 | 6,800 | 4,718 | 12,468 | 670 | 30 |
| Total governmental activities program revenues | <u>10,862,969</u> | <u>5,595,619</u> | <u>5,008,452</u> | <u>5,597,156</u> | <u>5,285,351</u> | <u>5,195,897</u> | <u>5,032,485</u> | <u>4,557,929</u> | <u>4,597,954</u> | <u>4,520,645</u> |
| Business-type activities | | | | | | | | | | |
| Charges for service | | | | | | | | | | |
| Pinewood Pool | 271,117 | 207,837 | - | 198,714 | 185,525 | 178,392 | 177,272 | 184,100 | 156,949 | 173,989 |
| Total business-type activities program revenues | <u>271,117</u> | <u>207,837</u> | <u>-</u> | <u>198,714</u> | <u>185,525</u> | <u>178,392</u> | <u>177,272</u> | <u>184,100</u> | <u>156,949</u> | <u>173,989</u> |
| Total primary government program revenues | <u>\$ 11,134,086</u> | <u>\$ 5,803,456</u> | <u>\$ 5,008,452</u> | <u>\$ 5,795,870</u> | <u>\$ 5,470,876</u> | <u>\$ 5,374,289</u> | <u>\$ 5,209,757</u> | <u>\$ 4,742,029</u> | <u>\$ 4,754,903</u> | <u>\$ 4,694,634</u> |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$(21,963,850) | \$(25,933,077) | \$(25,097,034) | \$(21,669,477) | \$(24,269,110) | \$(23,822,704) | \$(23,105,474) | \$(22,588,406) | \$(22,222,554) | \$(21,327,470) |
| Business-type activities | 15,637 | (7,462) | (97,377) | (9,494) | (34,484) | (8,431) | (23,983) | (7,830) | (12,145) | (48,857) |
| Total primary government net expense | <u>\$(21,948,213)</u> | <u>\$(25,940,539)</u> | <u>\$(25,194,411)</u> | <u>\$(21,678,971)</u> | <u>\$(24,303,594)</u> | <u>\$(23,831,135)</u> | <u>\$(23,129,457)</u> | <u>\$(22,596,236)</u> | <u>\$(22,234,699)</u> | <u>\$(21,376,327)</u> |

(Continued)

TOWNSHIP OF FALLS
Changes in Net Position (Continued)
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| General revenues and other changes in net position | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Property taxes, levied for general purposes | \$ 2,339,099 | \$ 2,322,828 | \$ 2,386,023 | \$ 2,372,703 | \$ 2,285,129 | \$ 2,284,653 | \$ 2,261,598 | \$ 2,265,384 | \$ 2,270,450 | \$ 2,263,235 |
| Real estate transfer taxes | 1,939,655 | 2,840,053 | 974,598 | 1,105,489 | 836,009 | 843,218 | 831,173 | 727,455 | 664,784 | 858,764 |
| Local Services taxes | 691,553 | 659,821 | 634,178 | 658,484 | 644,855 | 399,195 | 418,884 | 406,667 | 404,511 | 371,842 |
| Mechanical device tax | 43,000 | 42,680 | 39,044 | 39,161 | 35,138 | 34,201 | 31,414 | 32,015 | 34,285 | 34,023 |
| Other taxes | 52,543 | 51,705 | 13,975 | 13,120 | 13,075 | 13,105 | 14,279 | 14,279 | 14,173 | 13,288 |
| Payment in lieu of taxes | - | - | - | - | 75,000 | 75,000 | 74,650 | 75,000 | 75,000 | 75,000 |
| Contributions not restricted to specific programs | 22,866,158 | 25,087,169 | 21,630,113 | 23,098,151 | 24,172,523 | 21,706,453 | 15,256,922 | 14,298,232 | 15,419,498 | 16,082,578 |
| Investment earnings | (653,382) | (111,687) | 562,396 | 951,214 | 508,272 | 182,793 | 222,764 | 161,521 | 176,550 | 37,434 |
| Miscellaneous revenues | 230,286 | 200,024 | 281,410 | 192,011 | 163,838 | 77,591 | 79,525 | 72,437 | 46,510 | 77,141 |
| Gain / Loss on sale of capital assets | 25,326 | 3,915 | - | - | 16,954 | - | 3,586 | - | 4,320 | - |
| Transfers | - | (50,000) | (50,000) | (50,000) | - | - | - | (57,000) | (30,000) | (75,000) |
| Total governmental activities | <u>27,534,238</u> | <u>31,046,508</u> | <u>26,471,737</u> | <u>28,380,333</u> | <u>28,750,793</u> | <u>25,616,209</u> | <u>19,194,795</u> | <u>17,995,990</u> | <u>19,080,081</u> | <u>19,738,305</u> |
| Business-type activities | | | | | | | | | | |
| Investment earnings | - | - | - | - | 16 | - | - | - | - | - |
| Capital contributions | - | - | - | - | - | - | - | - | - | - |
| Transfers | - | 50,000 | 50,000 | 50,000 | - | - | - | 57,000 | 30,000 | 75,000 |
| Total business-type activities | <u>-</u> | <u>50,000</u> | <u>50,000</u> | <u>50,000</u> | <u>16</u> | <u>-</u> | <u>-</u> | <u>57,000</u> | <u>30,000</u> | <u>75,000</u> |
| Total primary government | <u>\$ 27,534,238</u> | <u>\$ 31,096,508</u> | <u>\$ 26,521,737</u> | <u>\$ 28,430,333</u> | <u>\$ 28,750,809</u> | <u>\$ 25,616,209</u> | <u>\$ 19,194,795</u> | <u>\$ 18,052,990</u> | <u>\$ 19,110,081</u> | <u>\$ 19,813,305</u> |
| Change in net position | | | | | | | | | | |
| Governmental activities | \$ 5,570,388 | \$ 5,113,431 | \$ 1,374,703 | \$ 6,710,856 | \$ 4,481,683 | \$ 1,793,505 | \$ (3,910,679) | \$ (4,592,416) | \$ (3,142,473) | \$ (1,589,165) |
| Business-type activities | 15,637 | 42,538 | (47,377) | 40,506 | (34,468) | (8,431) | (23,983) | 49,170 | 17,855 | 26,143 |
| Total primary government | <u>\$ 5,586,025</u> | <u>\$ 5,155,969</u> | <u>\$ 1,327,326</u> | <u>\$ 6,751,362</u> | <u>\$ 4,447,215</u> | <u>\$ 1,785,074</u> | <u>\$ (3,934,662)</u> | <u>\$ (4,543,246)</u> | <u>\$ (3,124,618)</u> | <u>\$ (1,563,022)</u> |

Source: Falls Township records

TOWNSHIP OF FALLS
Fund Balances of Governmental Funds
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| General Fund | | | | | | | | | | |
| Nonspendable: | | | | | | | | | | |
| Prepaid Items | \$ 615,833 | \$ 530,090 | \$ 589,214 | \$ 515,138 | \$ 526,682 | \$ 477,349 | \$ 476,441 | \$ 230,604 | \$ 233,547 | \$ 196,903 |
| Assigned to: | | | | | | | | | | |
| Capital Projects | 42,205,866 | 5,511,447 | 8,911,595 | 8,619,178 | 8,102,212 | 4,561,979 | 16,522,982 | 9,834,657 | 9,201,402 | 8,429,981 |
| Subsequent year's budget | - | - | - | - | - | - | - | 107,497 | 798,013 | 8,932,781 |
| Unassigned | 17,227,930 | 49,979,065 | 41,088,618 | 40,484,753 | 35,759,191 | 32,186,591 | 17,372,557 | 25,226,617 | 26,488,008 | 22,781,297 |
| Total General fund | <u>\$ 60,049,629</u> | <u>\$ 56,020,602</u> | <u>\$ 50,589,427</u> | <u>\$ 49,619,069</u> | <u>\$ 44,388,085</u> | <u>\$ 37,225,919</u> | <u>\$ 34,371,980</u> | <u>\$ 35,399,375</u> | <u>\$ 36,720,970</u> | <u>\$ 40,340,962</u> |
| All other governmental funds | | | | | | | | | | |
| Nonspendable: | | | | | | | | | | |
| Prepaid Items | \$ 6,584 | \$ 9,799 | \$ 16,678 | \$ 14,731 | \$ 19,472 | \$ 18,259 | \$ 18,992 | \$ 6,819 | \$ 5,261 | \$ - |
| Restricted for: | | | | | | | | | | |
| Parks and recreation | 444,837 | 401,720 | 210,347 | 191,871 | 158,593 | 150,597 | 5,798 | - | - | - |
| Fire protection | 30,806 | 23,002 | 5,860 | - | - | - | - | - | - | - |
| Library support | 4,479 | 3,342 | 1,146 | 822 | 106 | - | - | - | - | - |
| Rescue squad services | 37,788 | 30,970 | 22,727 | 19,072 | 15,927 | 5,429 | 4,978 | 4,722 | 3,509 | 1,929 |
| Recycling expenditures | 457,362 | 455,493 | 455,466 | 454,796 | 451,296 | 448,500 | 447,261 | 446,485 | 446,335 | 446,235 |
| Fire hydrant | 110,554 | 109,217 | 106,002 | 105,256 | 81,228 | 56,311 | 33,123 | 10,845 | - | - |
| Highway aid | 716,176 | 743,725 | 1,044,975 | 1,001,128 | 918,569 | 929,108 | 430,561 | 52,404 | 178,854 | 222,604 |
| Street Lighting | 260,665 | 271,297 | 252,871 | 240,874 | 215,732 | 200,251 | 172,011 | 113,158 | 65,239 | - |
| Crime prevention | - | - | 184,454 | 118,959 | 96,408 | 62,808 | 36,917 | - | - | 193,858 |
| Assigned to: | | | | | | | | | | |
| Capital projects | 2,300,312 | 2,340,491 | 2,258,913 | 2,176,209 | 2,097,933 | 2,150,376 | 2,227,944 | 2,371,834 | 2,978,281 | 3,054,331 |
| Unassigned | - | - | - | (1,141) | (3,192) | (21,693) | (16,507) | (52,215) | (61,846) | (201,774) |
| Total all other governmental funds | <u>\$ 4,369,563</u> | <u>\$ 4,389,056</u> | <u>\$ 4,559,439</u> | <u>\$ 4,322,577</u> | <u>\$ 4,052,072</u> | <u>\$ 3,999,946</u> | <u>\$ 3,361,078</u> | <u>\$ 2,954,052</u> | <u>\$ 3,615,633</u> | <u>\$ 3,717,183</u> |
| Total Governmental Funds | <u>\$ 64,419,192</u> | <u>\$ 60,409,658</u> | <u>\$ 55,148,866</u> | <u>\$ 53,941,646</u> | <u>\$ 48,440,157</u> | <u>\$ 41,225,865</u> | <u>\$ 37,733,058</u> | <u>\$ 38,353,427</u> | <u>\$ 40,336,603</u> | <u>\$ 44,058,145</u> |

Source: Falls Township records

TOWNSHIP OF FALLS
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Revenues | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property | \$ 2,343,485 | \$ 2,385,176 | \$ 2,385,953 | \$ 2,357,216 | \$ 2,311,956 | \$ 2,272,548 | \$ 2,265,864 | \$ 2,261,982 | \$ 2,284,798 | \$ 2,268,738 |
| Real estate transfer | 1,939,655 | 2,840,053 | 974,598 | 1,105,489 | 836,009 | 843,218 | 831,173 | 727,455 | 664,784 | 858,764 |
| Local Services tax | 691,553 | 659,821 | 637,348 | 658,301 | 643,235 | 396,014 | 420,501 | 400,136 | 410,435 | 371,787 |
| Mechanical device | 43,000 | 42,680 | 39,044 | 39,161 | 35,138 | 34,201 | 31,414 | 32,015 | 34,285 | 34,023 |
| Motor Fuel tax | 885,603 | 885,621 | 943,566 | 968,286 | 947,675 | 901,513 | 864,028 | 737,650 | 671,686 | 621,321 |
| Other | 52,543 | 4,924 | - | - | - | - | - | - | - | - |
| Payment in lieu of taxes | - | 46,781 | - | - | 75,000 | 74,999 | 74,649 | 75,000 | 75,000 | 75,000 |
| Host Community fees | 22,866,158 | 25,087,169 | 21,630,113 | 23,098,151 | 24,172,523 | 21,706,453 | 15,256,922 | 14,298,232 | 15,419,498 | 16,082,578 |
| Licenses and permits | 3,925,723 | 2,300,487 | 803,658 | 823,140 | 873,720 | 868,497 | 878,272 | 853,011 | 840,523 | 816,356 |
| Fines and forfeits | 154,727 | 173,939 | 139,184 | 185,468 | 194,345 | 233,942 | 183,350 | 200,543 | 182,573 | 200,345 |
| Interest earnings | (653,382) | (111,687) | 562,396 | 951,214 | 508,273 | 182,794 | 222,763 | 161,521 | 176,550 | 37,431 |
| Rents | 24,478 | 82,497 | 72,712 | 72,875 | 60,535 | 39,427 | 90,103 | 73,959 | 99,532 | 104,771 |
| Intergovernmental | 4,646,545 | 1,207,363 | 1,137,250 | 1,126,494 | 1,169,887 | 1,126,259 | 979,318 | 866,063 | 905,382 | 973,464 |
| Charges for services | 1,225,893 | 918,861 | 1,943,561 | 2,366,188 | 2,049,040 | 1,979,522 | 1,977,827 | 1,837,137 | 1,697,430 | 1,747,987 |
| Contributions and donations | - | - | 4,991 | 60,890 | 136,387 | 68,206 | 73,745 | 41,928 | 187,371 | 62,685 |
| Refunds of prior years | 152,147 | 181,933 | 247,389 | 185,374 | 62,458 | 85,187 | 97,448 | 71,384 | 42,788 | 34,674 |
| Miscellaneous | 78,139 | 44,942 | - | - | - | - | - | - | - | - |
| Total revenue | <u>38,376,267</u> | <u>36,750,560</u> | <u>31,521,763</u> | <u>33,998,247</u> | <u>34,076,181</u> | <u>30,812,780</u> | <u>24,247,377</u> | <u>22,638,016</u> | <u>23,692,635</u> | <u>24,289,924</u> |
| Expenditures | | | | | | | | | | |
| Current | | | | | | | | | | |
| General government | 2,938,493 | 3,614,268 | 3,739,315 | 3,035,914 | 2,692,124 | 2,525,235 | 2,338,372 | 2,424,751 | 2,525,187 | 2,389,076 |
| Public safety | 20,552,513 | 19,062,453 | 18,624,097 | 18,341,650 | 17,741,879 | 17,637,681 | 16,974,695 | 15,868,682 | 15,253,208 | 14,903,972 |
| Public works - highway and street | 3,439,807 | 3,160,729 | 3,094,573 | 3,174,345 | 3,173,868 | 3,020,790 | 2,867,881 | 3,093,416 | 3,258,566 | 3,035,945 |
| Parks and recreation | 1,094,966 | 861,414 | 949,108 | 929,820 | 1,187,073 | 1,093,359 | 1,028,753 | 978,519 | 1,020,866 | 1,134,638 |
| Capital outlay | | | | | | | | | | |
| General government | 1,215,486 | 83,961 | 63,137 | 114,438 | - | 215,145 | 10,121 | 365,577 | 240,184 | 399,969 |
| Public safety | 312,884 | 376,888 | 229,719 | 254,332 | 224,753 | 264,707 | 280,549 | 105,110 | 150,105 | 839,433 |
| Highways and streets | 4,225,662 | 4,012,139 | 3,365,643 | 2,388,996 | 1,610,871 | 2,174,529 | 761,630 | 635,971 | 4,793,746 | 6,888,844 |
| Parks and recreation | 612,248 | 275,510 | 199,296 | 213,490 | 248,275 | 388,527 | 609,331 | 1,099,615 | 146,635 | 1,277,434 |
| Debt service principal | - | - | - | - | - | - | - | - | - | - |
| Debt service interest | - | - | - | - | - | - | - | - | - | - |
| Total expenditures | <u>34,392,059</u> | <u>31,447,362</u> | <u>30,264,888</u> | <u>28,452,985</u> | <u>26,878,843</u> | <u>27,319,973</u> | <u>24,871,332</u> | <u>24,571,641</u> | <u>27,388,497</u> | <u>30,869,311</u> |
| Excess of revenues over/(under) expenditures | <u>3,984,208</u> | <u>5,303,198</u> | <u>1,256,875</u> | <u>5,545,262</u> | <u>7,197,338</u> | <u>3,492,807</u> | <u>(623,955)</u> | <u>(1,933,625)</u> | <u>(3,695,862)</u> | <u>(6,579,387)</u> |

(Continued)

TOWNSHIP OF FALLS
Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Other financing sources(uses) | | | | | | | | | | |
| Transfer in | - | 200,000 | 550,000 | 550,000 | 462,000 | 620,000 | 856,900 | 684,000 | 558,000 | 5,352,064 |
| Transfer out | - | (250,000) | (600,000) | (600,000) | (462,000) | (620,000) | (856,900) | (741,000) | (588,000) | (5,427,064) |
| Sale of capital assets | 25,326 | 7,594 | 345 | 6,227 | 16,954 | - | 3,586 | 7,449 | 4,320 | 39,426 |
| Total other financing sources(uses) | 25,326 | (42,406) | (49,655) | (43,773) | 16,954 | - | 3,586 | (49,551) | (25,680) | (35,574) |
| Net change in fund balance | <u>\$ 4,009,534</u> | <u>\$ 5,260,792</u> | <u>\$ 1,207,220</u> | <u>\$ 5,501,489</u> | <u>\$ 7,214,292</u> | <u>\$ 3,492,807</u> | <u>\$ (620,369)</u> | <u>\$ (1,983,176)</u> | <u>\$ (3,721,542)</u> | <u>\$ (6,614,961)</u> |
| Debt service as a percentage of non-capital expenditures | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Source: Falls Township records

TOWNSHIP OF FALLS
 General Governmental Tax Revenues by Source
 Last Ten Fiscal Years

| Year ending December 31, | Property | Local Services | Real Estate Transfer | Mechanical Device | Total |
|-----------------------------|--------------|-------------------|-------------------------|----------------------|--------------|
| 2013 | \$ 2,268,738 | \$ 371,787 | \$ 858,764 | \$ 34,023 | \$ 3,533,312 |
| 2014 | 2,284,798 | 410,435 | 664,784 | 34,285 | 3,394,302 |
| 2015 | 2,261,982 | 400,136 | 727,455 | 32,015 | 3,421,588 |
| 2016 | 2,265,864 | 420,501 | 831,173 | 31,414 | 3,548,952 |
| 2017 | 2,272,548 | 396,014 | 843,218 | 34,201 | 3,545,981 |
| 2018 | 2,311,956 | 643,235 | 836,009 | 35,138 | 3,826,338 |
| 2019 | 2,357,216 | 658,301 | 1,105,489 | 39,161 | 4,160,167 |
| 2020 | 2,384,443 | 637,348 | 974,598 | 39,044 | 4,035,433 |
| 2021 | 2,385,174 | 659,821 | 2,840,053 | 42,680 | 5,927,728 |
| 2022 | 2,343,485 | 691,553 | 1,939,655 | 43,000 | 5,017,693 |

Sources: Township documents

TOWNSHIP OF FALLS
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

| Year | Real Property Assessed Value ^(a) | Less: Tax Exempt Property | Total Taxable Assessed Value | Estimated Actual Values of Real Property | Ratio of Total Assessed Value to Total Estimated Actual Value ^(b) | Falls Twp Municipal Millage Rate |
|------|---|---------------------------------|---------------------------------|--|--|---|
| 2013 | \$ 378,687,490 | \$ 60,508,530 | \$ 318,178,960 | \$ 4,165,978,988 | 9.09% | 7.22 |
| 2014 | 378,528,240 | 60,583,740 | 317,944,500 | 4,087,777,970 | 9.26% | 7.22 |
| 2015 | 374,049,820 | 55,541,880 | 318,507,940 | 4,226,551,638 | 8.85% | 7.22 |
| 2016 | 374,211,350 | 55,731,820 | 318,479,530 | 4,153,289,123 | 9.01% | 7.22 |
| 2017 | 376,243,400 | 55,731,820 | 320,511,580 | 4,102,981,461 | 9.17% | 7.22 |
| 2018 | 376,669,280 | 55,773,300 | 320,895,980 | 3,915,481,081 | 9.62% | 7.22 |
| 2019 | 376,818,470 | 45,097,760 | 331,720,710 | 3,541,526,974 | 10.64% | 7.22 |
| 2020 | 378,331,750 | 45,215,500 | 333,116,250 | 3,365,940,836 | 11.24% | 7.22 |
| 2021 | 378,472,620 | 51,187,110 | 327,285,510 | 3,140,851,618 | 12.05% | 7.22 |
| 2022 | 382,663,390 | 50,947,010 | 331,716,380 | 2,793,163,431 | 13.70% | 7.22 |

Source: Falls Township Tax Department (Bucks County, PA Real Estate Assessment Roll)

^(a) Assessed value of real property includes all property within the Township. County assessment records do not provide categorization by use or ownership.

^(b) Information provided by Pennsylvania State Tax Equalization Board (STEB) for Bucks County, PA.

TOWNSHIP OF FALLS
Property Tax Rates
Direct & Overlapping Governments
Per \$1,000 of Assessed Value
Last Ten Fiscal Years

| <u>Year</u> | <u>Falls Township</u> | | | <u>Overlapping Rates</u> | | <u>All Government Totals</u> |
|-------------|------------------------------|-------------------------------------|---------------------------------------|---|---|--------------------------------------|
| | <u>Operating Millage</u> | <u>Debt Service Millage</u> | <u>Total Township Millage</u> | <u>Bucks County Total Millage (a)</u> | <u>Pennsbury SD Total Millage (a)</u> | |
| 2013 | 7.22 | 0.00 | 7.22 | 23.20 | 150.300 | 180.720 |
| 2014 | 7.22 | 0.00 | 7.22 | 23.20 | 153.450 | 183.870 |
| 2015 | 7.22 | 0.00 | 7.22 | 23.20 | 157.890 | 188.310 |
| 2016 | 7.22 | 0.00 | 7.22 | 23.20 | 161.360 | 191.780 |
| 2017 | 7.22 | 0.00 | 7.22 | 23.20 | 165.060 | 195.480 |
| 2018 | 7.22 | 0.00 | 7.22 | 24.45 | 167.540 | 199.210 |
| 2019 | 7.22 | 0.00 | 7.22 | 24.45 | 170.076 | 201.746 |
| 2020 | 7.22 | 0.00 | 7.22 | 25.45 | 170.076 | 202.746 |
| 2021 | 7.22 | 0.00 | 7.22 | 25.45 | 174.073 | 206.743 |
| 2022 | 7.22 | 0.00 | 7.22 | 25.45 | 178.947 | 211.617 |

(a) Information supplied by Falls Township Tax Collector

TOWNSHIP OF FALLS
Principal Property Taxpayers
Current Year and Nine Years Ago

| Taxpayer | Type of Business | 2022 | | | 2013 | | |
|--|------------------|--------------------------------|------|--|----------------------------|------|--|
| | | Taxable Assessed valuation (a) | Rank | Percentage of total taxable assessed valuation | Taxable Assessed valuation | Rank | Percentage of total taxable assessed valuation |
| Oxford Valley Road Associates | Retail Stores | \$ 5,623,860 | 1 | 1.70% | \$ 6,314,040 | 1 | 1.98% |
| Healey, Robert T. & William J. | Apartment | 4,935,880 | 2 | 1.49% | 4,974,720 | 2 | 1.56% |
| Pennwood Management LLC | Mobile Home Park | 4,579,320 | 3 | 1.38% | 4,579,320 | 3 | 1.44% |
| National Prop. Investments/Village Pennbrook 2 LLC | Apartment | 4,320,000 | 4 | 1.30% | 4,320,000 | 4 | 1.36% |
| WMI Properties | Industrial | 3,944,480 | 5 | 1.19% | 4,001,400 | 5 | 1.26% |
| K-Mart Corporation / Fairsan Co LLC | Industrial | 2,700,000 | 6 | 0.81% | 3,108,000 | 6 | 0.98% |
| Wheelabrator Falls Inc. | Industrial | 2,616,770 | 7 | 0.79% | 2,616,770 | 8 | 0.82% |
| General Motors LLC | Industrial | 2,070,490 | 8 | 0.62% | 2,070,490 | 9 | 0.65% |
| NP Falls Twp Industrial LLC/Northpoint | Industrial | 1,935,210 | 9 | 0.58% | | | |
| Pennlake Realty Associates | Apartment | 1,773,600 | 10 | 0.53% | 1,773,600 | 10 | 0.56% |
| Bucks County Economic Development Corp. | Development | | | | 2,863,550 | 7 | 0.90% |
| Totals | | <u>\$ 34,499,610</u> | | <u>10.40%</u> | <u>\$ 16,433,810</u> | | <u>5.17%</u> |

(a) Total Assessed Valuation equal to \$ 331,716,380

Source: Falls Township records

TOWNSHIP OF FALLS
Property Tax Levies & Collections
Last Ten Fiscal Years

| <u>Year</u> | <u>Total Tax Levy</u> | <u>Collected within the Fiscal Year of the Levy</u> | | <u>Collections in Subsequent Years</u> | <u>Total Collections to Date</u> | |
|-------------|---------------------------|---|------------------|--|----------------------------------|------------------|
| | | <u>Amount</u> | <u>% of Levy</u> | | <u>Amount</u> | <u>% of Levy</u> |
| 2013 | \$ 2,293,161 | \$ 2,202,566 | 96.05% | \$ 90,411 | \$ 2,292,977 | 99.992% |
| 2014 | 2,297,252 | 2,208,350 | 96.13% | 88,718 | 2,297,068 | 99.992% |
| 2015 | 2,295,559 | 2,211,958 | 96.36% | 83,385 | 2,295,343 | 99.991% |
| 2016 | 2,298,187 | 2,197,967 | 95.64% | 99,689 | 2,297,656 | 99.977% |
| 2017 | 2,303,287 | 2,214,456 | 96.14% | 88,220 | 2,302,676 | 99.973% |
| 2018 | 2,313,387 | 2,234,824 | 96.60% | 77,891 | 2,312,715 | 99.971% |
| 2019 | 2,395,023 | 2,305,707 | 96.27% | 88,501 | 2,394,208 | 99.966% |
| 2020 | 2,409,378 | 2,361,333 | 98.01% | 46,559 | 2,407,892 | 99.938% |
| 2021 | 2,405,099 | 2,364,126 | 98.30% | 28,172 | 2,392,298 | 99.468% |
| 2022 | 2,363,001 | 2,324,389 | 98.37% | - | 2,324,389 | 98.366% |

Source: Falls Township Tax Collector

TOWNSHIP OF FALLS
Ratios of Outstanding Debt by Type
Last Ten Years

| Fiscal year | Governmental activities | | Business-Type activities | | Total Primary government | Percentage of personal income | Per Capita | Per W/S customer |
|-------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------------|------------|------------------|
| | General obligation bonds | General obligation notes | General obligation bonds | General obligation notes | | | | |
| 2013 | \$ - | \$ - | \$ - | \$ - | \$ - | 0.00% | \$ - | \$ - |
| 2014 | - | - | - | - | - | 0.00% | - | - |
| 2015 | - | - | - | - | - | 0.00% | - | - |
| 2016 | - | - | - | - | - | 0.00% | - | - |
| 2017 | - | - | - | - | - | 0.00% | - | - |
| 2018 | - | - | - | - | - | 0.00% | - | - |
| 2019 | - | - | - | - | - | 0.00% | - | - |
| 2020 | - | - | - | - | - | 0.00% | - | - |
| 2021 | - | - | - | - | - | 0.00% | - | - |
| 2022 | - | - | - | - | - | 0.00% | - | - |

Source: Falls Township records

Note: The Township-held Water & Sewer Revenue Bonds, Series 2004, were paid in full on December 15, 2009.
As of December 31, 2009, Falls Township has no outstanding bonded debt.

TOWNSHIP OF FALLS
Ratio of General Bonded Debt Outstanding
Last Ten Years

| <u>Year</u> | <u>Population(a)</u> | <u>Assessed Value</u> | <u>Gross Bonded Debt</u> | <u>Debt Payable From Enterprise Revenues</u> | <u>Net Bonded Debt</u> | <u>Ratio Net Bonded Debt to Assessed Value</u> | <u>Net Bonded Debt per Capita</u> |
|-------------|----------------------|-----------------------|--------------------------|--|------------------------|--|-----------------------------------|
| 2013 | 34,300 | 318,178,960 | - | - | - | 0.000 | - |
| 2014 | 34,367 | 317,944,500 | - | - | - | 0.000 | - |
| 2015 | 33,901 | 318,507,940 | - | - | - | 0.000 | - |
| 2016 | 33,714 | 318,479,530 | - | - | - | 0.000 | - |
| 2017 | 33,909 | 320,511,580 | - | - | - | 0.000 | - |
| 2018 | 33,769 | 320,895,980 | - | - | - | 0.000 | - |
| 2019 | 33,520 | 331,720,710 | - | - | - | 0.000 | - |
| 2020 | 34,716 | 333,116,250 | - | - | - | 0.000 | - |
| 2021 | 34,633 | 327,285,510 | - | - | - | 0.000 | - |
| 2022 | 34,644 | 331,716,380 | - | - | - | 0.000 | - |

(a) Population Estimates Branch of the U.S. Census

Source: Falls Township records

Note: The Township-held Water & Sewer Revenue Bonds, Series 2004, were paid in full on December 15, 2009.

As of December 31, 2009, Falls Township has no outstanding bonded debt.

TOWNSHIP OF FALLS
Direct & Overlapping Governmental Activities Debt
December 31, 2022

| <u>Jurisdiction</u> | <u>Gross Debt Outstanding</u> | <u>Percentage Applicable to Township of Falls</u> | <u>Amount Applicable to Township of Falls</u> |
|-------------------------------|-----------------------------------|---|---|
| Township of Falls (a) | \$ - | 100.00% | \$ - |
| Pennsbury School District (b) | 147,000,000 | 35.30% | 51,891,000 |
| Bucks County (c) | <u>165,412,700</u> | 3.92% | <u>6,484,178</u> |
| Total - Overlapping Debt | \$ 312,412,700 | | \$ 58,375,178 |

Sources:

(a) Falls Township financial records

(b) Pennsbury School District Business Office

(c) Bucks County Finance Office

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping unit's taxable assessed value that is within the Township's boundaries and dividing it by the unit's total taxable assessed value.

Note: The Township-held Water & Sewer Revenue Bonds, Series 2004, were paid in full on December 15, 2009. As of December 31, 2009, Falls Township has no outstanding bonded debt.

TOWNSHIP OF FALLS
Legal Debt Margin Information
Last Ten Years

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Debt Limit | \$ 53,255,417 | \$ 54,681,043 | \$ 55,125,538 | \$ 54,843,196 | \$ 60,533,222 | \$ 69,543,568 | \$ 77,510,227 | \$ 77,955,169 | \$ 80,166,664 | \$ 80,802,479 |
| Total Net Debt applicable to limit | - | - | - | - | - | - | - | - | - | - |
| Legal Debt Margin | \$ 53,255,417 | \$ 54,681,043 | \$ 55,125,538 | \$ 54,843,196 | \$ 60,533,222 | \$ 69,543,568 | \$ 77,510,227 | \$ 77,955,169 | \$ 80,166,664 | \$ 80,802,479 |
| Total net debt applicable to the limit as a percentage of debt limit | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

Legal Debt Margin Calculation for Year 2022

| | |
|------------------------------|----------------------|
| Borrowing Base Revenues: (a) | |
| 2020 | \$ 29,461,280 |
| 2021 | 34,657,576 |
| 2022 | 32,844,119 |
| | <u>\$ 96,962,975</u> |

| | |
|----------------------------------|---------------|
| Average Borrowing Base Revenues: | \$ 32,320,992 |
| Debt Limit Percentage | X 250.00% |

| | |
|---|---------------|
| Debt Limit | \$ 80,802,479 |
| Less: Total Amount Of Debt Applicable to Debt Limit (b) | <u>-</u> |

| | |
|-------------------|---------------|
| Legal Debt Margin | \$ 80,802,479 |
|-------------------|---------------|

(a) Borrowing Base revenues represent total revenues less governmental grants received for a specific purpose and enterprise fund revenues which are pledged for specific self-liquidating debt, interest on monies in sinking funds, grants and gifts for specified projects, proceeds from the disposition of capital assets and other non-recurring items not considered income under generally accepted accounting principles.

(b) Bonds and Notes Payable, less Sinking Fund credits and self liquidating debt.

Source: Falls Township records

TOWNSHIP OF FALLS
Revenue Bond Coverage
Water/Sewer Funds
Last Ten Years

| Year | Gross Revenues (a) | Operating Expenses (b) | Net Revenues Available (Unavailable) for Debt Service | Debt Requirements | Coverage |
|------|-----------------------|---------------------------|--|----------------------|----------|
| 2013 | \$ - | \$ - | \$ - | \$ - | 0.00 |
| 2014 | - | - | - | - | 0.00 |
| 2015 | - | - | - | - | 0.00 |
| 2016 | - | - | - | - | 0.00 |
| 2017 | - | - | - | - | 0.00 |
| 2018 | - | - | - | - | 0.00 |
| 2019 | - | - | - | - | 0.00 |
| 2020 | - | - | - | - | 0.00 |
| 2021 | - | - | - | - | 0.00 |
| 2022 | - | - | - | - | 0.00 |

(a) Total revenues including interest income.

(b) Total expenses excluding depreciation & debt payments.

Source: Falls Township Records

Note: The Township-held Water & Sewer Revenue Bonds, Series 2004, were paid in full on December 15, 2009.

As of December 31, 2009, Falls Township has no outstanding bonded debt.

TOWNSHIP OF FALLS
Demographic and Economic Statistics
Last Ten Years

| Year | Population (a) | Per Capita Income | School District Enrollment (b) | Number of Dropouts (b) | Dropouts as % of Enrollment | Unemployment Rate (c) |
|------|----------------|-------------------|--------------------------------|------------------------|-----------------------------|-----------------------|
| 2013 | 34,300 | N/A | 10,673 | 30 | 0.28% | 5.4% |
| 2014 | 34,367 | N/A | 10,457 | 29 | 0.28% | 4.3% |
| 2015 | 33,901 | N/A | 10,477 | 28 | 0.27% | 4.2% |
| 2016 | 33,714 | N/A | 10,340 | 29 | 0.28% | 3.9% |
| 2017 | 33,909 | N/A | 10,530 | 18 | 0.17% | 3.8% |
| 2018 | 33,769 | N/A | 10,342 | 12 | 0.12% | 3.1% |
| 2019 | 33,520 | N/A | 9,990 | 18 | 0.18% | 4.2% |
| 2020 | 34,716 | N/A | 9,907 | 9 | 0.09% | 5.4% |
| 2021 | 34,633 | N/A | 9,106 | 6 | 0.07% | 3.3% |
| 2022 | 34,644 | N/A | 9,791 | 18 | 0.18% | 4.5% |

Data Sources:

(a) Population Estimates Branch of the U.S. Census

(b) Pennsbury School District, as of 6/30/2022

(c) Homefacts.com, Township of Falls, Bucks County, PA

N/A Data not available

TOWNSHIP OF FALLS
Principal Employers
Current Year and Nine Years Ago

| Employer | Description | 2022 | | | 2013 | | |
|-----------------------------------|------------------------|-----------|------|---|-----------|------|---|
| | | Employees | Rank | Percentage of Total Township Employment | Employees | Rank | Percentage of Total Township Employment |
| Aria Health - Bucks County Campus | Hospital | 1,079 | 1 | 3.50% | 961 | 2 | 3.59% |
| Pennsbury School District | Public Education | 994 | 2 | 3.23% | 977 | 1 | 3.65% |
| Peruzzi | Auto Sales | 273 | 3 | 0.89% | 204 | 5 | 0.76% |
| JB Hunt Transport Inc. | Trucking | 252 | 4 | 0.82% | | | |
| Giant Food Stores LLC | Grocery Store | 246 | 5 | 0.80% | 146 | 10 | 0.54% |
| U-Haul Company of PA | Manufacturing | 226 | 6 | 0.73% | | | |
| Tavo Packaging | Package Printing | 212 | 7 | 0.69% | | | |
| Gelest | Chemicals | 200 | 8 | 0.65% | | | |
| Univar | Chemicals | 198 | 9 | 0.64% | 156 | 7 | 0.58% |
| Linde Gas & Equipment Inc. | Specialty Gases | 194 | 10 | 0.63% | | | |
| Home Depot | Retail Store | | | | 196 | 6 | 0.73% |
| Kmart Distribution Center | Warehouse Distribution | | | | 384 | 4 | 1.43% |
| Eckerd/Rite Aid | Warehouse/Retail Store | | | | 495 | 3 | 1.85% |
| Waste Management | Waste Collector | | | | 154 | 8 | 0.57% |
| Best Buy | Retail Store | | | | 149 | 9 | 0.56% |
| Total | | 3,874 | | 12.58% | 3,822 | | 14.26% |

Source: Respective Companies and Township Records

FALLS TOWNSHIP
 FULL TIME EQUIVALENT TOWNSHIP EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------|------|------|------|------|------|------|------|------|------|------|
| General Government | 16 | 16 | 16 | 16 | 18 | 18 | 18 | 15 | 14 | 14 |
| Public Safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Officers | 51 | 51 | 51 | 52 | 51 | 52 | 50 | 51 | 52 | 52 |
| Civilians | 7 | 7 | 7 | 7 | 7 | 6 | 6 | 7 | 7 | 6 |
| Fire | | | | | | | | | | |
| Civilians | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 |
| Highway and Streets | | | | | | | | | | |
| Maintenance | 16 | 16 | 16 | 17 | 17 | 16 | 17 | 15 | 16 | 16 |
| Sanitation | | | | | | | | | | |
| Culture and Recreation | 3 | 4 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Water | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sewer | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Totals | 97 | 98 | 97 | 98 | 99 | 98 | 97 | 95 | 96 | 95 |

Sources: Township documents

FALLS TOWNSHIP
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Police | | | | | | | | | | |
| Arrests | 873 | 912 | 763 | 1,003 | 835 | 944 | 777 | 788 | 996 | 751 |
| Parking Violations | 192 | 106 | 70 | 219 | 178 | 246 | 209 | 159 | 231 | 246 |
| Traffic Violations | 1,413 | 1,958 | 1,967 | 3,423 | 3,445 | 2,806 | 1,409 | 1,519 | 2,058 | 1,285 |
| Animal Control Investigations | 272 | 255 | 224 | 320 | 348 | 469 | 408 | 351 | 32 | 347 |
| Fire | | | | | | | | | | |
| Number of calls answered | 1,416 | 1,475 | 1,521 | 1,470 | 1,578 | 1,569 | 1,554 | 1,517 | 1,663 | 1,744 |
| License and Inspection | | | | | | | | | | |
| Business Licenses | 1,363 | 1,764 | 1,404 | 1,902 | 1,799 | 2,122 | 1,980 | 2,105 | 1,709 | 2,527 |
| Building Permits | 645 | 571 | 777 | 553 | 522 | 453 | 524 | 366 | 523 | 359 |
| Electrical Permits | 445 | 495 | 459 | 596 | 533 | 603 | 674 | 553 | 508 | 540 |
| Highways and Streets | | | | | | | | | | |
| Road Reconstruction (lineal feet) | 11,596 | - | - | - | 1,300 | 3,568 | 2,955 | 6,145 | 7,000 | 8,000 |
| Culture and Recreation | | | | | | | | | | |
| Community Park Pavillion Rentals | 87 | 84 | 93 | 90 | 84 | 116 | 119 | 76 | 179 | 156 |

Sources: Various government departments

FALLS TOWNSHIP
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Function | | | | | | | | | | |
| Public Safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicle Units | 60 | 59 | 57 | 57 | 56 | 54 | 45 | 41 | 41 | 44 |
| Fire Stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Highways and Streets | | | | | | | | | | |
| Streets (miles) | 86.75 | 86.75 | 86.75 | 86.75 | 86.75 | 86.75 | 86.75 | 86.75 | 86.75 | 86.75 |
| Streetlights - R | 2465 | 2465 | 2465 | 2465 | 2465 | 2465 | 2465 | 2465 | 2465 | 2465 |
| Streetlights - H | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 |
| Traffic Signals | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 |
| Culture and Recreation | | | | | | | | | | |
| Parks Acreage | 413.33 | 413.33 | 413.33 | 413.33 | 413.33 | 413.33 | 413.33 | 413.33 | 413.33 | 413.33 |
| Parks | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Swimming Pools | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water | | | | | | | | | | |
| Water Mains | 3290 | 3290 | 3290 | 3290 | 3290 | 3290 | 3290 | 3290 | 3290 | 3290 |
| Sewer | | | | | | | | | | |
| Sanitary Sewers | - | - | - | - | - | - | - | - | - | - |

Sources: Various government departments

Note: Indicators not available for General Government Function

TOWNSHIP OF FALLS
Schedule of Insurance
As of December 31, 2022

| Name of Company | Policy Number | Policy Period | | Type of Coverage | Liability Limits | Deductible | Annual Premium |
|---|----------------------|---------------|------------|--------------------------------------|---------------------|------------|-------------------|
| | | From | To | | | | |
| Delaware Valley Workers' Compensation Trust (DVWCT) | WC38928-2042 | 1/1/2022 | 1/1/2023 | Workers Compensation | Statutory | N/A | \$ 347,882 |
| State Workers' Insurance Fund (SWIF) | 05921852 | 1/1/2022 | 1/1/2023 | Volunteer Fire Companies | \$ 1,000,000 | N/A | 53,597 |
| Traveler's | 107301330 | 6/19/2022 | 6/19/2023 | Public Official Bond for Manager | \$ 2,000,000 | N/A | \$ 3,969 |
| Selective Insurance | B1260337 | 5/1/2022 | 5/1/2023 | Public Official Bond for Finance Dir | 2,000,000 | N/A | 1,250 |
| Selective Insurance | B1263372 | 6/10/2022 | 6/10/2023 | Public Official Bond for Sec/Treas | 2,000,000 | N/A | 1,250 |
| National Union Fire Ins Co | SRG9142988/2979/2980 | 1/11/2022 | 1/11/2023 | Volunteer Accident for Vol Fire Cos. | \$ 250,000 | N/A | \$ 1,898 |
| | SRG9147838 | 10/24/2022 | 10/24/2023 | Blanket Accident for Volunteers | 250,000 | N/A | 594 |
| | SRG9141599 | 2/12/2022 | 2/12/2023 | Volunteer Accident for LFH Rescue | 250,000 | N/A | 1,368 |
| Argonaut | PE-4640687-00 | 6/18/2022 | 6/18/2023 | Property | \$ 25,536,552 | \$ 5,000 | \$ 31,278 |
| | | | | General Liability | \$1M occ / \$2M agg | N/A | 37,242 |
| | | | | Employee Benefits | \$1M occ / \$3M agg | 1,000 | included |
| | | | | Employment Practices Liability | 1,000,000 | 10,000 | 57,966 |
| | | | | Crime | 250,000 | 1,000 | 891 |
| | | | | Automobile | 1,000,000 | 1,000 | 143,435 |
| | | | | Umbrella | 10,000,000 | N/A | 49,871 |
| | | | | Public Officials Liability | 1,000,000 | 10,000 | 10,773 |
| | | | | Law Enforcement Liability | 1,000,000 | 10,000 | 41,376 |
| | | | | Inland Marine | 8,193,520 | 1,000 | 8,886 |
| | | | | Street Light/Misc Property | 6,615,400 | 500 | included |
| | | | | Earthquake/Flood | 1,000,000 | 50,000 | included |
| | | | | Animal Coverage | \$25,000 per dog | 1,000 | included |
| Travelers | 107662525 | 6/18/2022 | 6/18/2023 | Cyber Liability / Computers | \$ 3,000,000 | \$ 10,000 | \$ 26,495 |
| Crum & Forster | PLL-108219 | 6/18/2022 | 6/18/2023 | Pollution | \$ 1,000,000 | \$ 10,000 | \$ 4,370 |
| Lloyd's of London / WNC Ins Svc | VCFM00003744-05 | 6/18/2022 | 6/18/2023 | Flood - Millcreek Sports Complex | \$ 176,721 | \$ 2,000 | \$ 2,148 |
| | FLEX3709011042-01 | 2/11/2022 | 2/11/2023 | Excess Flood-282 Trenton Rd | 500,000 | N/A | 2,878 |
| Philadelphia Indemnity | 99058480162021 | 10/10/2022 | 10/10/2023 | National Flood-Concession-Millcreek | \$ 194,000 | \$ 1,250 | \$ 1,005 |
| | 99058480152021 | 10/10/2022 | 10/10/2023 | National Flood-Kiosk-Pennsbury | 77,000 | 1,000 | 633 |
| Total premium | | | | | | | \$ 831,055 |

Source: Falls Township records

TOWNSHIP OF FALLS
Miscellaneous Statistics
December 31, 2022

| | |
|-------------------------------|--|
| <u>Area:</u> | 26.516 sq. miles |
| <u>Date of Incorporation:</u> | July 27, 1692 |
| <u>Form of Government:</u> | Second Class Township |
| <u>Governing Body:</u> | Board of Supervisors |
| <u>Population:</u> | 1890 - 2,463 1900 - 1,886 1910 - 1,851 1920 - 1,788 1930 - 2,004 1940 - 2,364 1950 - 3,540 1960 - 29,082 1970 - 35,850 1980 - 36,083 1990 - 34,997 2000 - 34,865 2010 - 34,300 2020 - 34,716 |
| <u>Median Age:</u> | 1980 - 28.8 1990 - 33.6 2000 - 36.4 2010 - 39.1 2020 - 37.6 |
| <u>2020 Census Profile:</u> | <u>Race / Ethnicity</u> 85.8% - White alone 7.1% - Black or African American alone 0.0% - American Indian and Alaskan Native alone 3.9% - Asian alone 0.0% - Native Hawaiian and Other Pacific Islander alone 1.7% - Two or More Races 5.9% - Hispanic or Latino (of any race) 81.7% - White alone, not Hispanic or Latino |

Source: Falls Township records

TOWNSHIP OF FALLS
Miscellaneous Statistics
December 31, 2022

Current Statistics:

Housing

12,475 - Total Housing Units (2016-2020 ACS)
\$248,500 - Median Home Price (2016-2020 ACS)
\$1,177 - Median Rent (2016-2020 ACS)

Park & Recreation Facilities:

1 Public Swimming Pool
16 Parks: 8 with playgrounds; others with
baseball-softball fields, outdoor
basketball and tennis courts,
and one Challenger Field
1 Boat Ramp (access to Delaware River)
1 County Park - Lake, Pool, Golf Course
1 State Park

Parks & Recreation:

Acreage

323.82 acres Township Parks
138.00 acres Greenbelts / Open Space
231.09 acres County / Lake, Pool
43.00 acres State Park

Cultural & Historical Facilities:

Township - Three Arches
State - Pennsbury Manor

Street System:

86.75 Local Miles
45.60 State Miles

Highways:

U.S. Route #1
Route #13
East & West Lincoln Highway

Number of Street Lights:
(All Township Owned)

2,465 Residential
83 Highway

Sanitary Sewage:

308,904 L.F. Mains (a)
Maximum Average Daily Treatment 2.406 MGD

Water:

311,162 L.F. Mains (a)
Maximum Average Daily Treatment 2.85 MGD

(a) Source: Township of Falls Authority

TOWNSHIP OF FALLS
 Miscellaneous Statistics
 December 31, 2022

Education: Pennsbury School District
 10 Elementary Schools
 3 Middle Schools
 1 High School (East & West Campus)
 10,026 Students (2022-2023 School Year)

Libraries: Fallsington Library

| <u>Apartment Complexes:</u> | <u>Name</u> | <u># of Units</u> |
|-----------------------------|------------------------|-------------------|
| | Village of Pennbrook | 722 |
| | Commons of Fallsington | 479 |
| | Lakeview Terrace | 288 |
| | Wellington Woods | 253 |
| | Alexandria | 200 |
| | Newport Village | 183 |
| | Rock Springs | 168 |
| | Castle Club | 158 |
| | Dorilyn Terrace | 158 |
| | Aspen Falls | 112 |
| | Pennsbury Woods | 110 |
| | Nolan Park | 80 |
| | Woodcrest Village | 60 |
| | St. Joseph's Court | 48 |

Banks: Citizens Bank
 TD Bank
 Spirit Financial Credit Union
 William Penn Bank
 PNC Bank
 Wells Fargo Bank

Rail: No rail stations

Bus: No bus terminals

Airfield: No airfields

Source: Falls Township records

TOWNSHIP OF FALLS
Miscellaneous Statistics
December 31, 2022

Public Utilities:

Verizon (Phone)
PECO Energy (Electric / Gas)
Township of Falls Authority (Water)
Township of Falls Authority (Sewer)
Morrisville Borough Authority (Water)
Morrisville Borough Authority (Sewer)
Lower Bucks County Joint Municipal
Authority (Water and Sewer)
Bucks County Water and Sewer
Authority (Sewer)
PA American Company (Water)

Newspapers:

The Bucks County Courier Times
The Philadelphia Inquirer
The Times of Trenton (Trenton, NJ)
The Trentonian (Trenton, NJ)
The Lower Bucks Leader

Television:

KYW - Channel 3 - Philadelphia
WPHL - Channel 17 - Philadelphia
WHYY - Channel 12 - Philadelphia
WTFX - Channel 29 - Philadelphia
WPVI - Channel 6 - Philadelphia
WCAU - Channel 10 - Bala Cynwyd
Comcast Cable Company (Cable Provider)
Verizon FIOS Service (Fiber Optic Network)
Direct TV (Satellite)
Dish Network (Satellite)
Channel 22 - Government Access Channel - Comcast
Channel 40 - Government Access Channel - Verizon FIOS

Churches:

13

Hospitals:

1 Jefferson Health - Bucks County Campus

Senior Housing:

Avenrowe - 55 & over Community
Galilee Pavilion - Assisted Living
Galilee Village Estates - Independent Living
St. Joseph's Court - 55 & over Community

Source: Falls Township records

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