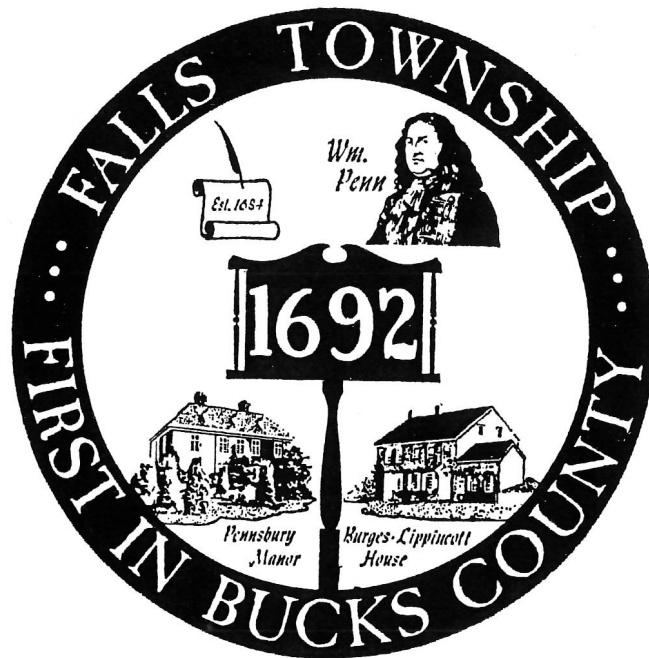


Township of Falls County of Bucks, Pennsylvania

“331 Years of Service to the Community”

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023



Prepared by Jean E. Reukauf
Finance Director

TOWNSHIP OF FALLS , PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

TABLE OF CONTENTS

	Page
Introductory section:	
Letter of transmittal	3
Organizational chart	10
List of principal officials	11
Township Map	12
Certificate of achievement	13
Financial section:	
Independent auditor's report	17
Management's discussion and analysis	20
Basic financial statements:	
Government-wide financial statements:	
Statement of net position	35
Statement of activities	37
Fund financial statements and reconciliations:	
Balance sheet - governmental funds	38
Reconciliation of total governmental fund balances to net position of governmental activities	39
Statement of revenues, expenditures, and changes in fund balances - governmental funds	40
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	41
Statement of revenues, expenditures, and changes in fund balances - budget and actual - general fund	42
Statement of net position - proprietary fund	43
Statement of revenues, expenses, and changes in fund net position - proprietary fund	44
Statement of cash flows - proprietary fund	45
Statement of fiduciary net position - fiduciary funds	46
Statement of changes in fiduciary net position - fiduciary funds	47
Notes to financial statements	48

TOWNSHIP OF FALLS , PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

TABLE OF CONTENTS (CONTINUED)

	Page
Required supplementary information:	
Historical pension information	
Schedule of changes in the net pension liability and related ratios - police pension	77
Schedule of employer contributions - police pension - last 10 years	78
Schedule of investment returns - police pension - last 10 years	79
Schedule of changes in the net pension liability and related ratios - non-uniformed pension	80
Schedule of employer contributions - last 10 years - non-uniformed pension	81
Schedule of changes in the total OPEB liability and related ratios - last 10 years	82
Other supplementary information:	
Combining schedules - nonmajor governmental funds	
Combining balance sheet - nonmajor governmental funds	85
Combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds	86
Schedule of revenues, expenditures, and changes in fund balances - budget and actual - special revenue funds	
Fire hydrant Fund	87
Highway aid fund	88
Street lighting fund	89
Fire protection fund	90
Library fund	91
Parks and recreation fund	92
Rescue squad fund	93
Schedule of revenues, expenditures, and changes in fund balances - budget and actual - capital projects fund	
Capital reserve fund	94
Capital assets used in the operation of governmental funds comparative schedule by source	
Capital assets used in the operation of governmental funds schedule by function and activity	95
Capital assets used in the operation of governmental funds schedule by function and activity	
Capital assets used in the operation of governmental funds schedule of changes by function and activity	96
Capital assets used in the operation of governmental funds schedule of changes by function and activity	97

TOWNSHIP OF FALLS , PENNSYLVANIA
 ANNUAL COMPREHENSIVE FINANCIAL REPORT (CONTINUED)
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

TABLE OF CONTENTS (CONTINUED)

	Page
Statistical section:	
Statistical section summary	101
Net position by components	102
Changes in net position	103
Fund balances of governmental funds	105
Changes in fund balances of governmental funds	106
General governmental tax revenue by source	108
Assessed and estimated actual value of taxable property	109
Direct and overlapping property taxes	110
Principal property taxpayers	111
Property levies and collections	112
Ratio of outstanding debt by type	113
Ratio of general bonded debt outstanding	114
Direct and overlapping governmental activities debt	115
Legal debt margin information	116
Demographic and economic statistics	117
Principal employers	118
Full time equivalent Township employees by function	119
Operating indicators by function	120
Capital asset statistics by function	121
Schedule of insurance	122
Miscellaneous statistics	123

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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 31, 2024

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, 2023, is hereby submitted.

This report presents the financial position of the Township of Falls as of December 31, 2023, 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 economic 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, three middle schools (grades 6-8) and ten elementary schools (grades K-5) serve the community with an approximate enrollment of 10,026. The district provides educational services to Falls Township and three neighboring municipalities. Education from Pre-K3 through the eighth grade is also provided by the Pen Ryn School, an independent day 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 include the Chief of Police and two 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 41 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 1 co-responder program. 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. This program improves 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. 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 and three full-time inspectors.

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 \$1,088,000 in support for 2023) although tax funding covers only a portion of their operating costs. Additional 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. In subsequent years, we have replaced the playgrounds at Pinewood Pool and Elderberry Park. In addition, the basketball courts at Elderberry Park and New Pond Park have been resurfaced and repainted.

The Parks and Recreation Department provides year-round programs and activities for our residents and non-residents as well; including National Night Out, Food Truck Festival, Community Yard Sale, Fishing Derby and our Touch a Truck event, just to name a few. Our Summer Concert Series includes thirteen free concerts on Sundays from June through September at the Falls Township Community Park Phase 1 pavilion. Summer of 2024 saw the introduction of our new Township Mascot, Archie the Fox, named after our Three Arches historical building.

In addition to the parks, the Parks and Recreation Department oversees operations at 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. On June 22, 2023, the Board of Supervisors issued \$20,055,000 in General Obligation Bonds, the first debt issuance since January 1, 1992. The proceeds of the Bonds are being used to fund a capital project involving the planning, designing, constructing, renovating, and equipping of the Township administration building. The Bonds were issued with a 10-year term. As of December 31, 2023, the Township is legally able to borrow over \$72 million dollars. Due to the township's strong financial position, Moody's Investors Service has issued a credit rating of Aa2.

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, 2023, the Township had approximately \$40,000,000 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.

As we plan for a future without landfill revenues, effective January 1, 2023, Falls Township enacted a 1% Earned Income Tax (EIT) to be collected by Keystone Collections Group for the Township. Falls Township is among the last of the 54 municipalities in Bucks County to enact an EIT. This tax is a first step in securing the financial future for Falls once the landfill closes in the next 10 to 12 years.

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 2023, 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 2023, 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 2023 marks the twenty-first 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.

October 2023 saw the ceremonial groundbreaking on an extensive municipal complex construction project. The existing Township building is being torn down to its shell and will be expanded to accommodate the current and future needs of the Township. The building will be reconstructed with brand-new mechanical systems, electrical, HVAC, and plumbing. This project will continue for the next year and Township staff have relocated to temporary office space at 430-450 Lincoln Highway, Fairless Hills. It is anticipated that staff will be back at their former location by the end of 2024.

Also, in 2023, the Township planned for the completion of a full-depth reconstruction of Pinewood Drive. 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. Drainage projects were planned for Amesbury Road, Briarroot Lane, and the Woolston Drive tunnel along with culvert replacements on South Olds Boulevard and Rice Drive.

Other Information

The independent auditor appointed by the Board of Supervisors for the year ended December 31, 2023 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, 2023.

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, 2022. 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

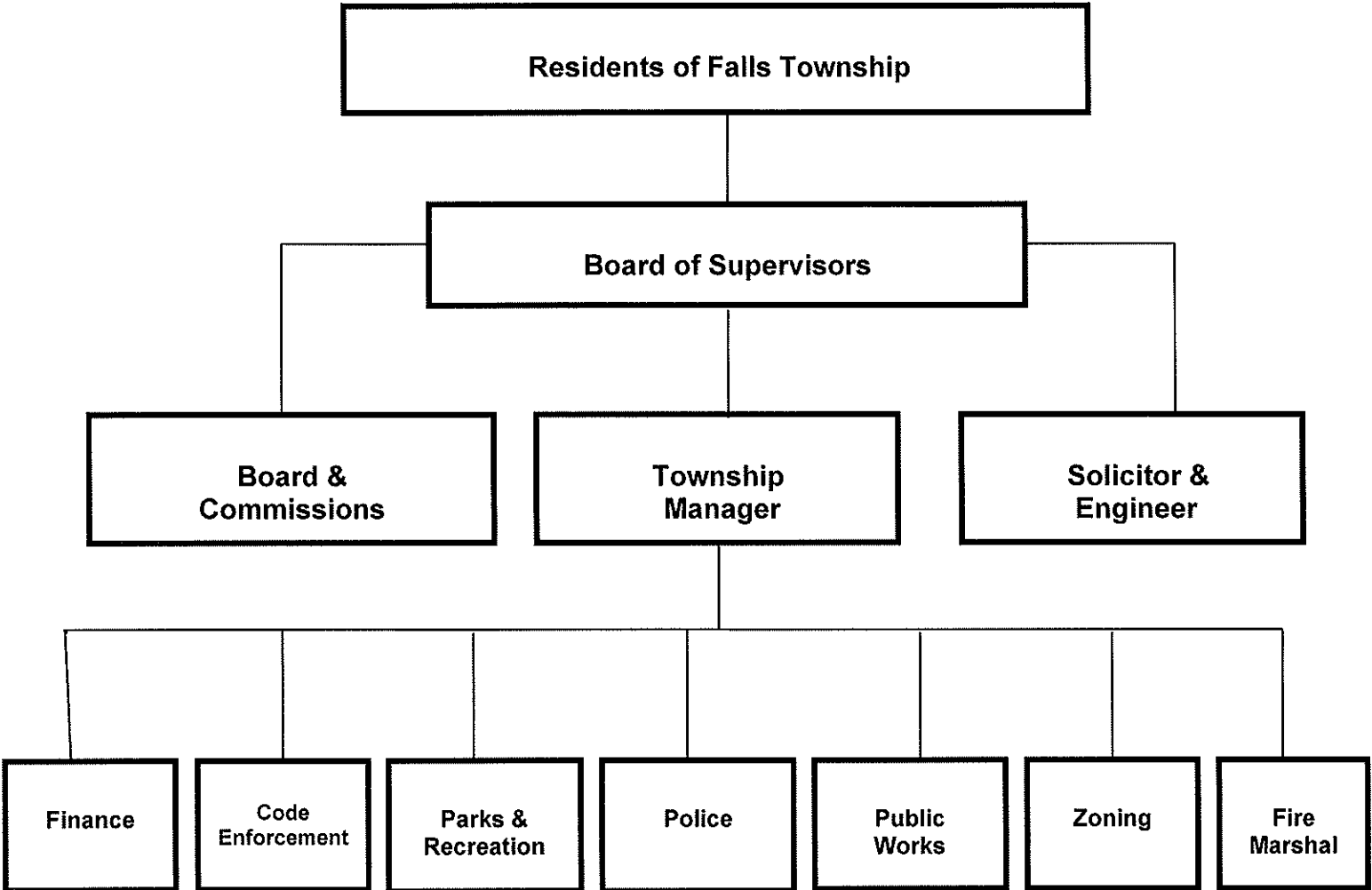
The preparation of the 2023 Annual Comprehensive Financial Report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Members of the Administration, Code Enforcement, Zoning, Fire Marshal, Parks and Recreation, Public Works, and 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
July 31, 2024

**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 | |

2023 BOARD OF SUPERVISORS

Jeffry 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

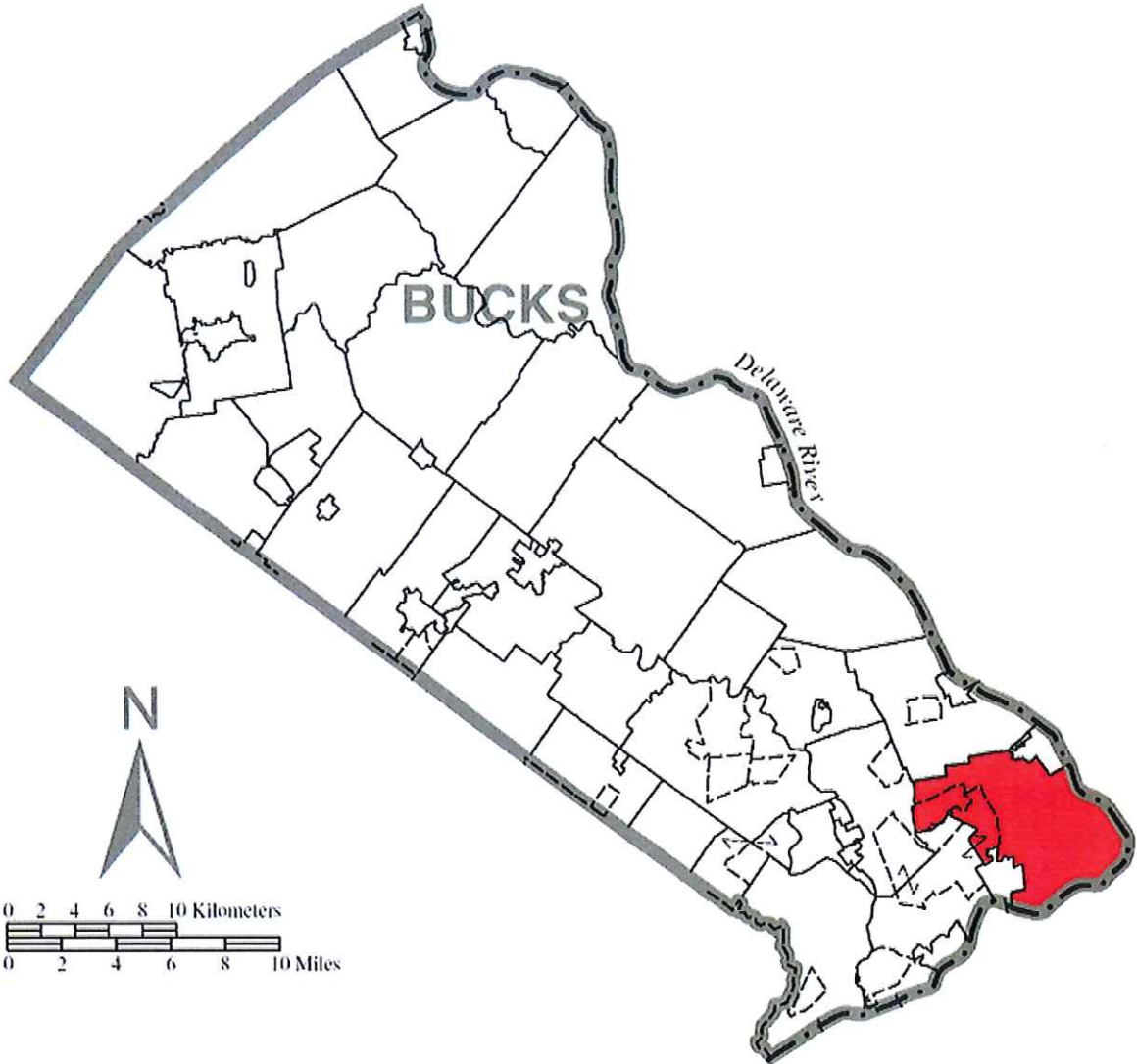
Jean E. Reukauf, Finance Director

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

Joseph Arnao, Acting 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, 2022

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, 2023, and the related notes to the financial statements, which collectively comprise the Township’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the 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

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.

Adoption of New GASB Statements

As described in Note 3-F to the financial statements, in 2023 the Township adopted the provisions of Governmental Accounting Standards Board's Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, Statement No. 96, *Subscription-Based Information Technology Arrangements*, and Statement No. 99, *Omnibus 2022*. Our opinion is not modified with respect to this matter.

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



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

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

inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township 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.

Jamison, Pennsylvania
July 31, 2024

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

**Falls Township
Bucks County, Pennsylvania**

**Management's Discussion and Analysis (MD&A)
Required Supplementary Information (RSI)
For the Fiscal Year Ended December 31, 2023**

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, 2023. 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 3-8 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 \$137,098,330 and \$127,426,192 at the close of the years ended December 31, 2023 and 2022, respectively. Of the 2023 amount, \$40,665,193 may be used to meet the government's ongoing obligations for general operations of the Township, whereas in 2022, \$34,132,966 was available for that purpose.

The Township's governmental net position increased by a total of \$9,672,138 during 2023. 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 enactment of a 1% Earned Income Tax effective 1/1/2023, the issuance of General Obligation Bonds in the amount of \$20,055,000 on 6/22/2023, and by the continued development of the former U.S. Steel site by NorthPoint Development.

As of the end of 2023, Falls Township's governmental funds reported combined ending fund balances of \$91,730,644. As a comparison, at the end of 2022, the balance was \$64,419,192, an increase of \$27,311,452. The bulk of the increase is due to the General Obligation Bond issuance in June 2023. These funds will be spent on the municipal complex construction project continuing throughout 2024.

Business-type activities' net position decreased by (\$31,058) from \$50,571 in 2022 to \$19,513 in 2023. The reason for this decrease was higher operating costs. Operating costs rose in 2023 primarily due to the increase in lifeguards' wages to attract and retain a sufficient number of qualified individuals for the safety of our pool's patrons.

At the end of 2023, the unassigned fund balance for the general fund was \$41,233,167 or 106% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

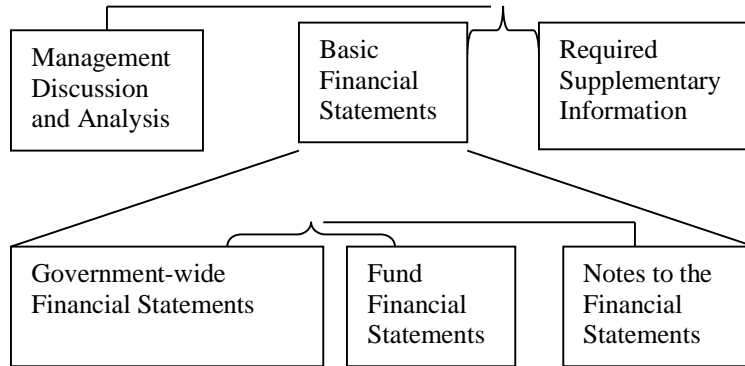
This discussion and analysis are intended to serve as an introduction to Falls Township's basic financial statements. Falls Township's basic financial statements are comprised of three components:

- 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.

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

Figure 1
Required Components of
Falls Township's Financial Report



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, 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 culture 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.

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 38-42 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.

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 by \$137,158,096 and \$127,476,763 at the close of the years ended December 31, 2023 and 2022, respectively.

The following table provides a summary of the Township's net position on December 31, 2023 compared to the prior year's figures:

FALLS TOWNSHIP NET POSITION

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 95,493,625	\$ 68,974,838	\$ (125)	\$ -	\$ 95,493,500	\$ 68,974,838
Noncurrent assets	61,007	-	-	-	61,007	-
Capital assets	96,892,250	90,055,934	162,700	162,700	97,054,950	90,218,634
Total Assets	<u>\$ 192,446,882</u>	<u>\$ 159,030,772</u>	<u>\$ 162,575</u>	<u>\$ 162,700</u>	<u>\$ 192,609,457</u>	<u>\$ 159,193,472</u>
Deferred Outflows of Resources	<u>\$ 8,064,822</u>	<u>\$ 10,774,849</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,064,822</u>	<u>\$ 10,774,849</u>
Long-term liabilities outstanding	\$ 55,620,606	\$ 36,405,345	\$ -	\$ -	\$ 55,620,606	\$ 36,405,345
Other liabilities	5,930,951	3,321,636	143,062	112,129	6,074,013	3,433,765
Total Liabilities	<u>\$ 61,551,557</u>	<u>\$ 39,726,981</u>	<u>\$ 143,062</u>	<u>\$ 112,129</u>	<u>\$ 61,694,619</u>	<u>\$ 39,839,110</u>
Deferred Inflows of Resources	<u>\$ 1,861,817</u>	<u>\$ 2,652,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,861,817</u>	<u>\$ 2,652,448</u>
Net Position:						
Net Investment in capital assets	\$ 93,967,686	\$ 90,055,934	\$ 162,700	\$ 162,700	\$ 94,130,386	\$ 90,218,634
Restricted	2,465,451	3,237,292	-	-	2,465,451	3,237,292
Unrestricted	40,665,193	34,132,966	(143,187)	(112,129)	40,522,006	34,020,837
Total Net Position	<u>\$ 137,098,330</u>	<u>\$ 127,426,192</u>	<u>\$ 19,513</u>	<u>\$ 50,571</u>	<u>\$ 137,117,843</u>	<u>\$ 127,476,763</u>

The largest portion of Falls Township's net position, 68.6%, 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, 1.8%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$40,522,006, 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 \$9,672,138 for the year ended December 31, 2023, adding to the increase of \$5,570,388 for the year ended December 31, 2022. The recovery of cash reserves in 2023 is due to the institution of the 1% EIT as well as continued revenue from tipping fees received from Waste Management landfill operations. 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. By recapturing the EIT already being paid by our residents to other municipalities, the Township has been able to expend cash reserves when needed to meet rising costs without further burdening our residents.

Business-type activities

Business-type activities decreased Falls Township's net position by (\$31,058) for the year ended December 31, 2023, offsetting the increase of \$15,637 for the year ended December 31, 2022. These activities represent ongoing operations at the Pinewood Pool for 2023. Falls Township saw a large increase in operating costs at the pool for 2023 due to the decision to increase wages paid to our team of lifeguards to keep pace with the wage offerings at neighboring pool facilities. We are hopeful this will enable the Township to attract and retain qualified personnel at the pool.

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, Earned Income Tax, 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.

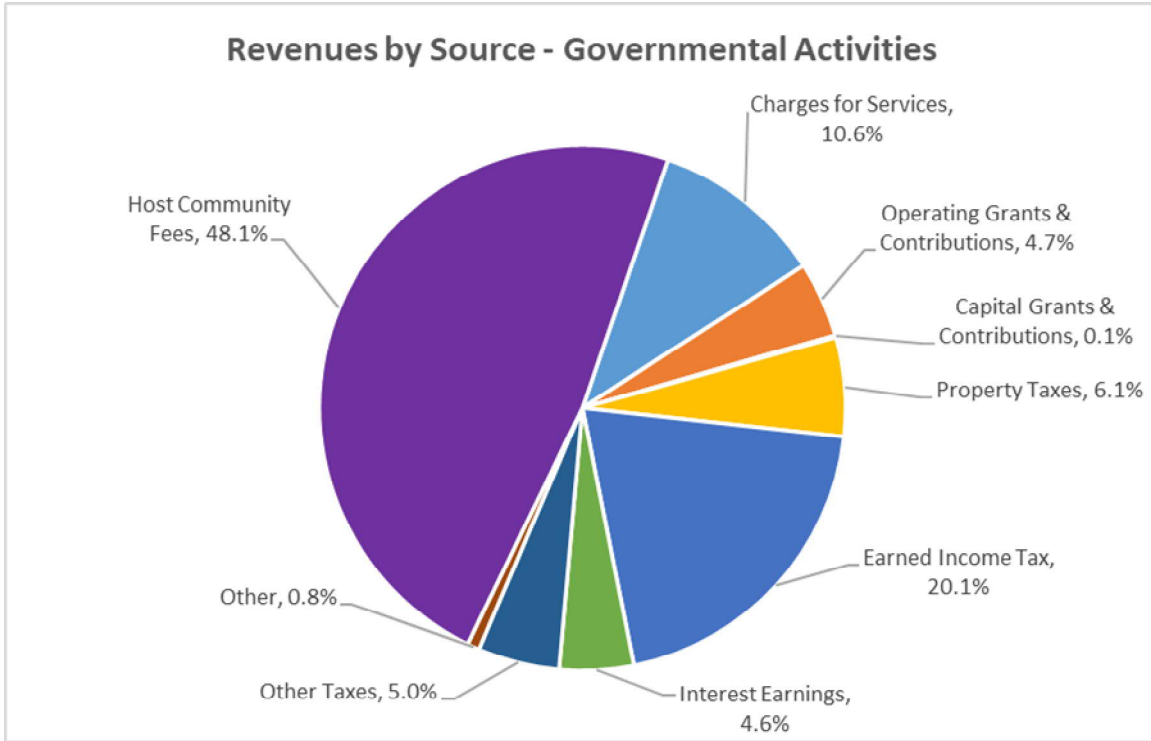
The following table takes the information from the Statement of Activities and rearranges it slightly, so you can see the Township's total revenues for the year ended December 31, 2023 compared to the prior year's figures.

**FALLS TOWNSHIP
CHANGES IN NET POSITION**

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
REVENUES						
Program Revenues:						
Charges for Services	\$ 5,039,273	\$ 5,330,821	\$ 270,427	\$ 271,117	\$ 5,309,700	\$ 5,601,938
Operating Grants and Contributions	2,213,070	5,532,148	-	-	2,213,070	5,532,148
Capital Grants and Contributions	55,029	-	-	-	-	-
General Revenues:						
Property taxes	2,891,579	2,339,099	-	-	2,891,579	2,339,099
Earned Income tax	9,538,514	-	-	-	9,538,514	-
Other taxes	2,385,166	2,726,751	-	-	2,385,166	2,726,751
Host Community Fees	22,824,774	22,866,158	-	-	22,824,774	22,866,158
Other	2,521,581	(397,770)	-	-	2,521,581	(397,770)
Total Revenues	<u>47,468,986</u>	<u>38,397,207</u>	<u>270,427</u>	<u>271,117</u>	<u>47,739,413</u>	<u>38,668,324</u>
EXPENSES						
General Government	5,404,711	3,003,088			5,404,711	3,003,088
Public Safety	21,928,215	22,057,721			21,928,215	22,057,721
Highway and Streets	8,959,555	6,298,835			8,959,555	6,298,835
Culture and Recreation	1,135,053	1,467,175			1,135,053	1,467,175
Interest on Long-Term Debt	369,314	-			369,314	-
Pinewood Pool	-	-	301,485	255,480	301,485	255,480
Total Expenses	<u>37,796,848</u>	<u>32,826,819</u>	<u>301,485</u>	<u>255,480</u>	<u>38,098,333</u>	<u>33,082,299</u>
Excess (deficiency) before transfers	9,672,138	5,570,388	(31,058)	15,637	9,641,080	5,586,025
Transfers	-	-	-	-	-	-
Change in Net Position	<u>9,672,138</u>	<u>5,570,388</u>	<u>(31,058)</u>	<u>15,637</u>	<u>9,641,080</u>	<u>5,586,025</u>
Net Position, Beginning	127,426,192	121,855,804	50,571	34,934	127,476,763	121,890,738
Net Position, Ending	<u>\$ 137,098,330</u>	<u>\$ 127,426,192</u>	<u>\$ 19,513</u>	<u>\$ 50,571</u>	<u>\$ 137,117,843</u>	<u>\$ 127,476,763</u>

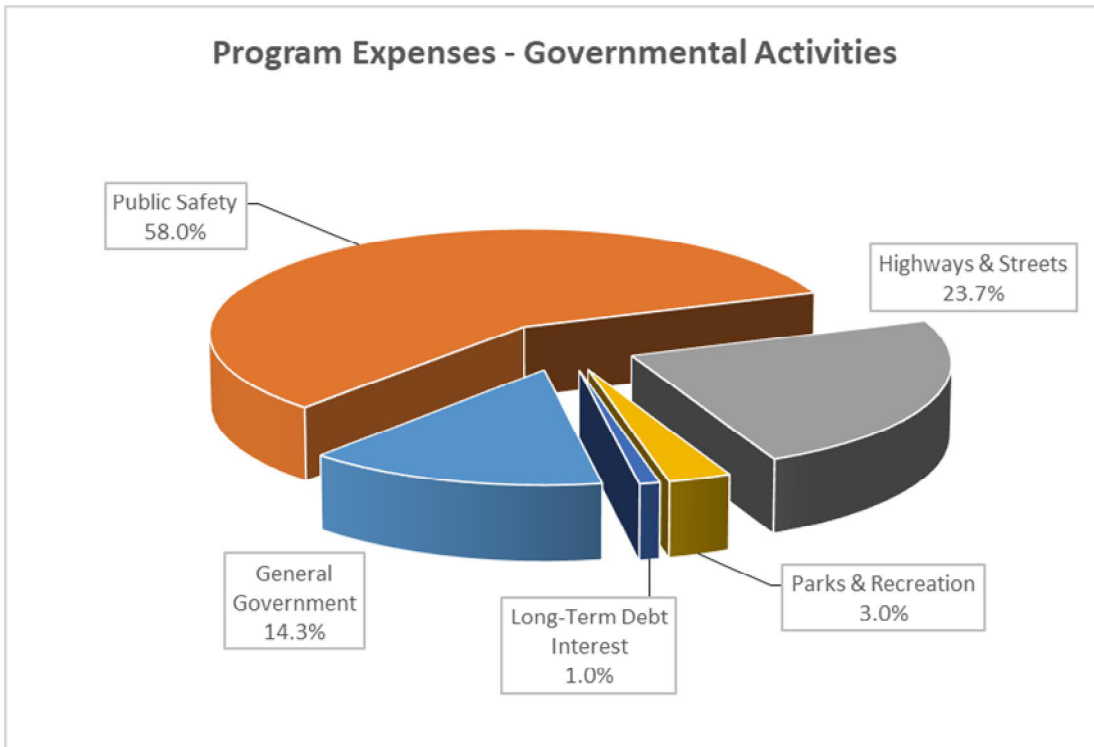
Governmental Activities

The following chart shows the Government-wide sources of revenues for the year ended December 31, 2023:



Of the total Government-wide revenues of \$47,468,986, \$22,824,774 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 \$5,039,273 which were generated for various items from business licenses to permits. Earned Income taxes contributed \$9,538,514, Property taxes netted the Township \$2,891,579, Other Taxes brought in \$2,385,166, Operating Grants and Contributions added \$2,213,070, Capital Grants and Contributions added \$55,029, Interest Earnings netted \$2,164,972, and Other (miscellaneous) revenues were \$356,609.

The following chart shows the Government-wide uses of program expenses for the year ended December 31, 2023:

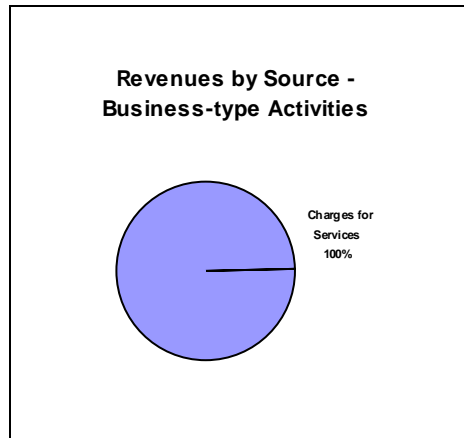
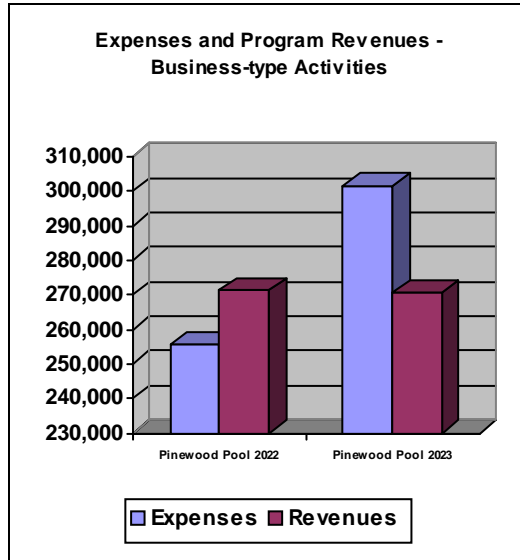


Most of the expenses that occurred in the year 2023 were related to Public Safety. Public Safety expenses were \$21,928,215. This broad category encompasses police protection, animal control, fire marshal's services, code enforcement, zoning services and environmental protection. Highway and Streets expenses were \$8,959,555 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 \$1,135,053 which includes maintenance/upgrades at 19 parks, facilities, and open space areas. General Government expenses were \$5,404,711 and include costs for staffing, benefits, insurance, and various other administrative costs. Interest on long-term debt totaled \$369,314 and represents the interest paid on General Obligation Bonds, Series of 2023.

Business-type activities

Business-type activities decreased the Township’s net position by (\$31,058). The single business-type activity of Falls Township is the operation of the Pinewood Pool.

The Pinewood Pool fund experienced an operating loss of (\$31,058) in 2023. The operating loss was caused by the increased costs of staffing the pool outpacing the fees charged.



Charges for services represent 100% of program revenues for the Pinewood Pool. Fiscal year 2023 saw expenses outpace revenues due to rising staff costs. Revenues have maintained their levels due to several factors: aggressive marketing, a “refer a friend” rebate offer, added programming at the pool, renewed memberships, and guest attendance. The Township continues to offer low membership rates to residents in the interest of providing affordable family entertainment.

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

As Falls Township completed the year, its governmental funds reported a combined fund balance of \$91,730,644, an increase of \$27,311,452 compared to the previous year. Of the combined fund balance total: \$41,233,167 constitutes *unassigned fund balance*, which is available to meet the Township's current and future needs at the Township's discretion; an additional \$28,542,173 is assigned for specific purposes; \$21,263,296 is restricted for particular purposes; and, the remaining \$692,008 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 \$41,233,167 while total fund balance reached \$86,950,035. 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 \$38,903,157. The total fund balance of Falls Township's general fund increased \$26,900,406 during 2023. This is the result of the issuance of \$20,055,000 in General Obligation Bonds, Series of 2023 to fund the planning, designing, constructing, renovating, and equipping of the Township administration building. These funds will be spent throughout 2024 as the construction takes place. The Township also saw increased revenues due to the enactment of a 1% Earned Income Tax effective January 1, 2023, which brought in \$9,538,514.

Capital Reserve

The Capital Reserve fund serves to finance various Township purchases and projects. At the end of 2023, the assigned and total fund balance was \$2,369,462. This is an increase in the amount of \$69,150. Rising interest rates brought an increase in the interest income for this reserve. With no other 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 2023, the net position was \$19,513. This represents a decrease of (\$31,058) over the prior year. The Township strives to offer a state-of-the-art facility while maintaining an affordable rate for our residents. Rising staff costs were the primary factor in the decrease in net position.

General Fund Budgetary Highlights

No differences between the original budget and the final amended budget occurred during the year. Some of the highlights of the comparison between the original budget and actual amounts were as follows. Overall, total revenues came in over budget by \$7,846,714 for 2023. The largest contributing factor was the higher than anticipated amount of Earned Income Tax received. Actual amounts exceeded budgeted amounts by \$4,288,514 for the EIT. The Township also saw higher than anticipated increases in Real Estate Transfer Taxes and Licenses and Permits revenue due to the continued redevelopment of over 1,800 acres of the former U.S. Steel site by NorthPoint Development. Interest earnings saw an increase as well in 2023, exceeding the budget by \$1,405,327. Total expenditures for the year were under budget by a total of \$28,454,976. The greatest variance occurred in expenditures for Capital Outlays in General Government which was under budget by \$24,424,692. The expenditures for the Township administration building

reconstruction project were budgeted fully in 2023, but the largest portion of these expenditures will actually occur in 2024 as the project moves from planning and design to renovation and construction. Budgeted projects not completed in 2023 have been carried forward to the 2024 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, 2023, amount to \$97,054,950 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and system improvements, machinery and equipment, vehicles, open space, roads, and bridges.

Major capital asset events during 2023 included the following:

For the Public Works department, the purchase of two 2024 International HV507 trucks with dump bodies and plows installed at a combined cost of \$362,334. And the purchase and installation of dump bodies and plows for the two 2023 International HV507 trucks purchased in 2022 at a cost of \$191,774.

The purchase of a New Holland TS6.110 4-wheel drive cab tractor trailer and the Alamo Maverick Hydro Axe with two boom arms for grass cutting at a total cost of \$204,234.

Road improvements for various roads in the Township amounting to \$6,040,532 in construction, design, and engineering costs. Drainage projects at the Woolston Drive tunnel and Briaroot Lane were completed at a cost of \$56,056. And traffic signal projects and repairs were completed for intersection improvements at a cost of \$58,062.

Park improvements and the replacement of play equipment at the Pinewood Pool and Elderberry Park tot lots totaling \$320,874. And an upgrade to the main pool filter at a cost of \$53,892.

Capital purchases for the Police Department, including four new vehicles and fifty-three body cameras totaling \$355,811.

FALLS TOWNSHIP
Capital Assets
(net of accumulated depreciation)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 16,460,926	\$ 16,460,926	\$ 162,700	\$ 162,700
Construction in Progress	8,298,970	1,218,822	-	-
Buildings and System	1,031,286	1,538,010	-	-
Improvements other than Buildings	1,332,641	1,286,243	-	-
Machinery, Equipment and Vehicles	2,068,187	1,609,622	-	-
Infrastructure	67,700,240	67,942,311	-	-
	\$ 96,892,250	\$ 90,055,934	\$ 162,700	\$ 162,700

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

Debt Administration

On June 22, 2023, the Township issued \$20,055,000 in General Obligation Bonds, the first debt issuance since January 1, 1992. The proceeds of the Bonds will be used, together with other available funds of the Township, to: (1) provide funds for a capital project involving the planning, designing, constructing, renovating, and equipping of the Township municipal building; and (2) pay certain costs and expenses related to issuance of the Bonds. The bonds were issued with a ten-year term. As of December 31, 2023, Falls Township had outstanding General Obligation debt of \$20,055,000 (principal only).

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) The 2024 budget provides funding for continued services to Township residents with no increase in Township real estate taxes. The total millage rate remains at 8.97 for fiscal year 2024. Real estate taxes in the amount of \$3,011,640 will be used to balance the tax budgets accounting for 11.5% of projected revenues for these funds.
- 2) 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 2023 with fiscal year 2024 operations on track to bring in approximately \$22 million.
- 3) 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 generated revenues of \$9,538,514 in 2023 with fiscal year 2024 projected to bring in a similar amount.

These factors were considered in preparing the Falls Township budget for 2024.

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, 450 Lincoln Highway, Fairless Hills, PA 19030.

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BASIC FINANCIAL STATEMENTS

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TOWNSHIP OF FALLS
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 66,907,141	\$ -	\$ 66,907,141
Investments	22,506,512	-	22,506,512
Taxes receivable	75,714	-	75,714
Accounts Receivable, net of allowance for uncollectibles	5,312,125	-	5,312,125
Prepaid assets	692,008	-	692,008
Internal balances	125	(125)	-
Total Current Assets	<u>95,493,625</u>	<u>(125)</u>	<u>95,493,500</u>
Noncurrent Assets:			
Net pension asset - nonuniform pension plan	<u>61,007</u>	<u>-</u>	<u>61,007</u>
Capital Assets, net of accumulated depreciation			
Land	16,460,926	162,700	16,623,626
Construction in progress	8,298,970	-	8,298,970
Buildings and systems	1,031,286	-	1,031,286
Infrastructure	67,700,240	-	67,700,240
Improvements other than buildings	1,332,641	-	1,332,641
Machinery, equipment and vehicles	<u>2,068,187</u>	<u>-</u>	<u>2,068,187</u>
Total Capital Assets	<u>96,892,250</u>	<u>162,700</u>	<u>97,054,950</u>
TOTAL ASSETS	<u>192,446,882</u>	<u>162,575</u>	<u>192,609,457</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to police pension	5,934,247	-	5,934,247
Deferred amounts related to nonuniform pension	497,517	-	497,517
Deferred amounts related to other postemployment benefits	<u>1,633,058</u>	<u>-</u>	<u>1,633,058</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>8,064,822</u>	<u>-</u>	<u>8,064,822</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	1,438,420	140,681	1,579,101
Accrued interest payable	83,563	-	83,563
Accrued salaries and benefits	445,373	2,381	447,754
Unearned revenue	205,861	-	205,861
Deposits	882,365	-	882,365
Portion due or payable within one year:			
Compensated absences	724,526	-	724,526
Other postemployment benefits	555,843	-	555,843
General obligation debt	<u>1,595,000</u>	<u>-</u>	<u>1,595,000</u>
Total Current Liabilities	<u>5,930,951</u>	<u>143,062</u>	<u>6,074,013</u>
Long-term Liabilities			
Portion due or payable after one year:			
General obligation debt	20,188,416	-	20,188,416
Compensated absences	1,311,703	-	1,311,703
Net pension liability	24,825,058	-	24,825,058
Other postemployment benefits	<u>9,295,429</u>	<u>-</u>	<u>9,295,429</u>
Total Long-Term Liabilities	<u>55,620,606</u>	<u>-</u>	<u>55,620,606</u>
TOTAL LIABILITIES	<u>61,551,557</u>	<u>143,062</u>	<u>61,694,619</u>

(Continued)

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

TOWNSHIP OF FALLS
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2023

	Governmental Activities	Business-Type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to police pension	251,235		251,235
Deferred amounts related to nonuniform pension plan	26,621	-	26,621
Deferred amounts related to other postemployment benefits	1,583,961	-	1,583,961
TOTAL DEFERRED INFLOWS OF RESOURCES	1,861,817	-	1,861,817
NET POSITION			
Net investment in capital assets	93,967,686	162,700	94,130,386
Restricted for:			
Recycling expenditures	463,195	-	463,195
Parks and recreation	430,168	-	430,168
Rescue squad	44,833	-	44,833
Fire hydrant	113,461	-	113,461
Fire protection	15,446	-	15,446
Library	6,354	-	6,354
Highway aid	1,093,983	-	1,093,983
Street lighting	237,004	-	237,004
Pension asset	61,007	-	61,007
Unrestricted (Deficit)	40,665,193	(143,187)	40,522,006
TOTAL NET POSITION	\$ 137,098,330	\$ 19,513	\$ 137,117,843

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

TOWNSHIP OF FALLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	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	\$ 5,404,711	\$ 735,458	\$ 1,055,553	\$ -	\$ (3,613,700)	\$ -	\$ (3,613,700)
Public safety	21,928,215	4,100,396	256,779	-	(17,571,040)	-	(17,571,040)
Public works - highways and streets	8,959,555	-	900,738	55,029	(8,003,788)	-	(8,003,788)
Parks and recreation	1,135,053	203,419	-	-	(931,634)	-	(931,634)
Interest on long-term debt	369,314	-	-	-	(369,314)	-	(369,314)
TOTAL GOVERNMENTAL ACTIVITIES	37,796,848	5,039,273	2,213,070	55,029	(30,489,476)	-	(30,489,476)
BUSINESS-TYPE ACTIVITIES							
Pinewood Pool	301,485	270,427	-	-	-	(31,058)	(31,058)
TOTAL BUSINESS-TYPE ACTIVITIES	301,485	270,427	-	-	-	(31,058)	(31,058)
TOTAL GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES	\$ 38,098,333	\$ 5,309,700	\$ 2,213,070	\$ 55,029	(30,489,476)	(31,058)	(30,520,534)
GENERAL REVENUES							
					2,891,579	-	2,891,579
					1,543,695	-	1,543,695
					727,613	-	727,613
					43,261	-	43,261
					9,538,514	-	9,538,514
					70,597	-	70,597
					22,824,774	-	22,824,774
					2,164,972	-	2,164,972
					47,208	-	47,208
					309,401	-	309,401
TOTAL GENERAL REVENUES AND TRANSFERS					40,161,614	-	40,161,614
CHANGE IN NET POSITION					9,672,138	(31,058)	9,641,080
NET POSITION AT BEGINNING OF YEAR					127,426,192	50,571	127,476,763
NET POSITION AT END OF YEAR					\$ 137,098,330	\$ 19,513	\$ 137,117,843

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

TOWNSHIP OF FALLS
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General Fund	Capital Reserve	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 60,611,970	\$ 3,840,188	\$ 2,454,983	\$ 66,907,141
Investments	22,506,512	-	-	22,506,512
Accounts receivable (net of allowance for uncollectibles)	5,312,125	-	-	5,312,125
Taxes receivable	26,118	-	49,596	75,714
Interfund receivable	594,808	-	214	595,022
Prepaid items	685,305	-	6,703	692,008
TOTAL ASSETS	\$ 89,736,838	\$ 3,840,188	\$ 2,511,496	\$ 96,088,522
LIABILITIES				
Accounts payable	\$ 1,405,017	\$ 73	\$ 33,330	\$ 1,438,420
Deposits	5,651	876,714	-	882,365
Interfund payable	89	593,939	869	594,897
Salaries and benefits payable	1,145,973	-	23,926	1,169,899
Unearned revenue - other	205,861	-	-	205,861
TOTAL LIABILITIES	2,762,591	1,470,726	58,125	4,291,442
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - real estate taxes	24,212	-	42,224	66,436
TOTAL DEFERRED INFLOWS OF RESOURCES	24,212	-	42,224	66,436
FUND BALANCES				
Nonspendable:				
Prepaid items	685,305	-	6,703	692,008
Restricted for:				
Recycling expenditures	-	-	463,195	463,195
Parks and recreation	-	-	430,168	430,168
Rescue squad	-	-	44,833	44,833
Fire hydrant	-	-	113,461	113,461
Fire protection	-	-	15,446	15,446
Library	-	-	6,354	6,354
Highway aid	-	-	1,093,983	1,093,983
Street lighting	-	-	237,004	237,004
Capital projects	18,858,852	-	-	18,858,852
Assigned to:				
Capital projects	26,172,711	2,369,462	-	28,542,173
Unassigned	41,233,167	-	-	41,233,167
TOTAL FUND BALANCES	86,950,035	2,369,462	2,411,147	91,730,644
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 89,736,838	\$ 3,840,188	\$ 2,511,496	\$ 96,088,522

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, 2023

TOTAL GOVERNMENTAL FUND BALANCES	\$	91,730,644
<p>Amounts reported for governmental activities on the statement of net position are different because of the following:</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 \$184,652,990 and the accumulated depreciation is \$87,760,740.		96,892,250
Long-term Net pension asset - nonuniform - not recorded as an asset in the funds.		61,007
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.		66,436
Deferred outflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.		8,064,822
Deferred inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.		(1,861,817)
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:		
Accrued interest		(83,563)
General obligation bonds payable		(21,783,416)
Other postemployment benefits		(9,851,272)
Net pension liability		(24,825,058)
Compensated absences		(1,311,703)
		(38,755,712)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	137,098,330

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, 2023

	General Fund	Capital Reserve	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes				
Property	\$ 862,069	\$ -	\$ 2,022,459	\$ 2,884,528
Real estate transfer	1,543,695	-	-	1,543,695
Local services	727,613	-	-	727,613
Mechanical device	43,261	-	-	43,261
Earned Income	9,538,514	-	-	9,538,514
Other	29,596	-	41,001	70,597
Host community fees	22,824,774	-	-	22,824,774
Licenses and permits	4,005,764	-	-	4,005,764
Fines and forfeits	148,182	-	-	148,182
Interest earnings (loss)	2,005,327	101,536	58,109	2,164,972
Rents	-	-	16,970	16,970
Intergovernmental	1,120,268	-	1,147,831	2,268,099
Charges for services	679,908	-	188,449	868,357
Miscellaneous	30,832	533	22,030	53,395
Refunds of prior years	256,006	-	-	256,006
TOTAL REVENUES	43,815,809	102,069	3,496,849	47,414,727
EXPENDITURES				
Current				
General government	4,874,644	26,077	2,271	4,902,992
Public safety	18,866,121	-	1,456,938	20,323,059
Public works - highways and streets	2,848,801	-	592,044	3,440,845
Parks and recreation	254,364	6,842	820,562	1,081,768
Debt Service				
Interest	442,881	-	-	442,881
Capital outlay				
General government	4,285,651	-	-	4,285,651
Public safety	250,386	-	-	250,386
Public works - highways and streets	6,655,912	-	283,138	6,939,050
Parks and recreation	424,397	-	-	424,397
TOTAL EXPENDITURES	38,903,157	32,919	3,154,953	42,091,029
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,912,652	69,150	341,896	5,323,698
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	47,208	-	-	47,208
Issuance of debt	20,055,000	-	-	20,055,000
Bond premium	1,885,546	-	-	1,885,546
TOTAL OTHER FINANCING SOURCES (USES)	21,987,754	-	-	21,987,754
NET CHANGE IN FUND BALANCES	26,900,406	69,150	341,896	27,311,452
FUND BALANCES, BEGINNING OF YEAR	60,049,629	2,300,312	2,069,251	64,419,192
FUND BALANCES, END OF YEAR	\$ 86,950,035	\$ 2,369,462	\$ 2,411,147	\$ 91,730,644

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, 2023

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	27,311,452
<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		11,899,484
Depreciation expense		(4,600,132)
Loss on disposal		(463,036)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		7,051
<p>Compensated absences do not require the use of current financial resources, therefore, are not reported as expenditures in Government Funds.</p>		
		24,730
<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>		
		(1,182,254)
<p>The Issuance of Long-Term Debt Provides Current Financial Resources to Governmental Funds, while the Repayment of the Principal of Long-Term Debt Consumes the Current Financial Resources of Governmental Funds. Neither Transaction, however, has any effect of Net Position. This amount is the Proceeds of Issuance exceeding the Principal Payments.</p>		
		(21,783,416)
<p>Some Expenses Reported in the Statement of Activities do not Require the use of Current Financial Resources and, therefore, are not Reported as Expenditures in Governmental Funds:</p>		
Accrued Interest		(83,563)
<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>		
		<u>(1,458,178)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>9,672,138</u>

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes				
Property	\$ 869,204	\$ 869,204	\$ 862,069	\$ (7,135)
Real estate transfer	1,000,000	1,000,000	1,543,695	543,695
Local services	630,000	630,000	727,613	97,613
Mechanical device	40,000	40,000	43,261	3,261
Earned income	5,250,000	5,250,000	9,538,514	4,288,514
Other	30,041	30,041	29,596	(445)
Host community fees	23,000,000	23,000,000	22,824,774	(175,226)
Licenses and permits	2,945,850	2,945,850	4,005,764	1,059,914
Fines and forfeits	118,000	118,000	148,182	30,182
Investment earnings (loss)	600,000	600,000	2,005,327	1,405,327
Rents	-	-	-	-
Intergovernmental	850,000	850,000	1,120,268	270,268
Charges for services	601,500	601,500	679,908	78,408
Miscellaneous	5,000	5,000	30,832	25,832
Refunds of prior years	30,000	30,000	256,006	226,006
TOTAL REVENUES	35,969,595	35,969,595	43,815,809	7,846,214
EXPENDITURES				
Current				
General government				
Supervisors	37,402	37,402	34,825	2,577
Manager	438,130	438,130	370,865	67,265
Finance and administration	753,094	753,094	806,738	(53,644)
Attorney	570,000	570,000	1,050,430	(480,430)
Other	2,208,063	2,208,063	2,611,786	(403,723)
Total general government	4,006,689	4,006,689	4,874,644	(867,955)
Public safety				
Police	17,284,587	17,284,587	16,773,069	511,518
Fire	682,788	682,788	661,429	21,359
Code enforcement	1,239,115	1,239,115	1,431,623	(192,508)
Total public safety	19,206,490	19,206,490	18,866,121	340,369
Public works				
Highways and streets	4,791,869	4,791,869	2,848,801	1,943,068
Total public works	4,791,869	4,791,869	2,848,801	1,943,068
Total parks and recreation	566,835	566,835	254,364	312,471
Debt service	780,000	780,000	442,881	337,119
Capital outlay				
General government	28,710,343	28,710,343	4,285,651	24,424,692
Public safety	470,000	470,000	250,386	219,614
Public works - highway and streets	6,685,907	6,685,907	6,655,912	29,995
Parks and recreation	2,140,000	2,140,000	424,397	1,715,603
Total capital outlay	38,006,250	38,006,250	11,616,346	26,389,904
TOTAL EXPENDITURES	67,358,133	67,358,133	38,903,157	28,454,976
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(31,388,538)	(31,388,538)	4,912,652	(20,608,762)
OTHER FINANCING SOURCES (USES)				
Transfers in	11,470,000	11,470,000	-	(11,470,000)
Transfers out	(11,470,000)	(11,470,000)	-	11,470,000
Issuance of debt	28,730,000	28,730,000	20,055,000	(8,675,000)
Bond premium	-	-	1,885,546	1,885,546
Sale of assets	(500)	(500)	47,208	47,708
TOTAL OTHER FINANCING SOURCES (USES)	28,729,500	28,729,500	21,987,754	(6,741,746)
NET CHANGE IN FUND BALANCE	(2,659,038)	(2,659,038)	26,900,406	(27,350,508)
FUND BALANCE, BEGINNING OF YEAR	50,598,949	50,598,949	60,049,629	9,450,680
FUND BALANCE, END OF YEAR	\$ 47,939,911	\$ 47,939,911	\$ 86,950,035	\$ (17,899,828)

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

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

	Business-Type 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	125
Accounts payable	140,681
Salaries and benefits payable	2,381
TOTAL CURRENT LIABILITIES	143,187
NET POSITION	
Net investment in capital assets	162,700
Unrestricted (deficit)	(143,187)
TOTAL NET POSITION (DEFICIT)	\$ 19,513

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, 2023

	Business-Type Activities - Enterprise Fund
	Pinewood Pool Current Year
OPERATING REVENUES	
Charges for sales and services	
Pool memberships	\$ 200,180
Guest fees	30,700
Program income	22,199
Concession income	17,348
	270,427
TOTAL OPERATING REVENUES	270,427
OPERATING EXPENSES	
Cost of sales and services	250,640
Administration	50,845
	301,485
TOTAL OPERATING EXPENSES	301,485
CHANGE IN NET POSITION	(31,058)
NET POSITION, BEGINNING OF YEAR	50,571
NET POSITION, END OF YEAR	\$ 19,513

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, 2023

	Business-Type Activities - Enterprise Fund
	Pinewood Pool Current Year
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	270,427
Payments to suppliers	862
Payments to employees	(203,715)
	67,574
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Increase (decrease) in interfund payable	(67,574)
	(67,574)
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	\$ (31,058)
Adjustments to reconcile change in net position to net cash provided by used in operating activities	
Increase (decrease) in:	
Accounts payable	97,790
Salaries and benefits payable	842
TOTAL ADJUSTMENTS	98,632
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 67,574

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

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

	<u>Pension Trust Funds</u>	<u>Custodial Fund</u>
ASSETS		
Cash and cash equivalents	\$ 9,827,768	8,124,953
Prepaid pension payments	246,007	-
Accrued income	33,741	-
Accounts receivable	17,811	415,214
Investments, at fair value		
Mutual funds	<u>27,829,456</u>	<u>-</u>
TOTAL ASSETS	<u>37,954,783</u>	<u>8,540,167</u>
LIABILITIES		
Payables	183,116	1,095
	<u>183,116</u>	<u>1,095</u>
NET POSITION		
Net position restricted for pensions	37,771,667	-
Net position restricted for custodial purposes	<u>-</u>	<u>8,539,072</u>
TOTAL NET POSITION	<u><u>\$ 37,771,667</u></u>	<u><u>\$ 8,539,072</u></u>

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, 2023

	<u>Pension Trust Fund</u>	<u>Custodial Fund</u>
ADDITIONS		
Contributions		
Employer	\$ 2,762,050	\$ -
Plan member	353,032	-
Commonwealth	780,937	-
Developers	-	-
Total Contributions	<u>3,896,019</u>	<u>-</u>
Investment Income		
Dividend income	1,260,673	38,072
Net appreciation in fair value of investments	2,992,360	-
Total Investment Income	<u>4,253,033</u>	<u>38,072</u>
Less: investment expenses	<u>(122,396)</u>	<u>-</u>
Net Investment Income	<u>4,130,637</u>	<u>38,072</u>
TOTAL ADDITIONS	<u>8,026,656</u>	<u>38,072</u>
DEDUCTIONS		
Benefits and contribution refunds	3,438,846	-
Administrative expenses	11,950	-
Escrow disbursements	-	-
TOTAL DEDUCTIONS	<u>3,450,796</u>	<u>-</u>
CHANGE IN NET POSITION	4,575,860	38,072
NET POSITION, BEGINNING OF YEAR	<u>33,195,807</u>	<u>8,501,000</u>
NET POSITION, END OF YEAR	<u><u>\$ 37,771,667</u></u>	<u><u>\$ 8,539,072</u></u>

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

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023

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, 2023

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 lien 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, 2023

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, 2023

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, 2023

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 \$2,404,444 of restricted net position, \$430,168 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.

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:

Collateral held by pledging bank's trust	
department not in the Township's name	<u>\$ 45,019,295</u>

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2023

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 \$40,830,453 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, 2023, is as follows:

Governmental Activities

	<u>12/31/2023</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	\$ 8,670,044	\$ 8,670,044	\$ -	\$ -
U.S. Government Agencies	8,383,619	-	8,383,619	-
Total debt securities	<u>17,053,663</u>	<u>8,670,044</u>	<u>8,383,619</u>	<u>-</u>
Equity securities				
Money market funds	\$ 5,452,849	\$ 5,452,849	\$ -	\$ -
Total equity securities	<u>5,452,849</u>	<u>5,452,849</u>	<u>-</u>	<u>-</u>
Total investments at fair value	<u>\$ 22,506,512</u>	<u>\$ 14,122,893</u>	<u>\$ 8,383,619</u>	<u>\$ -</u>

Trust Fund

	<u>12/31/2023</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	\$ 10,212,951	\$ 10,212,951	\$ -	\$ -
Total debt securities	<u>10,212,951</u>	<u>10,212,951</u>	<u>-</u>	<u>-</u>
Equity securities				
Other mutual funds	17,616,505	17,616,505	-	-
Total equity securities	<u>17,616,505</u>	<u>17,616,505</u>	<u>-</u>	<u>-</u>
Total investments at fair value	<u>\$ 27,829,456</u>	<u>\$ 27,829,456</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2023

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 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, 2023, 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, 2023, there were no securities that exceeded 5% of trust fund investments. At December 31, 2023, 38.5% of the investments in the General Fund were invested in U.S. Treasury Notes and 37.2% were invested in U.S Government Agencies (19.1% Federal National Mortgage Assn, 58.2% 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, 2023, 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	\$ 10,212,951	\$ 1,272,137	\$ 3,122,588	\$ 5,818,226	\$ -
Total Fiduciary Funds	10,212,951	1,272,137	3,122,588	5,818,226	-
Money Market Funds	5,452,849	5,452,849	-	-	-
U.S. Treasury Notes	8,670,044	8,670,044	-	-	-
U.S. Government Agencies	8,383,619	-	8,383,619	-	-
Total Governmental Funds	\$ 22,506,512	\$ 14,122,893	\$ 8,383,619	\$ -	\$ -

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.

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2023

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:

	<u>General</u>	<u>Nonmajor Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ 26,118	\$ 49,596	\$ -	\$ 75,714
Accounts/other	<u>5,530,029</u>	<u>-</u>	<u>433,025</u>	<u>5,963,054</u>
Gross receivables	5,556,147	49,596	433,025	6,038,768
Less: Allowance for uncollectibles	<u>217,904</u>	<u>-</u>	<u>-</u>	<u>217,904</u>
Total Net Receivables	<u>\$ 5,338,243</u>	<u>\$ 49,596</u>	<u>\$ 433,025</u>	<u>\$ 5,820,864</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:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable - General Fund	\$ 24,212	\$ -
Delinquent property taxes receivable - Special Revenue Funds	42,224	-
Unearned revenue - other	<u>-</u>	<u>205,861</u>
Total Governmental Unearned/Unavailable Revenue	<u>\$ 66,436</u>	<u>\$ 205,861</u>

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2023

D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Government Activities:</i>					
Capital assets not being depreciated					
Land	\$ 16,460,926	\$ -	\$ -	\$ -	\$ 16,460,926
Construction in progress	1,218,822	5,975,533	-	1,104,615	8,298,970
Total capital assets not being depreciated	<u>17,679,748</u>	<u>5,975,533</u>	<u>-</u>	<u>1,104,615</u>	<u>24,759,896</u>
Capital assets being depreciated					
Buildings	6,184,011	13,338	3,407,914	-	2,789,435
Improvements other than buildings	17,052,967	320,875	15,600	-	17,358,242
Machinery, equipment, and vehicles	10,377,509	1,225,103	2,097,307	-	9,505,305
Infrastructure	126,980,092	4,364,635	-	(1,104,615)	130,240,112
Total capital assets being depreciated	<u>160,594,579</u>	<u>5,923,951</u>	<u>5,520,821</u>	<u>(1,104,615)</u>	<u>159,893,094</u>
Less accumulated depreciation for:					
Buildings	4,646,001	130,174	3,018,026	-	1,758,149
Improvements other than buildings	15,766,724	265,117	6,240	-	16,025,601
Machinery, equipment, and vehicles	8,767,887	702,750	2,033,519	-	7,437,118
Infrastructure	59,037,781	3,502,091	-	-	62,539,872
Total accumulated depreciation	<u>88,218,393</u>	<u>4,600,132</u>	<u>5,057,785</u>	<u>-</u>	<u>87,760,740</u>
Total capital assets being depreciated, net	<u>72,376,186</u>	<u>1,323,819</u>	<u>463,036</u>	<u>(1,104,615)</u>	<u>72,132,354</u>
Governmental activities capital assets, net	<u>\$ 90,055,934</u>	<u>\$ 7,299,352</u>	<u>\$ 463,036</u>	<u>\$ -</u>	<u>\$ 96,892,250</u>
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Business-Type Activities:</i>					
Capital assets not being depreciated					
Land	\$ 162,700	\$ -	\$ -	\$ -	\$ 162,700
Capital assets being depreciated					
Machinery and equipment	19,730	-	-	-	19,730
Less accumulated depreciation for:					
Machinery and equipment	19,730	-	-	-	19,730
Business-Type activities capital assets, net	<u>\$ 162,700</u>	<u>\$ -</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	\$ 37,560
Public safety	448,472
Public works	4,051,697
Parks and recreation	62,403

Total depreciation expense - governmental activities \$ 4,600,132

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

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2023

E. Interfund Receivables, Payables, and Transfers

The following is a summary of interfund receivables and payables at December 31, 2023:

	Receivable	Payable
Governmental Funds:		
General Fund	\$ 594,808	\$ 89
Capital Reserve Fund	-	593,939
Other Governmental Funds	214.00	869
Proprietary Funds:		
Pool Fund	-	125
Total	\$ 595,022	\$ 595,022

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, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 2,018,370	\$ 292,990	\$ 275,131	\$ 2,036,229	\$ 724,526
Total Governmental Activities	\$ 2,018,370	\$ 292,990	\$ 275,131	\$ 2,036,229	\$ 724,526

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

In 2023, the Township issued General Obligation Bonds, Series of 2023 in the amount of \$20,055,000. The proceeds were used to finance the feasibility, design, construction, and inspection of a new municipal Township building and to pay the cost of issuing the bond. The bond is dated June 8, 2022 and has a maturity date of May 22, 2023 with interest rates ranging from 5.0%, being paid semi-annually on June 1st and December 1st.

The following is a summary of changes in long-term obligations:

	Year of Final Maturity	Original Issue Amount	Balance January 1, 2023	2023 Additions	2023 Reductions	Balance December 31, 2023	Due Within One Year
Governmental Activities:							
General Obligations							
2022 Issue - 3% - 4.250%	2033	20,055,000	\$ -	\$ 20,055,000	\$ -	\$ 20,055,000	\$ 1,595,000
Add/Less Deferred Amounts For Issuance Discount/Premium			-	1,885,546	(157,130)	1,728,416	-
Total General Obligation Debt			-	21,940,546	(157,130)	21,783,416	1,595,000
Compensated Absences			2,018,370	292,990	(275,131)	2,036,229	724,526
Total Governmental Activities			\$ 2,018,370	\$ 22,233,536	\$ (432,261)	\$ 23,819,645	\$ 2,319,526

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2023

The following is a schedule of aggregate principal and interest payments for each of the next five years and each five-year period thereafter for all long-term debt obligations:

	Principal	Interest	Total
2024	\$ 1,595,000	\$ 1,002,750	\$ 2,597,750
2025	1,675,000	923,000	2,598,000
2026	1,755,000	839,250	2,594,250
2027	1,845,000	751,500	2,596,500
2028	1,940,000	659,250	2,599,250
2029-2033	11,245,000	1,741,750	12,986,750
Total	<u>\$ 20,055,000</u>	<u>\$ 5,917,500</u>	<u>\$ 25,972,500</u>

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, 2023.

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.

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.

TOWNSHIP OF FALLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2023

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, 2023 was \$14,355,000.

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); \$15,000 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:

Active participants	84
Retirees, Beneficiaries, and Disabled Members currently receiving benefits	44
Covered Spouses	-
Total	128

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, 2023 was determined as part of an actuarial valuation at January 1, 2023. Update procedures were used to roll forward to the municipality's fiscal year ended December 31, 2023. This report was based upon the Plan's actuarial assumptions, asset valuation method and cost method as described below:

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2023

Actuarial Assumptions:

Valuation method	Entry age normal
Discount rate	4.00%
Salary increases	5.00%

Mortality rates 2010 PUBG and PUBS mortality tables. All mortality rates were projected 5 years past the valuation date using mortality improvement MP-2021.

Healthcare cost trends Medical and prescription drug costs are assumed to increase 5% per year. Vision costs are assumed to increase by 5% per year and dental costs are assumed to increase 2% per year.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.00% 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 4.00% as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.00%) or 1 percentage point higher (5.00%) than the current rate.

	1% Decrease 3.00%	Current Discount Rate 4.00%	1% Increase 5.00%
Total OPEB Liability	\$ 10,754,951	\$ 9,851,272	\$ 9,062,714

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
Total OPEB Liability	\$ 9,694,032	\$ 9,851,272	\$ 10,030,580

Changes in Net OPEB Liability

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

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2023

	Total OPEB Liability
Balance at 12/31/2022	\$ 8,126,792
Changes for the year:	
Service Cost	100,417
Interest	346,091
Differences between Expected and actual Experience	128,935
Changes in Assumptions and Cost Method	257,513
Changes in Benefit Terms	1,550,870
Benefit Payments	(659,346)
Net Changes	1,724,480
Balance at 12/31/2023	\$ 9,851,272

Changes of assumptions reflect a change in the discount rate from 4.31% in 2022 to 4.00% in 2023. Also reflected are updated health care costs and premiums, as well as updated mortality tables.

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources

For the year ended December 31, 2023, the Township recognized OPEB expense of \$2,124,199.

At December 31, 2023, 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	\$ 136,024	\$ 322,527
Change in Assumptions	1,497,034	1,261,434
Total	\$ 1,633,058	\$ 1,583,961

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,	
2024	\$ 120,518
2025	64,056
2026	(108)
2027	688
2028	688
Thereafter	(136,745)

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2023

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
- *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, 2023:

TOWNSHIP OF FALLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2023

Active Plan Members	69
Inactive Plan Members Currently Receiving Benefits	1
Inactive Plan Members Entitled to but not yet Receiving Benefits	45
	115

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:

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	27%
Mutual Funds	73%

The money-weighted rate of return on the pension plan investments, net of pension plan investment expense was 12.44% for the year ended December 31, 2023. 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 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 2023. 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 \$780,937 and Township contribution of \$2,762,050 into the plan for 2023.

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.

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2023

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, 2023 and update procedures were used to rollforward the total pension liability to the December 31, 2023 measurement date. The components of the net pension liability of the Township at December 31, 2023 were as follows:

Total pension liability	\$ 62,596,725
Plan fiduciary net position	<u>37,771,667</u>
Township's net pension liability	<u>\$ 24,825,058</u>
Plan fiduciary net position as a percentage of the total pension liability	60.3%

Change in the Township's net pension liability for the year ended December 31, 2023 was as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/22	\$ 60,137,927	\$ 33,195,807	\$ 26,942,120
Changes for the year:			
Service Cost	1,066,708	-	1,066,708
Interest	4,625,987	-	4,625,987
Differences Between Expected & Actual Experience	(605,580)	-	(605,580)
Changes in Assumptions	810,529	-	810,529
Contributions - Employer	-	2,762,050	(2,762,050)
Contributions - State Aid	-	780,937	(780,937)
Contributions - Member	-	353,032	(353,032)
Net Investment Income	-	4,130,637	(4,130,637)
Benefit Payments	(3,438,846)	(3,438,846)	-
Administrative Expense	-	(11,950)	11,950
Net Changes	2,458,798	4,575,860	(2,117,062)
Balances at 12/31/23	\$ 62,596,725	\$ 37,771,667	\$ 24,825,058

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2023

The actuarial assumptions used in the January 1, 2023 valuation are as follows:

Actuarial Assumptions:	
Inflation Rate	2.25%
Salary increases	5.00%
Investment rate of return	7.75%
Mortality rates	PUBS-2021 Mortality Table

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.

	1% Decrease	Current Discount Rate	1% Increase
	<u>6.75%</u>	<u>7.75%</u>	<u>8.75%</u>
Net Pension Liability	\$32,035,635	\$24,825,058	\$18,771,989

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 2023 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, 2023 are listed in the table below:

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2023

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Large Cap Stocks	24.0%	6.3%
Domestic Mid/Small Cap Stocks	5.0%	7.4%
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%	4.0%
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, 2023, the Township recognized pension expense of \$4,713,793. At December 31, 2023 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	\$ -	\$ (251,235)
Change in Assumptions	2,262,713	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,671,534	-
Total	<u>\$ 5,934,247</u>	<u>\$ (251,235)</u>

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

Year Ending December 31,	
2024	\$2,217,278
2025	2,240,721
2026	1,505,895
2027	(280,882)
2028	-
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.

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2023

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, 2023.

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, 2022:

Active Plan Members	46
Inactive Plan Members Currently Receiving Benefits	4
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>3</u>
	<u>53</u>

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 and AFSCME unions 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 \$196,370 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.

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2023

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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022.

The actuarial assumptions used in the December 31, 2022 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
Inflation	2.2%

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 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 (2.2%). 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, 2022 and summarized in the table below:

	Target	Nominal Net Rate of Return	Long-Term Expected Real Rate of Return
Domestic Equities (Large-Capitalized Firms)	24.5%	7.50%	5.00%
Domestic Equities (Small-Capitalized Firms)	8.0%	8.20%	5.70%
International Equities Developed Markets	14.5%	7.60%	5.10%
International Equities Emerging Markets	3.0%	8.01%	5.51%
Global Equities	5.0%	7.03%	4.53%
Real Estate	10.0%	7.42%	4.92%
Timber	5.0%	6.50%	4.00%
Fixed Income (Core Investment Grade)	24.0%	4.60%	2.10%
Fixed Income (Opportunistic Credit)	5.0%	8.00%	5.50%
Cash	1.0%	2.20%	-0.30%
Total Net Blended Return	<u>100.0%</u>	<u>7.43%</u>	<u>4.93%</u>

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2023

Based on the aforementioned methodology, the PMRS Board established the System's Long-Term Expected Rate of Return at 7.43%.

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, 2022, 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 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, 2022.

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.

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2023

Changes in the Net Pension (Asset)/Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/22 (based on 12/31/21 measurement date)	\$ 5,299,491	\$ 6,474,116	\$ (1,174,625)
Changes for the year:			
Service Cost	448,733	-	448,733
Interest	286,090	-	286,090
Differences Between Expected and Actual Experience	1,832	-	1,832
Changes in Assumptions		-	-
Contributions - Employer	-	195,330	(195,330)
Contributions - PMRS Assessment	-	1,040	(1,040)
Contributions - Member	-	253,404	(253,404)
PMRS Investment Income	-	289,048	(289,048)
Market value investment income	-	(1,099,473)	1,099,473
Transfers	-	-	-
Benefit Payments	(51,853)	(51,853)	-
Administrative Expense	-	(16,312)	16,312
Net Changes	684,802	(428,816)	1,113,618
Balances at 12/31/23 (based on 12/31/22 measurement date)	\$ 5,984,293	\$ 6,045,300	\$ (61,007)

Net Pension (Asset)/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)	\$ 1,067,335	\$ (61,007)	\$ (1,181,105)

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

For the year ended December 31, 2023, the Township recognized a reduction in pension expense of (\$66,084). At December 31, 2023 the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWNSHIP OF FALLS
 NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
 DECEMBER 31, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 4,934	\$ 26,621
Change in Assumptions	10,439	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	280,805	-
Contributions Subsequent to the Measurement Date	201,339	-
Total	\$ 497,517	\$ 26,621

The \$201,339 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,	
2024	\$ (48,900)
2025	22,334
2026	79,456
2027	216,980
2028	(2,914)
Thereafter	2,601

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 MissionSquare Retirement.

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.

TOWNSHIP OF FALLS
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2023

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 \$6,280 for the year ended December 31, 2023.

F. New Accounting Pronouncements

Adoption of Governmental Accounting Standards Board (GASB) Statements

In March 2020, the GASB issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The adoption of this statement had no effect on previously reported amounts.

In May 2020, the GASB issued Statement No. 96, "Subscription-Based Information Technology Arrangements". The adoption of this statement had no effect on previously reported amounts.

In April 2022, the GASB issued Statement No. 99, "Omnibus 2022". The adoption of this statement had no effect on previously reported amounts.

Pending Changes in Accounting Principles

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.

In December 2023, the GASB issued Statement No. 102, "Certain Risk Disclosures". The Statement is required to be adopted by the Township for the year ending December 31, 2025.

In April 2024, the GASB issued Statement No. 103, "Financial Reporting Model Improvements.". The Statement is required to be adopted by the Township for the year ending December 31, 2026.

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

G. Subsequent Events

The Township has evaluated all subsequent events through the report issuance date and is not aware of items that would require recognition or disclosure in the financial statements.

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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	2023
Total Pension Liability										
Service Cost	\$ 662,062	\$ 756,746	\$ 794,583	\$ 736,797	\$ 773,637	\$ 814,432	\$ 855,154	\$ 968,370	\$ 1,016,789	\$ 1,066,708
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	4,625,987
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	1,873,097	-	(943,976)	-	(1,139,322)	-	557,157	-	(605,580)
Changes of Assumptions	-	-	-	926,401	-	-	-	3,856,358	-	810,529
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)	(3,438,846)
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	2,458,798
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	60,137,927
Total Pension Liability - Ending	\$ 39,030,739	\$ 42,834,969	\$ 44,730,001	\$ 46,580,019	\$ 48,454,489	\$ 49,192,929	\$ 51,095,415	\$ 57,749,960	\$ 60,137,927	\$ 62,596,725
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	\$ 2,762,050
Contributions - State Aid	518,939	537,154	621,200	633,179	665,183	711,750	669,641	681,214	694,181	780,937
Contributions - Member	314,428	311,101	315,499	353,703	316,462	353,460	365,197	365,508	352,838	353,032
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)	4,130,637
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)	(3,438,846)
Administrative Expense	-	(19,154)	-	(20,126)	(14,926)	(6,300)	(10,900)	(11,725)	(13,275)	(11,950)
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)	4,575,860
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	33,195,807
Plan Net Position - Ending	\$ 23,619,955	\$ 23,881,188	\$ 25,723,978	\$ 28,781,743	\$ 28,407,663	\$ 31,734,338	\$ 34,694,856	\$ 37,755,295	\$ 33,195,807	\$ 37,771,667
Plan's Net Pension Liability	\$ 15,410,784	\$ 18,953,781	\$ 19,006,023	\$ 17,798,276	\$ 20,046,826	\$ 17,458,591	\$ 16,400,559	\$ 19,994,665	\$ 26,942,120	\$ 24,825,058
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%	60.3%
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	\$ 7,200,000
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%	344.8%

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 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	\$ 3,542,987
Contributions made	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	3,542,987
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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	\$ 7,200,000
Contributions as a Percentage of Covered Payroll	32.9%	37.7%	42.8%	41.9%	44.6%	44.9%	44.3%	46.0%	50.1%	49.2%

Notes to schedules:

Valuation date - Actually determined contributions are calculated biennially as of January 1 - most recent valuation is January 1, 2023

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

0

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	2023
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%	12.44%

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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	2022
Total Pension Liability									
Service Cost	\$ 136,121	\$ 131,154	\$ 136,023	\$ 148,369	\$ 161,037	\$ 152,777	\$ 164,134	\$ 407,019	\$ 448,733
Interest	75,226	86,385	98,040	106,054	113,687	130,777	142,502	232,877	286,090
Changes of Benefit Terms	-	-	-	-	23,985	-	-	-	-
Differences Between Expected and Actual Experience	113	132	168	-	395	(47,921)	4,566	-	1,832
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)	(51,853)
Net Change in Total Pension Liability	206,269	212,951	230,810	249,232	276,017	212,390	264,815	2,328,545	684,802
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	5,299,491
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>	<u>\$ 5,984,293</u>
Plan Fiduciary Net Position									
Contributions - Employer	\$ 66,091	\$ 62,740	\$ 58,953	\$ 63,012	\$ 71,804	\$ 67,984	\$ 68,943	\$ 185,210	\$ 195,330
Contributions - PMRS Assessments	-	-	20	-	20	400	-	1,020	1,040
Contributions - Member	70,029	68,414	77,070	85,357	89,233	84,793	95,192	221,809	253,404
Net Investment Income	70,284	(12,456)	131,230	340,274	(155,646)	487,933	432,075	925,510	289,048
Transfers	-	-	-	-	-	-	-	1,923,911	(1,099,473)
Benefit Payments, Including Refunds of Member Contributions	(5,191)	(5,191)	(5,191)	(5,191)	(23,087)	(23,243)	(61,108)	(235,262)	(51,853)
Administrative Expense	(3,256)	(3,971)	(5,180)	(5,270)	(5,473)	(4,952)	(6,747)	(14,439)	(16,312)
Net Change in Plan Fiduciary Net Position	197,957	109,536	256,902	478,182	(23,149)	612,915	528,355	3,007,759	(428,816)
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	6,474,116
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>	<u>\$ 6,045,300</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>	<u>\$ (61,007)</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%	101.0%
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	\$ 3,906,586
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%	-1.6%

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	2023
Statutorily Required Contribution (SRC)	\$ 66,432	\$ 63,080	\$ 59,293	\$ 63,372	\$ 72,164	\$ 67,984	\$ 68,943	\$ 186,230	\$ 196,370	\$ 201,339
Contributions in Relation to the SRC	66,091	62,740	58,973	63,012	71,824	67,984	68,943	186,230	196,370	201,339
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>	<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	\$ 3,906,586	\$ 4,101,915
Contributions as a Percentage of Covered Payroll	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	4.9%

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 4.31% in 2022 to 4.00% in 2023.

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

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

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, 2023

	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	\$ 132,717	\$ 1,098,178	\$ 236,865	\$ 10,496	\$ 6,187	\$ 463,195	\$ 462,875	\$ 44,470	\$ 2,454,983
Taxes receivable	2,704	-	8,775	16,452	2,240	-	14,461	4,964	49,596
Interfund Receivable	-	-	-	-	-	-	214	-	214
Prepaid items	-	-	-	898	-	-	5,805	-	6,703
TOTAL ASSETS	\$ 135,421	\$ 1,098,178	\$ 245,640	\$ 27,846	\$ 8,427	\$ 463,195	\$ 483,355	\$ 49,434	\$ 2,511,496
LIABILITIES									
Accounts payable	\$ 19,452	\$ 4,195	\$ 499	\$ -	\$ -	\$ -	\$ 9,184	\$ -	\$ 33,330
Interfund payable	-	-	-	-	-	-	869	-	869
Salaries and benefits payable	-	-	-	-	-	-	23,926	-	23,926
TOTAL LIABILITIES	19,452	4,195	499	-	-	-	33,979	-	58,125
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - real estate taxes	2,508	-	8,137	11,502	2,073	-	13,403	4,601	42,224
TOTAL DEFERRED INFLOWS OF RESOURCES	2,508	-	8,137	11,502	2,073	-	13,403	4,601	42,224
FUND BALANCES									
Nonspendable:									
Prepaid items	-	-	-	898	-	-	5,805	-	6,703
Restricted for:									
Recycling expenditures	-	-	-	-	-	463,195	-	-	463,195
Parks and recreation	-	-	-	-	-	-	430,168	-	430,168
Rescue Squad	-	-	-	-	-	-	-	44,833	44,833
Fire hydrant	113,461	-	-	-	-	-	-	-	113,461
Fire protection	-	-	-	15,446	-	-	-	-	15,446
Library	-	-	-	-	6,354	-	-	-	6,354
Highway aid	-	1,093,983	-	-	-	-	-	-	1,093,983
Street lighting	-	-	237,004	-	-	-	-	-	237,004
TOTAL FUND BALANCES	113,461	1,093,983	237,004	16,344	6,354	463,195	435,973	44,833	2,411,147
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 135,421	\$ 1,098,178	\$ 245,640	\$ 27,846	\$ 8,427	\$ 463,195	\$ 483,355	\$ 49,434	\$ 2,511,496

TOWNSHIP OF FALLS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds							Total	
	Fire Hydrant	Highway Aid	Street Lighting	Fire Protection	Library	Recycling	Parks & Recreation	Rescue Squad	Nonmajor Governmental Funds
REVENUES									
Taxes									
Property	\$ 88,501	\$ -	\$ 288,455	\$ 927,663	\$ 75,388	\$ -	\$ 478,560	\$ 163,892	\$ 2,022,459
Other	1,746	-	5,691	19,401	1,487	-	9,442	3,234	41,001
Interest Earnings	-	29,444	-	-	-	5,833	22,832	-	58,109
Rents	-	-	-	-	-	-	16,970	-	16,970
Intergovernmental	-	900,738	-	247,093	-	-	-	-	1,147,831
Miscellaneous Revenue	-	5,000	-	-	-	-	17,030	-	22,030
Charges for services	-	-	-	-	-	-	188,449	-	188,449
TOTAL REVENUES	<u>90,247</u>	<u>935,182</u>	<u>294,146</u>	<u>1,194,157</u>	<u>76,875</u>	<u>5,833</u>	<u>733,283</u>	<u>167,126</u>	<u>3,496,849</u>
EXPENDITURES									
Current									
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,271	\$ -	\$ 2,271
Public safety	87,340	-	-	1,209,517	-	-	-	160,081	1,456,938
Public works - highways and streets	-	274,237	317,807	-	-	-	-	-	592,044
Parks and recreation	-	-	-	-	75,000	-	745,562	-	820,562
Capital outlay									
Public works - highways and streets	-	283,138	-	-	-	-	-	-	283,138
TOTAL EXPENDITURES	<u>87,340</u>	<u>557,375</u>	<u>317,807</u>	<u>1,209,517</u>	<u>75,000</u>	<u>-</u>	<u>747,833</u>	<u>160,081</u>	<u>3,154,953</u>
NET CHANGES IN FUND BALANCES	2,907	377,807	(23,661)	(15,360)	1,875	5,833	(14,550)	7,045	341,896
FUND BALANCES, BEGINNING 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>
FUND BALANCES, END OF YEAR	<u>\$ 113,461</u>	<u>\$ 1,093,983</u>	<u>\$ 237,004</u>	<u>\$ 16,344</u>	<u>\$ 6,354</u>	<u>\$ 463,195</u>	<u>\$ 435,973</u>	<u>\$ 44,833</u>	<u>\$ 2,411,147</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property tax	\$ 89,428	\$ 89,428	\$ 88,501	\$ (927)
Other taxes	1,749	1,749	1,746	(3)
TOTAL REVENUES	91,177	91,177	90,247	(930)
EXPENDITURES				
Current				
Public safety	91,000	91,000	87,340	3,660
TOTAL EXPENDITURES	91,000	91,000	87,340	3,660
NET CHANGE IN FUND BALANCE	177	177	2,907	2,730
FUND BALANCE, BEGINNING	110,554	110,554	110,554	-
FUND BALANCE, ENDING	\$ 110,731	\$ 110,731	\$ 113,461	\$ 2,730

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest earnings	\$ 6,000	\$ 6,000	\$ 29,444	\$ 23,444
Intergovernmental	885,125	885,125	900,738	15,613
Miscellaneous revenue	-	-	5,000	5,000
TOTAL REVENUES	<u>891,125</u>	<u>891,125</u>	<u>935,182</u>	<u>44,057</u>
EXPENDITURES				
Current				
Public works - highways and streets	1,452,160	1,452,160	274,237	1,177,923
Capital outlay				
Public works - highways and streets	-	-	283,138	(283,138)
TOTAL EXPENDITURES	<u>1,452,160</u>	<u>1,452,160</u>	<u>557,375</u>	<u>894,785</u>
NET CHANGE IN FUND BALANCE	(561,035)	(561,035)	377,807	938,842
FUND BALANCE (DEFICIT), BEGINNING	<u>716,176</u>	<u>716,176</u>	<u>716,176</u>	<u>-</u>
FUND BALANCE (DEFICIT), ENDING	<u><u>155,141</u></u>	<u><u>155,141</u></u>	<u><u>1,093,983</u></u>	<u><u>\$ 938,842</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property tax	\$ 290,810	\$ 290,810	\$ 288,455	\$ (2,355)
Other taxes	5,702	5,702	5,691	(11)
TOTAL REVENUES	<u>296,512</u>	<u>296,512</u>	<u>294,146</u>	<u>(2,366)</u>
EXPENDITURES				
Current				
Public works - highways and streets	<u>329,000</u>	<u>329,000</u>	<u>317,807</u>	<u>11,193</u>
TOTAL EXPENDITURES	<u>329,000</u>	<u>329,000</u>	<u>317,807</u>	<u>11,193</u>
NET CHANGE IN FUND BALANCE	(32,488)	(32,488)	(23,661)	8,827
FUND BALANCE, BEGINNING	<u>260,665</u>	<u>260,665</u>	<u>260,665</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 228,177</u>	<u>\$ 228,177</u>	<u>\$ 237,004</u>	<u>\$ 8,827</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property tax	\$ 977,533	\$ 977,533	\$ 927,663	\$ (49,870)
Other Taxes	8,099	8,099	19,401	11,302
Intergovernmental	200,000	200,000	247,093	47,093
TOTAL REVENUES	<u>1,185,632</u>	<u>1,185,632</u>	<u>1,194,157</u>	<u>8,525</u>
EXPENDITURES				
Current				
Public Safety	1,164,600	1,164,600	1,209,517	(44,917)
TOTAL EXPENDITURES	<u>1,164,600</u>	<u>1,164,600</u>	<u>1,209,517</u>	<u>(44,917)</u>
NET CHANGE IN FUND BALANCE	21,032	21,032	(15,360)	(36,392)
FUND BALANCE (DEFICIT), BEGINNING	<u>31,704</u>	<u>31,704</u>	<u>31,704</u>	<u>-</u>
FUND BALANCE (DEFICIT), ENDING	<u>\$ 52,736</u>	<u>\$ 52,736</u>	<u>\$ 16,344</u>	<u>\$ (36,392)</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property tax	\$ 75,828	\$ 75,828	\$ 75,388	\$ (440)
Other taxes	1,490	1,490	1,487	(3)
TOTAL REVENUES	<u>77,318</u>	<u>77,318</u>	<u>76,875</u>	<u>(443)</u>
EXPENDITURES				
Current				
Parks and recreation	75,000	75,000	75,000	-
TOTAL EXPENDITURES	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	2,318	2,318	1,875	(443)
FUND BALANCE, BEGINNING	<u>4,479</u>	<u>4,479</u>	<u>4,479</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 6,797</u>	<u>\$ 6,797</u>	<u>\$ 6,354</u>	<u>\$ (443)</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property tax	\$ 482,666	\$ 482,666	\$ 478,560	\$ (4,106)
Other taxes	9,460	9,460	9,442	(18)
Rents	36,000	36,000	16,970	(19,030)
Charges for services	148,300	148,300	188,449	40,149
Interest earnings	500	500	22,832	22,332
Miscellaneous Revenue	500	500	17,030	16,530
TOTAL REVENUES	<u>677,426</u>	<u>677,426</u>	<u>733,283</u>	<u>55,857</u>
EXPENDITURES				
Current				
General Government	2,500	2,500	2,271	229
Parks and recreation	681,999	681,999	745,562	(63,563)
TOTAL EXPENDITURES	<u>684,499</u>	<u>684,499</u>	<u>747,833</u>	<u>(63,334)</u>
NET CHANGE IN FUND BALANCE	(7,073)	(7,073)	(14,550)	(7,477)
FUND BALANCE, BEGINNING	<u>450,523</u>	<u>450,523</u>	<u>450,523</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 443,450</u>	<u>\$ 443,450</u>	<u>\$ 435,973</u>	<u>\$ (7,477)</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property tax	\$ 165,156	\$ 165,156	\$ 163,892	\$ (1,264)
Other taxes	3,240	3,240	3,234	(6)
TOTAL REVENUES	<u>168,396</u>	<u>168,396</u>	<u>167,126</u>	<u>(1,270)</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	7,396	7,396	7,045	(351)
FUND BALANCE, BEGINNING	<u>37,788</u>	<u>37,788</u>	<u>37,788</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 45,184</u>	<u>\$ 45,184</u>	<u>\$ 44,833</u>	<u>\$ (351)</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest earnings	\$ 10,000	\$ 10,000	\$ 101,536	\$ 91,536
Miscellaneous Revenue	-	-	533	533
TOTAL REVENUES	10,000	10,000	102,069	92,069
EXPENDITURES				
Current				
General government	100,000	100,000	26,077	73,923
Parks and recreation	-	-	6,842	(6,842)
TOTAL EXPENDITURES	100,000	100,000	32,919	67,081
NET CHANGE IN FUND BALANCE	(90,000)	(90,000)	69,150	159,150
FUND BALANCE, BEGINNING	2,300,312	2,300,312	2,300,312	-
FUND BALANCE, ENDING	<u>\$ 2,210,312</u>	<u>\$ 2,210,312</u>	<u>\$ 2,369,462</u>	<u>\$ 159,150</u>

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

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2023

	2022	2023
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 16,460,926	\$ 16,460,926
Construction in progress	1,218,822	8,298,970
Building	6,184,011	2,789,435
Machinery and Equipment	5,820,427	4,432,736
Improvements	17,052,967	17,358,242
Infrastructure	126,980,092	130,240,112
Vehicles	4,557,082	5,072,569
	\$ 178,274,327	\$ 184,652,990
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	\$ 178,274,327	\$ 184,652,990

	2022	2023
INVESTMENTS IN GOVERNMENTAL FUNDS		
CAPITAL ASSETS BY SOURCE		
General Fund	\$ 6,482,240	\$ 6,482,240
Special Revenue Fund	3,684,924	3,968,061
Capital Reserve Fund	5,253,952	5,253,952
Host Community Fees Fund	157,111,624	163,207,150
Donations	5,741,587	5,741,587
	\$ 178,274,327	\$ 184,652,990
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	\$ 178,274,327	\$ 184,652,990

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

FOR THE YEAR ENDED DECEMBER 31, 2023

<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	\$ -	\$ -	\$ -	\$ -	\$ 6,739	\$ -	\$ -	\$ 6,739
Manager	-	-	-	-	-	-	-	-
Finance and Administration	-	-	-	-	343,258	-	31,000	374,258
Other-unclassified	-	5,385,710	-	-	9,584	-	-	5,395,294
Total general government	<u>-</u>	<u>5,385,710</u>	<u>-</u>	<u>-</u>	<u>359,581</u>	<u>-</u>	<u>31,000</u>	<u>5,776,291</u>
Public Safety								
Police	-	-	-	-	1,453,696	-	2,104,592	3,558,288
Fire and Emergency	-	-	-	-	49,376	-	168,728	218,104
License and Inspection	-	-	-	-	24,127	-	121,613	145,740
Total public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,527,199</u>	<u>-</u>	<u>2,394,933</u>	<u>3,922,132</u>
Highways and Streets:								
Engineering	-	2,913,260	-	-	-	7,893,642	-	10,806,902
Maintenance	-	-	575,071	19,375	2,439,014	399,092	2,538,489	5,971,041
Street System	1,757,000	-	-	-	-	121,947,378	-	123,704,378
Total highways and streets	<u>1,757,000</u>	<u>2,913,260</u>	<u>575,071</u>	<u>19,375</u>	<u>2,439,014</u>	<u>130,240,112</u>	<u>2,538,489</u>	<u>140,482,321</u>
Parks and recreation	<u>14,703,926</u>	<u>-</u>	<u>2,214,364</u>	<u>17,338,867</u>	<u>106,942</u>	<u>-</u>	<u>108,147</u>	<u>34,472,246</u>
Total governmental funds capital assets	<u>\$ 16,460,926</u>	<u>\$ 8,298,970</u>	<u>\$ 2,789,435</u>	<u>\$ 17,358,242</u>	<u>\$ 4,432,736</u>	<u>\$ 130,240,112</u>	<u>\$ 5,072,569</u>	<u>\$ 184,652,990</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, 2023

	Governmental Funds Capital Assets January 1, 2023	Additions	Deletions	Governmental Funds Capital Assets December 31, 2023
<u>Function and Activity</u>				
General Government		-		
Supervisors	\$ 36,183	\$ -	\$ 29,444	\$ 6,739
Manager	58,955	-	58,955	-
Finance and Administration	3,926,855	31,000	3,772,806	185,049
Other-Unclassified	1,292,362	4,166,889	15,600	5,443,651
Total general government	<u>5,314,355</u>	<u>4,197,889</u>	<u>3,876,805</u>	<u>5,635,439</u>
Public Safety				
Police	4,481,437	355,811	1,186,022	3,651,226
Fire and Emergency Management	244,780	-	31,848	212,932
License and Inspection	168,460	-	7,398	161,062
Total public safety	<u>4,894,677</u>	<u>355,811</u>	<u>1,225,268</u>	<u>4,025,220</u>
Highway and Streets				
Engineering	10,474,474	2,083,813		12,558,287
Maintenance	4,676,769	784,396	229,766	5,231,399
Street system	118,600,881	4,089,471	-	122,690,352
Total highways and streets	<u>133,752,124</u>	<u>6,957,680</u>	<u>229,766</u>	<u>140,480,038</u>
Parks and recreation	<u>34,313,171</u>	<u>388,104</u>	<u>188,982</u>	<u>34,512,293</u>
Total governmental funds capital assets	<u>\$ 178,274,327</u>	<u>\$ 11,899,486</u>	<u>\$ 5,520,821</u>	<u>\$ 184,652,990</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 annual comprehensive financial reports for the relevant year.

TOWNSHIP OF FALLS
Net Position by Components
Last Ten Fiscal Years

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net position, invested in capital assets	\$ 93,967,686	\$ 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
Restricted	2,465,451	2,062,666	2,494,259	2,283,848	2,131,956	1,937,753	1,853,004	1,130,649	616,792	693,937
Unrestricted	40,665,193	35,308,665	31,808,004	26,932,212	25,371,740	17,496,375	18,581,076	16,378,231	18,405,489	36,613,764
Total governmental activities net position	\$ 137,098,330	\$ 127,427,265	\$ 121,855,804	\$ 116,742,373	\$ 115,367,670	\$ 108,656,814	\$ 111,606,878	\$ 109,813,373	\$ 113,724,052	\$ 133,673,964
Business-type activities										
Net position, invested in capital assets	\$ 162,700	\$ 162,700	\$ 162,700	\$ 162,700	\$ 162,700	\$ 164,673	\$ 166,646	\$ 168,619	\$ 170,592	\$ 172,565
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(143,187)	(112,129)	(127,766)	(170,304)	(122,927)	(165,406)	(132,911)	(126,453)	(104,443)	(155,586)
Total business-type activities net position	\$ 19,513	\$ 50,571	\$ 34,934	\$ (7,604)	\$ 39,773	\$ (733)	\$ 33,735	\$ 42,166	\$ 66,149	\$ 16,979
Primary government										
Net position, invested in capital assets	\$ 94,130,386	\$ 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
Restricted	2,465,451	2,062,666	2,494,259	2,283,848	2,131,956	1,937,753	1,853,004	1,130,649	616,792	693,937
Unrestricted	40,522,006	35,196,536	31,680,238	26,761,908	25,248,813	17,330,969	18,448,165	16,251,778	18,301,046	36,458,178
Total primary government net position	\$ 137,117,843	\$ 127,477,836	\$ 121,890,738	\$ 116,734,769	\$ 115,407,443	\$ 108,656,081	\$ 111,640,613	\$ 109,855,539	\$ 113,790,201	\$ 133,690,943

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities										
General government	\$ 5,404,711	\$ 3,013,089	\$ 4,520,223	\$ 3,912,871	\$ 3,249,482	\$ 2,873,517	\$ 2,777,044	\$ 2,526,600	\$ 2,604,253	\$ 2,713,828
Public safety	21,928,215	22,057,720	19,669,655	18,449,272	16,036,113	18,673,866	18,450,556	18,063,659	17,048,216	16,080,941
Public works - highways and streets	8,959,555	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
Parks and recreation	1,135,053	1,445,823	1,202,197	1,431,403	1,457,548	1,702,130	1,647,909	1,583,519	1,381,797	1,826,865
Debt service interest	369,314	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	<u>37,796,848</u>	<u>32,815,467</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>
Business-type activities										
Water	-	-	-	-	-	-	-	-	-	-
Sewer	-	-	-	-	-	-	-	-	-	-
Pinewood Pool	301,485	255,480	215,299	97,377	208,208	220,009	186,823	201,255	191,930	169,094
Total business-type activities expenses	<u>301,485</u>	<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>
Total primary government expenses	<u>\$ 38,098,333</u>	<u>\$ 33,070,947</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>
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 735,458	\$ 338,002	\$ 405,328	\$ 993,247	\$ 1,189,498	\$ 1,084,762	\$ 1,168,042	\$ 1,221,268	\$ 1,126,255	\$ 1,089,257
Public safety	4,100,396	4,663,278	2,852,864	1,861,102	2,016,786	1,664,920	1,710,954	1,683,666	1,562,830	1,547,850
Public works - highways and streets	-	163,688	75,252	46,195	58,116	88,563	49,849	40,756	83,773	55,208
Parks and recreation	203,419	228,846	169,191	47,425	216,936	189,182	203,229	183,297	154,321	155,373
Operating grants & contributions										
General government	1,055,553	882,217	965,119	889,388	883,379	827,383	633,179	704,953	600,873	630,338
Public safety	256,779	3,764,328	242,244	227,528	257,363	247,377	263,627	300,765	279,659	296,721
Public works - highways and streets	900,738	885,603	885,621	943,567	971,833	1,178,465	1,160,217	893,062	737,750	822,537
Parks and recreation	-	-	-	-	3,245	4,699	6,800	4,718	12,468	670
Capital grants & contributions										
Public works - highways and streets	55,029	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>7,307,372</u>	<u>10,925,962</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>
Business-type activities										
Charges for service										
Pinewood Pool	270,427	271,117	207,837	-	198,714	185,525	178,392	177,272	184,100	156,949
Total business-type activities program revenues	<u>270,427</u>	<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>
Total primary government program revenues	<u>\$ 7,577,799</u>	<u>\$ 11,197,079</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>
Net (Expense)/Revenue										
Governmental activities	\$(30,489,476)	\$(21,889,505)	\$(25,933,077)	\$(25,097,034)	\$(21,669,477)	\$(24,269,110)	\$(23,822,704)	\$(23,105,474)	\$(22,588,406)	\$(22,222,554)
Business-type activities	(31,058)	15,637	(7,462)	(97,377)	(9,494)	(34,484)	(8,431)	(23,983)	(7,830)	(12,145)
Total primary government net expense	<u>\$(30,520,534)</u>	<u>\$(21,873,868)</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>

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General revenues and other changes in net position										
Governmental activities										
Property taxes, levied for general purposes	\$ 2,891,579	\$ 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
Real estate transfer taxes	1,543,695	1,939,655	2,840,053	974,598	1,105,489	836,009	843,218	831,173	727,455	664,784
Local Services taxes	727,613	691,553	659,821	634,178	658,484	644,855	399,195	418,884	406,667	404,511
Mechanical device tax	43,261	43,000	42,680	39,044	39,161	35,138	34,201	31,414	32,015	34,285
Earned Income tax	9,538,514	-	-	-	-	-	-	-	-	-
Other taxes	12,589	52,543	51,705	13,975	13,120	13,075	13,105	14,279	14,279	14,173
Payment in lieu of taxes	58,008	-	-	-	-	75,000	75,000	74,650	75,000	75,000
Contributions not restricted to specific programs	22,824,774	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
Investment earnings	2,164,972	(653,382)	(111,687)	562,396	951,214	508,272	182,793	222,764	161,521	176,550
Miscellaneous revenues	309,401	157,014	200,024	281,410	192,011	163,838	77,591	79,525	72,437	46,510
Gain / Loss on sale of capital assets	47,208	25,326	3,915	-	-	16,954	-	3,586	-	4,320
Transfers	-	-	(50,000)	(50,000)	(50,000)	-	-	-	(57,000)	(30,000)
Total governmental activities	<u>40,161,614</u>	<u>27,460,966</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>
Business-type activities										
Investment earnings	-	-	-	-	-	16	-	-	-	-
Capital contributions	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	50,000	50,000	50,000	-	-	-	57,000	30,000
Total business-type activities	<u>-</u>	<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>
Total primary government	<u>\$ 40,161,614</u>	<u>\$ 27,460,966</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>
Change in net position										
Governmental activities	\$ 9,672,138	\$ 5,571,461	\$ 5,113,431	\$ 1,374,703	\$ 6,710,856	\$ 4,481,683	\$ 1,793,505	\$ (3,910,679)	\$ (4,592,416)	\$ (3,142,473)
Business-type activities	(31,058)	15,637	42,538	(47,377)	40,506	(34,468)	(8,431)	(23,983)	49,170	17,855
Total primary government	<u>\$ 9,641,080</u>	<u>\$ 5,587,098</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>

Source: Falls Township records

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable:										
Prepaid Items	\$ 685,305	\$ 615,833	\$ 530,090	\$ 589,214	\$ 515,138	\$ 526,682	\$ 477,349	\$ 476,441	\$ 230,604	\$ 233,547
Assigned to:										
Capital Projects	26,172,711	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
Subsequent year's budget	-	-	-	-	-	-	-	-	107,497	798,013
Restricted:										
Capital Projects	18,858,852	-	-	-	-	-	-	-	-	-
Unassigned	41,233,167	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
Total General fund	<u>\$ 86,950,035</u>	<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>
All other governmental funds										
Nonspendable:										
Prepaid Items	\$ 6,703	\$ 7,658	\$ 9,799	\$ 16,678	\$ 14,731	\$ 19,472	\$ 18,259	\$ 18,992	\$ 6,819	\$ 5,261
Restricted for:										
Parks and recreation	430,168	444,836	401,720	210,347	191,871	158,593	150,597	5,798	-	-
Fire protection	15,446	30,806	23,002	5,860	-	-	-	-	-	-
Library support	6,354	4,479	3,342	1,146	822	106	-	-	-	-
Rescue squad services	44,833	37,788	30,970	22,727	19,072	15,927	5,429	4,978	4,722	3,509
Recycling expenditures	463,195	457,362	455,493	455,466	454,796	451,296	448,500	447,261	446,485	446,335
Fire hydrant	113,461	110,554	109,217	106,002	105,256	81,228	56,311	33,123	10,845	-
Highway aid	1,093,983	716,176	743,725	1,044,975	1,001,128	918,569	929,108	430,561	52,404	178,854
Street Lighting	237,004	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	-	-
Assigned to:										
Capital projects	2,369,462	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
Unassigned	-	-	-	-	(1,141)	(3,192)	(21,693)	(16,507)	(52,215)	(61,846)
Total all other governmental funds	<u>\$ 4,780,609</u>	<u>\$ 4,370,636</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>
 Total Governmental Funds	 <u>\$ 91,730,644</u>	 <u>\$ 64,420,265</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>

Source: Falls Township records

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes										
Property	\$ 2,884,528	\$ 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
Real estate transfer	1,543,695	1,939,655	2,840,053	974,598	1,105,489	836,009	843,218	831,173	727,455	664,784
Local Services	727,613	691,553	659,821	637,348	658,301	643,235	396,014	420,501	400,136	410,435
Mechanical device	43,261	43,000	42,680	39,044	39,161	35,138	34,201	31,414	32,015	34,285
Earned Income	9,538,514	-	-	-	-	-	-	-	-	-
Motor Fuel tax	900,738	885,603	885,621	943,566	968,286	947,675	901,513	864,028	737,650	671,686
Other	12,589	5,762	4,924	-	-	-	-	-	-	-
Payment in lieu of taxes	58,008	46,781	46,781	-	-	75,000	74,999	74,649	75,000	75,000
Host Community fees	22,824,774	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
Licenses and permits	4,005,764	3,925,723	2,300,487	803,658	823,140	873,720	868,497	878,272	853,011	840,523
Fines and forfeits	148,182	154,727	173,939	139,184	185,468	194,345	233,942	183,350	200,543	182,573
Interest earnings	2,164,972	(653,382)	(111,687)	562,396	951,214	508,273	182,794	222,763	161,521	176,550
Rents	16,970	45,658	82,497	72,712	72,875	60,535	39,427	90,103	73,959	99,532
Intergovernmental	1,367,361	4,646,545	1,207,363	1,137,250	1,126,494	1,169,887	1,126,259	979,318	866,063	905,382
Charges for services	868,357	1,194,434	918,861	1,943,561	2,366,188	2,049,040	1,979,522	1,977,827	1,837,137	1,697,430
Contributions and donations	-	-	-	4,991	60,890	136,387	68,206	73,745	41,928	187,371
Refunds of prior years	256,006	152,147	181,933	247,389	185,374	62,458	85,187	97,448	71,384	42,788
Miscellaneous	53,395	78,139	44,942	-	-	-	-	-	-	-
Total revenue	<u>47,414,727</u>	<u>38,365,988</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>
Expenditures										
Current										
General government	4,902,992	2,948,494	3,614,268	3,739,315	3,035,914	2,692,124	2,525,235	2,338,372	2,424,751	2,525,187
Public safety	20,323,059	20,552,512	19,062,453	18,624,097	18,341,650	17,741,879	17,637,681	16,974,695	15,868,682	15,253,208
Public works - highway and street	3,440,845	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
Parks and recreation	1,081,768	1,073,614	861,414	949,108	929,820	1,187,073	1,093,359	1,028,753	978,519	1,020,866
Capital outlay										
General government	4,285,651	1,205,485	83,961	63,137	114,438	-	215,145	10,121	365,577	240,184
Public safety	250,386	312,885	376,888	229,719	254,332	224,753	264,707	280,549	105,110	150,105
Highways and streets	6,939,050	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
Parks and recreation	424,397	622,248	275,510	199,296	213,490	248,275	388,527	609,331	1,099,615	146,635
Debt service principal	-	-	-	-	-	-	-	-	-	-
Debt service interest	442,881	-	-	-	-	-	-	-	-	-
Total expenditures	<u>42,091,029</u>	<u>34,380,707</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>
Excess of revenues over/(under) expenditures	<u>5,323,698</u>	<u>3,985,281</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>

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Other financing sources(uses)										
Transfer in	-	-	200,000	550,000	550,000	462,000	620,000	856,900	684,000	558,000
Transfer out	-	-	(250,000)	(600,000)	(600,000)	(462,000)	(620,000)	(856,900)	(741,000)	(588,000)
Issuance of Debt	20,055,000	-	-	-	-	-	-	-	-	-
Bond Premium	1,885,546	-	-	-	-	-	-	-	-	-
Sale of capital assets	47,208	25,326	7,594	345	6,227	16,954	-	3,586	7,449	4,320
Total other financing sources(uses)	<u>21,987,754</u>	<u>25,326</u>	<u>(42,406)</u>	<u>(49,655)</u>	<u>(43,773)</u>	<u>16,954</u>	<u>-</u>	<u>3,586</u>	<u>(49,551)</u>	<u>(25,680)</u>
Net change in fund balance	<u>\$27,311,452</u>	<u>\$ 4,010,607</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>
Debt service as a percentage of non-capital expenditures	1.47%	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	Earned Income (a)	Local Services	Real Estate Transfer	Mechanical Device	Total
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
2023	2,884,528	9,538,514	727,613	1,543,695	43,261	14,737,611

Sources: Township documents

(a) Falls Township enacted a 1% Earned Income Tax effective 1/1/2023

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
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
2023	398,654,330	62,908,430	335,745,900	2,670,156,263	14.93%	8.97

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>	
2014	7.22	0.00	7.22	23.20	153.4500	183.8700
2015	7.22	0.00	7.22	23.20	157.8900	188.3100
2016	7.22	0.00	7.22	23.20	161.3600	191.7800
2017	7.22	0.00	7.22	23.20	165.0600	195.4800
2018	7.22	0.00	7.22	24.45	167.5400	199.2100
2019	7.22	0.00	7.22	24.45	170.0760	201.7460
2020	7.22	0.00	7.22	25.45	170.0760	202.7460
2021	7.22	0.00	7.22	25.45	174.0730	206.7430
2022	7.22	0.00	7.22	25.45	178.9470	211.6170
2023	8.97	0.00	8.97	25.45	186.2838	220.7038

(a) Information supplied by Falls Township Tax Collector

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

Taxpayer	Type of Business	2023			2014		
		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	\$ 5,625,910	1	1.68%	\$ 6,314,040	1	1.99%
Healey, Robert T. & William J.	Apartment	4,935,880	2	1.47%	4,935,880	2	1.55%
Pennwood Management LLC	Mobile Home Park	4,579,320	3	1.36%	4,579,320	3	1.44%
National Prop. Investments/Village Pennbrook 2 LLC	Apartment	4,320,000	4	1.29%	4,320,000	4	1.36%
WMI Properties	Industrial	3,944,480	5	1.17%	4,001,400	5	1.26%
K-Mart Corporation / Fairsan Co LLC	Industrial	2,700,000	6	0.80%	3,108,000	6	0.98%
Wheelabrator Falls Inc.	Industrial	2,616,770	7	0.78%	2,616,770	8	0.82%
New Ford Mill Road, LLC	Industrial	2,264,180	8	0.67%			
General Motors LLC	Industrial	2,070,490	9	0.62%	2,070,490	10	0.65%
NP Falls Twp Industrial LLC/Northpoint	Industrial	1,875,570	10	0.56%			
Bucks County Economic Development Corp.	Development				3,020,550	7	0.95%
BRE Hospitality	Hotel				2,235,320	9	0.70%
Totals		<u>\$ 34,932,600</u>		<u>10.40%</u>	<u>\$ 37,201,770</u>		<u>11.70%</u>

(a) Total Assessed Valuation equal to \$ 335,745,900

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>
2014	\$ 2,297,252	\$ 2,208,350	96.13%	\$ 88,777	\$ 2,297,127	99.995%
2015	2,295,559	2,211,958	96.36%	83,411	2,295,369	99.992%
2016	2,298,187	2,197,967	95.64%	99,715	2,297,682	99.978%
2017	2,303,287	2,214,456	96.14%	88,281	2,302,737	99.976%
2018	2,313,387	2,234,824	96.60%	77,926	2,312,750	99.972%
2019	2,395,023	2,305,707	96.27%	88,611	2,394,318	99.971%
2020	2,409,378	2,361,333	98.01%	47,161	2,408,494	99.963%
2021	2,405,099	2,364,126	98.30%	38,610	2,402,736	99.902%
2022	2,363,001	2,324,389	98.37%	26,422	2,350,811	99.484%
2023	2,975,498	2,807,434	94.35%	-	2,807,434	94.352%

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 Estimated Actual Value of Real Property (a)	Per Capita (b)
	General obligation bonds	General obligation notes	General obligation bonds	General obligation notes			
2014	\$ -	\$ -	\$ -	\$ -	\$ -	0.0000%	\$ -
2015	-	-	-	-	-	0.0000%	-
2016	-	-	-	-	-	0.0000%	-
2017	-	-	-	-	-	0.0000%	-
2018	-	-	-	-	-	0.0000%	-
2019	-	-	-	-	-	0.0000%	-
2020	-	-	-	-	-	0.0000%	-
2021	-	-	-	-	-	0.0000%	-
2022	-	-	-	-	-	0.0000%	-
2023	21,783,416	-	-	-	21,783,416	0.8158%	634

Source: Falls Township records

(a) Estimated Actual Value of Real Property equal to \$ 2,670,156,263

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

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>
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	-
2023	34,351	335,745,900	21,783,416	-	21,783,416	6.4881%	634

Source: Falls Township records

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

TOWNSHIP OF FALLS
Direct & Overlapping Governmental Activities Debt
December 31, 2023

<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)	\$ 21,783,416	100.00%	\$ 21,783,416
Pennsbury School District (b)	172,450,000	35.50%	61,219,750
Bucks County (c)	<u>161,673,200</u>	3.96%	<u>6,402,259</u>
 Total - Overlapping Debt	 \$ 355,906,616		 \$ 89,405,425

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.

TOWNSHIP OF FALLS
Legal Debt Margin Information
Last Ten Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Limit	\$ 54,681,043	\$ 55,125,538	\$ 54,843,196	\$ 60,533,222	\$ 69,543,568	\$ 77,510,227	\$ 77,955,169	\$ 80,166,664	\$ 80,793,913	\$ 93,873,603
Total Net Debt applicable to limit	-	-	-	-	-	-	-	-	-	21,783,416
Legal Debt Margin	<u>\$ 54,681,043</u>	<u>\$ 55,125,538</u>	<u>\$ 54,843,196</u>	<u>\$ 60,533,222</u>	<u>\$ 69,543,568</u>	<u>\$ 77,510,227</u>	<u>\$ 77,955,169</u>	<u>\$ 80,166,664</u>	<u>\$ 80,793,913</u>	<u>\$ 72,090,187</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>

Legal Debt Margin Calculation for Year 2023

Borrowing Base Revenues: (a)	
2021	\$ 34,657,576
2022	32,844,119
2023	45,146,628
	<u>\$ 112,648,323</u>

(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

Average Borrowing Base Revenues:	\$ 37,549,441
Debt Limit Percentage	X 250.00%
Debt Limit	\$ 93,873,603
Less: Total Amount Of Debt Applicable to Debt Limit (b)	<u>21,783,416</u>
Legal Debt Margin	\$ 72,090,187

TOWNSHIP OF FALLS
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population (a)</u>	<u>Per Capita Income</u>	<u>School District Enrollment (b)</u>	<u>Number of Dropouts (b)</u>	<u>Dropouts as % of Enrollment</u>	<u>Unemployment Rate (c)</u>
2014	34,367	N/A	10,457	29	0.28%	5.6%
2015	33,901	N/A	10,477	28	0.27%	4.8%
2016	33,714	N/A	10,340	29	0.28%	4.6%
2017	33,909	N/A	10,530	18	0.17%	4.4%
2018	33,769	N/A	10,342	12	0.12%	4.0%
2019	33,520	N/A	9,990	18	0.18%	4.0%
2020	34,716	N/A	9,907	9	0.09%	8.7%
2021	34,633	N/A	9,106	6	0.07%	5.1%
2022	34,644	N/A	9,791	18	0.18%	3.7%
2023	34,351	N/A	10,020	8	0.08%	2.8%

Data Sources:

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

(b) Pennsbury School District, as of 6/30/2023

(c) Bureau of Labor Statistics database, Annual Averages

N/A Data not available

TOWNSHIP OF FALLS
Principal Employers
Current Year and Nine Years Ago

Employer	Description	2023			2014		
		Employees	Rank	Percentage of Total Township Employment	Employees	Rank	Percentage of Total Township Employment
Aria Health - Bucks County Campus	Hospital	1,115	1	3.62%	891	2	3.21%
Pennsbury School District	Public Education	998	2	3.24%	933	1	3.36%
Giant Food Stores LLC	Grocery Store	377	3	1.22%	147	10	0.53%
Peruzzi	Auto Sales	251	4	0.82%	177	6	0.64%
Gelest	Chemicals	211	5	0.69%			
JB Hunt Transport Inc.	Trucking	207	6	0.67%			
Univar	Chemicals	200	7	0.65%	148	9	0.53%
Home Depot	Retail Store	199	8	0.65%	174	7	0.63%
Abington Reldan Metals	Precious Metal Recycling	182	9	0.59%			
Tavo Packaging	Package Printing	179	10	0.58%			
U-Haul Company of PA	Manufacturing	173		0.56%			
Linde Gas & Equipment Inc.	Specialty Gases	194		0.63%			
Eckerd/Rite Aid	Warehouse/Retail Store				468	3	1.68%
Kmart Distribution Center	Warehouse Distribution				291	4	1.05%
Best Buy	Retail Store				180	5	0.65%
Waste Management	Waste Collector				153	8	0.55%
Total		4,286		13.92%	3,562		12.83%

Source: Respective Companies and Township Records

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Government	16	16	16	18	18	18	15	14	14	14
Public Safety										
Police										
Officers	51	51	52	51	52	50	51	52	52	52
Civilians	7	7	7	7	6	6	7	7	6	6
Fire										
Civilians	4	4	4	4	4	4	5	5	5	4
Highway and Streets										
Maintenance	16	16	17	17	16	17	15	16	16	17
Sanitation	0	0	0	0	0	0	0	0	0	0
Culture and Recreation	4	3	2	2	2	2	2	2	2	3
Water	0	0	0	0	0	0	0	0	0	0
Sewer	0	0	0	0	0	0	0	0	0	0
Totals	<u>98</u>	<u>97</u>	<u>98</u>	<u>99</u>	<u>98</u>	<u>97</u>	<u>95</u>	<u>96</u>	<u>95</u>	<u>96</u>

Sources: Township documents

FALLS TOWNSHIP
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Police										
Arrests	912	763	1,003	835	944	777	788	996	751	699
Parking Violations	106	70	219	178	246	209	159	231	246	224
Traffic Violations	1,958	1,967	3,423	3,445	2,806	1,409	1,519	2,058	1,285	1,420
Animal Control Investigations	255	224	320	348	469	408	351	32	347	341
Fire										
Number of calls answered	1,475	1,521	1,470	1,578	1,569	1,554	1,517	1,663	1,744	1,776
License and Inspection										
Business Licenses	1,764	1,404	1,902	1,799	2,122	1,980	2,105	1,709	2,527	2,522
Building Permits	571	777	553	522	453	524	366	523	359	408
Electrical Permits	495	459	596	533	603	674	553	508	540	555
Highways and Streets										
Road Reconstruction (lineal feet)	-	-	-	1,300	3,568	2,955	6,145	7,000	900	7,100
Culture and Recreation										
Community Park Pavillion Rentals	84	93	90	84	116	119	76	179	156	128

Sources: Various government departments

FALLS TOWNSHIP
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Function										
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicle Units	59	57	57	56	54	45	41	41	44	41
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, 2023

<u>Name of Company</u>	<u>Policy Number</u>	<u>Policy Period</u>		<u>Type of Coverage</u>	<u>Liability Limits</u>	<u>Deductible</u>	<u>Annual Premium</u>
		<u>From</u>	<u>To</u>				
Delaware Valley Workers' Compensation Trust (DWWCT)	WC38928-2042	1/1/2023	1/1/2024	Workers Compensation	Statutory	N/A	\$ 413,018
State Workers' Insurance Fund (SWIF)	05921852	1/1/2023	1/1/2024	Volunteer Fire Companies	\$ 1,000,000	N/A	35,030
Selective Insurance	1283658	6/19/2023	6/19/2024	Public Official Bond for Manager	\$ 2,000,000	N/A	\$ 1,250
Selective Insurance	B1260337	5/1/2023	5/1/2024	Public Official Bond for Finance Dir	2,000,000	N/A	1,250
Selective Insurance	B1263372	6/10/2023	6/10/2024	Public Official Bond for Sec/Treas	2,000,000	N/A	1,250
National Union Fire Ins Co	SRG0009142979-A	1/11/2023	1/11/2024	Blanket Accident for FH Fire	\$ 250,000	N/A	\$ 898
	SRG9147838	10/24/2023	10/24/2024	Blanket Accident for Volunteers	250,000	N/A	594
	SRG0009141599-A	2/12/2023	2/12/2024	Blanket Accident for LFH Rescue	250,000	N/A	1,368
	SRG0009142980-A	1/11/2023	1/11/2024	Blanket Accident for Falls Fire	250,000	N/A	500
	SRG0009142988-A	1/11/2023	1/11/2024	Blanket Accident for Levittown Fire	250,000	N/A	500
Trident / Argonaut	PE-4640687-01	6/18/2023	6/18/2024	Property	\$ 27,442,344	\$ 5,000	\$ 49,225
				General Liability	\$1M occ / \$2M agg	N/A	43,223
				Employee Benefits	\$1M occ / \$3M agg	1,000	included
				Employment Practices Liability	\$1M occ / \$2M agg	25,000	60,747
				Crime	250,000	1,000	included
				Automobile	1,000,000	1,000	173,344
				Umbrella	10,000,000	N/A	51,160
				Public Officials Liability	\$1M occ / \$2M agg	10,000	13,177
				Law Enforcement Liability	\$1M occ / \$2M agg	10,000	39,518
				Inland Marine	8,107,142	1,000	included
				Street Light/Misc Property	6,128,100	1,000	included
				Earthquake/Flood	1,000,000	50,000	included
				Animal Coverage	\$25,000 per dog	1,000	included
Travelers	107662525	7/1/2023	7/1/2024	Cyber Liability / Computers	\$ 3,000,000	\$ 10,000	\$ 29,250
Crum & Forster	PLL-108219	6/18/2023	6/18/2024	Pollution	\$ 1,000,000	\$ 10,000	\$ 4,521
Lloyd's of London / WNC Ins Svc	PI00P004211000000-00	6/18/2023	6/18/2024	Flood - Millcreek Sports Complex	\$ 176,721	\$ 2,000	\$ 2,148
	FLEX3709011042-01	2/11/2023	2/11/2024	Excess Flood-282 Trenton Rd	500,000	N/A	2,878
Philadelphia Indemnity	99058480162021	10/10/2023	10/10/2024	National Flood-Concession-Millcreek	\$ 194,000	\$ 1,250	\$ 1,134
	99058480152021	10/10/2023	10/10/2024	National Flood-Quaker Penn Park	77,000	1,000	692
Total premium							\$ 926,675

Source: Falls Township records

TOWNSHIP OF FALLS
Miscellaneous Statistics
December 31, 2023

<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
<u>Current Statistics:</u>	<u>Housing</u> 12,475 - Total Housing Units (2016-2020 ACS) \$248,500 - Median Home Price (2016-2020 ACS) \$1,177 - Median Rent (2016-2020 ACS)

Source: Falls Township records

TOWNSHIP OF FALLS
Miscellaneous Statistics (Continued)
December 31, 2023

<u>Park & Recreation Facilities:</u>	<ul style="list-style-type: none"> 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
<u>Parks & Recreation:</u>	<p><u>Acreage</u></p> <ul style="list-style-type: none"> 323.82 acres Township Parks 138.00 acres Greenbelts / Open Space 231.09 acres County / Lake, Pool 43.00 acres State Park
<u>Cultural & Historical Facilities:</u>	<ul style="list-style-type: none"> Township - Three Arches State - Pennsbury Manor
<u>Street System:</u>	<ul style="list-style-type: none"> 86.75 Local Miles 45.60 State Miles
<u>Highways:</u>	<ul style="list-style-type: none"> U.S. Route #1 Route #13 East & West Lincoln Highway
<u>Number of Street Lights:</u> (All Township Owned)	<ul style="list-style-type: none"> 2,465 Residential 83 Highway
<u>Sanitary Sewage:</u>	<ul style="list-style-type: none"> 308,904 L.F. Mains (a) Maximum Average Daily Treatment 2.406 MGD
<u>Water:</u>	<ul style="list-style-type: none"> 311,162 L.F. Mains (a) Maximum Average Daily Treatment 2.85 MGD

(a) Source: Township of Falls Authority

TOWNSHIP OF FALLS
Miscellaneous Statistics (Continued)
December 31, 2023

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

Rail: No rail stations

Bus: No bus terminals

Airfield: No airfields

Source: Falls Township records

TOWNSHIP OF FALLS
Miscellaneous Statistics (Continued)
December 31, 2023

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
WTXF - 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