

WEST NORRITON TOWNSHIP  
ANNUAL FINANCIAL REPORT  
Year Ended December 31, 2023

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**KIMMEL, LORAH & ASSOCIATES, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

**INTRODUCTORY SECTION**

**WEST NORRITON TOWNSHIP  
ANNUAL FINANCIAL REPORT  
Year Ended December 31, 2023**

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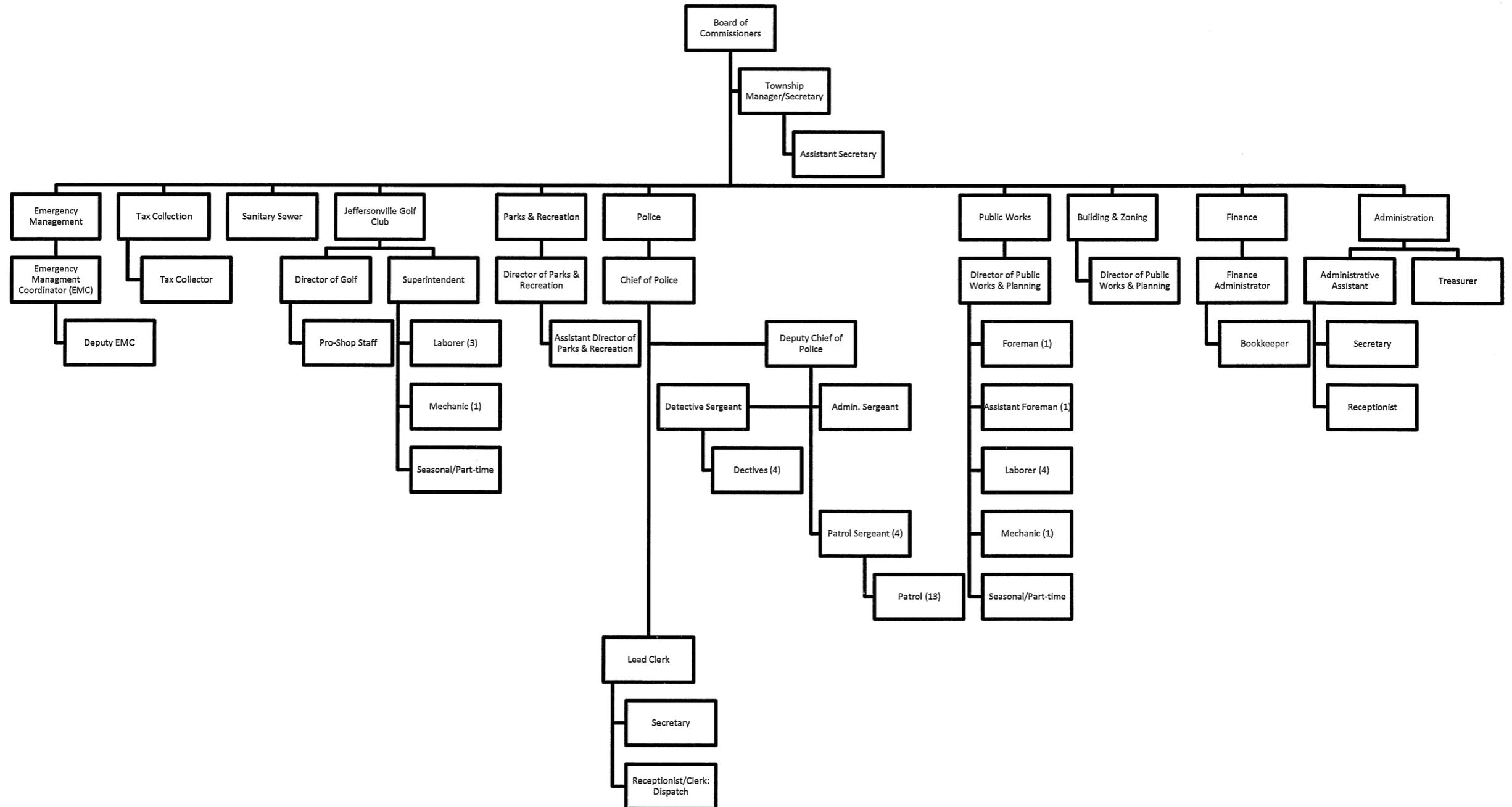
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**WEST NORRITON TOWNSHIP  
ORGANIZATIONAL CHART**



**WEST NORRITON TOWNSHIP  
BOARD OF COMMISSIONERS  
Year Ended December 31, 2023**

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**Board Officers:**

President - Anne Pavone

Vice President - Peter Smock

**Board Members:**

Martin Miller

Judith Eckles

Roseanne Milazzo

**WEST NORRITON TOWNSHIP  
BOARD APPOINTMENTS AND TOWNSHIP STAFF  
Year Ended December 31, 2023**

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**Board Appointments:**

Jason Bobst - Township Manager/Secretary  
Kathy Frederick - Township Assistant Secretary  
Donna Horn - Township Treasurer  
Martin Sheehan - Tax Collector  
Kilkenny Law - Township Solicitor  
Kimmel, Lorah & Associates, LLP - Township Auditor  
Erik Garton/Gilmore & Associates - Township Engineer  
Allan Booz - Zoning Officer  
Michael Valyo - Assistant Zoning Officer  
Chris Fazio - Traffic Engineer  
William Dingman/Gilmore & Associates - Sewer Engineer  
Michael Valyo - Fire Marshal  
Jonathan Kennedy - Deputy Fire Marshal  
Naomi Crimm - Land Planner

**Township Staff:**

Donna Horn - Finance Administrator  
Mary Criswell - Bookkeeper  
Donna Benz - Receptionist  
Diane Kummerer - Secretary  
Allan Booz - Code Enforcement  
Jon Dzedzy - Parks and Recreation  
Stephanie Dinolfi - Assistant Parks and Recreation  
Michael Kelly - Police Chief  
Michael Valyo - Public Works

**FINANCIAL SECTION**

# KIMMEL, LORAH & ASSOCIATES, LLP

CERTIFIED PUBLIC ACCOUNTANTS

July 29, 2024

## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of  
West Norriton Township  
Jeffersonville, Pennsylvania

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of West Norriton Township, Pennsylvania, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise West Norriton Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of West Norriton Township, Pennsylvania, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial statements section of our report. We are required to be independent of West Norriton 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 opinion.

#### *Responsibilities of Management for the Financial Statement*

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

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## ***Auditors' Responsibilities for the Audit of the Financial statements***

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

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those 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 West Norriton 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 West Norriton Township's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7-16, budgetary comparison information on pages 62-67, and pension and other post-retirement employee benefit plans information on pages 68-73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for

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

*Kimmel, Lorah & Associates, LLP*  
Certified Public Accountants

**WEST NORRITON TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**Year Ended December 31, 2023**

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**INTRODUCTION**

This section of the financial statements for West Norriton Township (the "Township") presents a narrative overview and analysis of the Township's financial performance for the year ended December 31, 2023. We recommend that it be read in conjunction with the accompanying basic financial statements and notes to the financial statements in order to obtain a thorough understanding of the Township's financial condition at December 31, 2023.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of this report consists of three parts:

- Management's discussion and analysis (this section).
- Basic financial statements (including notes).
- Required supplementary information.

Management's discussion and analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the Township government. The basic financial statements include notes that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements. Required supplementary information is provided in the Township's budget to actual figures for the major Governmental Funds.

The basic financial statements present two different views of the Township:

Government-Wide Financial Statements, the first two statements, provide information about the Township's overall financial status as well as the financial status of the Township's component unit.

Fund Financial Statements, the remaining statements, focus on individual parts of Township government. They provide more detail on operations than the government-wide statements. There are three types of fund financial statements:

- o Governmental Funds statements show how general government services such as public safety were financed in the short term, as well as what remains for future spending.
- o Proprietary Funds statements offer short-term and long-term financial information about the activities the Township operates like a business, such as West Norriton Township Sewer Fund and Golf Fund.
- o Fiduciary Funds statements reflect activities involving resources that are held by the Township as a trustee or agent for the benefit of others. Examples of this are the funds created to account for police and non-uniform employees' pension. Fiduciary Funds are not reflected in the government-wide statements because the resources cannot be used to support the Township's programs.

**WEST NORRITON TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), CONTINUED  
Year Ended December 31, 2023**

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**OVERVIEW OF THE FINANCIAL STATEMENTS, CONTINUED**

**Government-Wide Financial Statements**

Government-wide financial statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies.

The statement of net position includes all of the Township's assets and liabilities, except Fiduciary Funds, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business.

The statement of activities focuses on how the Township's net position changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services and grants) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on local taxes for funding.

All changes to net position are reported using the accrual method of accounting, which requires that revenues be reported when they are earned and expenses be reported when the goods and/or services are received, regardless of when cash is received or paid.

Net position is one way to measure the Township's financial position. Whether there are increases or decreases in the Township's net position is one indicator of whether the Township's financial position is improving or deteriorating. However, other nonfinancial factors such as changes in the Township's real property tax base and general economic conditions must be considered to assess the overall position of the Township.

The primary government and its component unit are included in the government-wide financial statements. Component units reflect the activities of legally separate government entities over which the Township can exercise influence and/or be obligated to provide financial support. The Township has one discretely presented component unit, West Norriton Industrial Development Authority. Complete and detailed financial statements for the component unit can be obtained from its administrative office.

There are two categories of activities for the primary government:

Governmental activities include the Township's basic services such as general government, public safety, public works, and culture and recreation. Property taxes, earned income tax, and state and federal grants finance most of these activities.

Business-type activities such as the Township's Sewer Fund and Golf Fund charge a fee to customers to help cover the costs of services.

Net position of the governmental activities differs from the Governmental Funds balances because Governmental Fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (money) are expended to purchase or build said assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated as it does not provide or reduce current financial resources. Finally, capital assets and long-term debt do not affect fund balances.

**WEST NORRITON TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), CONTINUED  
Year Ended December 31, 2023**

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**OVERVIEW OF THE FINANCIAL STATEMENTS, CONTINUED**

**Government-Wide Financial Statements, Continued**

Government-wide statements are reported using an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the statement of net position:

Capitalize current outlays for capital assets.

Report long-term debt as a liability.

Depreciate capital assets and allocate the depreciation to the proper program/activities.

Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting.

Allocate the net position balance as follows:

The portion of net position's net investment in capital assets.

Unrestricted net position is the portion of net position that is contained by external sources (creditors, grantors, and laws or regulations of governments).

**Fund Financial Statements**

Fund financial statements provide more detailed information on the Township's most significant funds, not the Township as a whole. Funds are accounting devices, i.e., a group of related accounts, the Township uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law. Other funds are established to control and manage resources designated for specific purposes. Fund financial statements are reported using current financial resources and modified accrual accounting established by the Government Accounting Standards Board (GASB) for governments.

The Township has three kinds of funds:

Governmental Funds include most of the Township's basic services and focus on:

- (1) The flow in and out of cash and other financial assets that can readily be converted into cash.
- (2) The balances left at year-end that are available for spending. These funds are reported using the modified accrual accounting basis, and a current financial resources measurement focus. Consequently, the Governmental Funds statements provide a detailed short-term view that helps determine the financial resources available in the near future to finance the Township's programs.

The relationship between governmental activities (reported in the statement of net position and the statement of activities) and Governmental Funds is described in a reconciliation that is included in the financial statements.

**WEST NORRITON TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), CONTINUED  
Year Ended December 31, 2023**

**OVERVIEW OF THE FINANCIAL STATEMENTS, CONTINUED**

**Fund Financial Statements, Continued**

The Township adopts an annual budget for the General, Special Revenue, Liquid Fuels, Sewer, Golf, Sinking, and Capital Reserve Funds.

Proprietary Funds report business-type programs and activities that charge fees designed to recover the cost of providing services. They report using full accrual accounting.

Fiduciary Funds are funds for which the Township is the trustee or fiduciary. These include certain Agency Funds, or clearing accounts for assets held by the Township in its role as custodian until the funds are allocated to the pension recipients to which they belong. The Township is responsible for ensuring the assets reported in these funds are used for their intended purposes. This fiduciary activity is reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These funds are excluded from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Net Position**

Total assets were \$63.3 million at December 31, 2023, which represents an increase of \$1.2 million, or 2.0%, compared to 2022. Business-Type Activities increased by \$2.9 million, primarily from an increase in capital assets of \$10.3 million and a decrease in other assets of \$7.4 million.

Total liabilities were \$56.3 million, an increase of \$1.4 million, or 2.6%, compared to 2022. This increase was primarily the result of increase in payables related to purchase of capital assets, offset by \$.9 million in principal payments, and an decrease of \$1.3 million of net pension liabilities and deferred inflows related to pension plans and Other Post-Employment Benefits ("OPEB").

GASB 34 requires that all capital assets related to governmental activities be reported separately from those related to business-type activities in the government-wide financial statements. The Township believes it has included its entire infrastructure in the 2023 financial statements.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>		<u>Variances</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	
<b>ASSETS</b>							
Other assets	\$9,321,147	\$8,829,829	\$12,360,881	\$19,755,116	\$21,682,028	\$28,584,945	(\$6,902,917)
Capital assets	8,321,680	8,028,831	27,993,589	17,723,232	36,315,269	25,752,063	10,563,206
Deferred outflows	5,338,805	7,769,516	-	-	5,338,805	7,769,516	(2,430,711)
<b>TOTAL ASSETS</b>	<u>22,981,632</u>	<u>24,628,176</u>	<u>40,354,470</u>	<u>37,478,348</u>	<u>63,336,102</u>	<u>62,106,524</u>	<u>1,229,578</u>
<b>LIABILITIES</b>							
Other liabilities	808,115	434,171	5,113,936	1,555,490	5,922,051	1,989,661	3,932,390
Long-term liabilities	25,152,613	26,172,982	19,204,626	20,238,676	44,357,239	46,411,658	(2,054,419)
Deferred inflows	6,012,460	6,477,804	-	-	6,012,460	6,477,804	(465,344)
<b>TOTAL LIABILITIES</b>	<u>31,973,188</u>	<u>33,084,957</u>	<u>24,318,562</u>	<u>21,794,166</u>	<u>56,291,750</u>	<u>54,879,123</u>	<u>1,412,627</u>
<b>NET POSITION</b>							
Net investment in capital assets	5,610,231	5,127,901	7,675,624	(3,444,562)	13,285,855	1,683,339	11,602,516
Unrestricted (deficit), restated	(14,601,787)	(13,584,682)	8,360,284	19,128,744	(6,241,503)	5,544,062	(11,785,565)
<b>TOTAL NET POSITION</b>	<u>(\$8,991,556)</u>	<u>(\$8,456,781)</u>	<u>\$16,035,908</u>	<u>\$15,684,182</u>	<u>\$7,044,352</u>	<u>\$7,227,401</u>	<u>(\$183,049)</u>

**WEST NORRITON TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), CONTINUED  
Year Ended December 31, 2023**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS, CONTINUED**

**Changes in Net Position**

The statement of activities represents changes in net position for the year ended December 31, 2023. It shows revenues by source and expenses by function for Governmental Activities, Business-Type Activities and the government as a whole. Reductions in net position can reflect additional annual depreciation and/or the elimination of assets during the particular year. Increases in net position can reflect the completion of previous works-in-progress and/or the purchase of additional assets. The statement of activities can be found in the accompanying Financial Statements.

**Condensed Statements of Activities**

	Governmental Activities		Business-Type Activities		Totals		Variances
	2023	2022	2023	2022	2023	2022	
<b>REVENUES</b>							
Program revenues							
Charges for services	\$286,042	\$208,272	\$5,652,068	\$5,530,900	\$5,938,110	\$5,739,172	\$198,938
Operating grants	957,624	1,030,550	-	-	957,624	1,030,550	(72,926)
General revenues							
Real estate	4,390,022	4,468,813	-	-	4,390,022	4,468,813	(78,791)
Per capita	44,457	45,802	-	-	44,457	45,802	(1,345)
Transfer	490,240	677,778	-	-	490,240	677,778	(187,538)
Earned income	3,911,352	4,048,257	-	-	3,911,352	4,048,257	(136,905)
LST	410,642	371,949	-	-	410,642	371,949	38,693
Liquid fuels	415,402	402,297	-	-	415,402	402,297	13,105
Investment earnings	321,974	82,964	192,438	79,117	514,412	162,081	352,331
Licenses, grants and fees	1,187,039	1,225,639	-	-	1,187,039	1,225,639	(38,600)
Miscellaneous	621,338	480,748	100	31,846	621,438	512,594	108,844
Gain on sales of capital assets	9,400	23,579	26,830	-	36,230	23,579	12,651
Transfers in (out)	(419,567)	(398,526)	419,567	398,526	-	-	-
<b>TOTAL REVENUES</b>	<b>12,625,965</b>	<b>12,668,122</b>	<b>6,291,003</b>	<b>6,040,389</b>	<b>18,916,968</b>	<b>18,708,511</b>	<b>208,457</b>
<b>EXPENSES</b>							
General government	6,565,795	8,016,578	-	-	6,565,795	8,016,578	(1,450,783)
Public safety	4,823,334	4,501,774	-	-	4,823,334	4,501,774	321,560
Public works	949,388	1,092,083	-	-	949,388	1,092,083	(142,695)
Culture and recreation	610,370	593,753	-	-	610,370	593,753	16,617
Community development	125,000	230,000	-	-	125,000	230,000	(105,000)
Debt service - interest	86,853	76,324	298,718	360,449	385,571	436,773	(51,202)
Sewer	-	-	3,289,938	3,151,922	3,289,938	3,151,922	138,016
Golf	-	-	2,350,621	2,151,382	2,350,621	2,151,382	199,239
<b>TOTAL EXPENSES</b>	<b>13,160,740</b>	<b>14,510,512</b>	<b>5,939,277</b>	<b>5,663,753</b>	<b>19,100,017</b>	<b>20,174,265</b>	<b>(1,074,248)</b>
<b>CHANGE IN NET POSITION</b>	<b>(534,775)</b>	<b>(1,842,390)</b>	<b>351,726</b>	<b>376,636</b>	<b>(183,049)</b>	<b>(1,465,754)</b>	<b>1,282,705</b>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<b>(8,456,781)</b>	<b>(6,614,391)</b>	<b>15,684,182</b>	<b>15,307,546</b>	<b>7,227,401</b>	<b>8,693,155</b>	<b>(1,465,754)</b>
<b>NET POSITION AT END OF YEAR</b>	<b>(\$8,991,556)</b>	<b>(\$8,456,781)</b>	<b>\$16,035,908</b>	<b>\$15,684,182</b>	<b>\$7,044,352</b>	<b>\$7,227,401</b>	<b>(\$183,049)</b>

The Governmental Activities net position increased to \$9.0 million deficit in 2023 from a \$8.5 million deficit in 2022 by an increase of \$.5 million excess of expenses over revenues. The Business-Type Activities net position increased by \$.4 million in 2023, resulting in part from transfers from Governmental Activities of \$.4 million in 2023.

**WEST NORRITON TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), CONTINUED  
Year Ended December 31, 2023**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS, CONTINUED**

**Net Program Expenses**

Net program expenses indicate the amount of support required from taxes and other general revenues for a program of the government. The net program expenses for the year ended December 31, 2023, can be found in the accompanying statement of activities.

Real estate taxes are a significant source of funds to support net program expenses. In 2023, general real estate taxes brought in \$4.4 million and were \$80 thousand lower than 2022. The real estate tax is based on the assessed value of real property; changes in the assessed valuation can affect tax revenues.

The Township's tax rate is still well below the Commonwealth-set cap for operating costs. While maintaining low millage rates has a positive political appearance, without an appropriate and supportive fund balance, the Township could suffer negative long-term ramifications when additional tax revenues are necessary. It appears that the current millage rate has helped the Township significantly in covering its net program expenses.

The following table provides a summary of total cost and net cost of services.

**Net Cost of Governmental and Business-Type Activities**

Program	Total Cost of Services	Net Cost of Services
General government	\$6,565,795	\$5,604,971
Public safety	4,823,334	4,674,224
Public works	949,388	949,388
Culture and recreation	610,370	476,638
Community development	125,000	125,000
Sewer and golf course services	5,640,559	11,509
	<b>\$18,714,446</b>	<b>\$11,841,730</b>

**DEBT ADMINISTRATION AND CAPITAL ASSETS**

**Debt Administration**

Long-term liabilities at December 31, 2023 were \$44.4 million, a decrease of \$2.0 million from the prior year. There were no debt borrowings during 2023. There were \$1.2 million in principal payments of long-term debt and unamortized debt issuance costs. Additionally, the Township recorded \$2.6 million decrease in net pension liability and \$1.8 million increase in net Other Post-Employment Benefits (OPEB) liability.

Detailed information about the Township's long-term liabilities can be found in the Notes to the Financial Statements.

**WEST NORRITON TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), CONTINUED  
Year Ended December 31, 2023**

**DEBT ADMINISTRATION AND CAPITAL ASSETS, CONTINUED**

**Capital Assets**

The Township's capital assets at December 31, 2023, net of accumulated depreciation, were \$25.8 million. Capital assets consist primarily of land, buildings, infrastructure and equipment. The table below is a summary of capital assets at December 31, 2023, and compares 2023 with 2022.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>		<u>Variances</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	
<b>CAPITAL ASSETS</b>							
Land	\$2,798,103	\$2,798,103	\$1,328,729	\$1,328,729	\$4,126,832	\$4,126,832	\$ -
Construction in progress	113,388	26,124	12,635,668	2,024,269	12,749,056	2,050,393	10,698,663
Capitalized interest	-	-	313,243	30,618	313,243	30,618	282,625
Building and improvements	8,968,365	8,317,121	33,170,157	32,849,493	42,138,522	41,166,614	971,908
Machinery and equipment	3,792,941	3,623,056	2,138,872	2,097,222	5,931,813	5,720,278	211,535
Accumulated depreciation	<u>(7,351,117)</u>	<u>(6,735,573)</u>	<u>(21,593,080)</u>	<u>(20,607,099)</u>	<u>(28,944,197)</u>	<u>(27,342,672)</u>	<u>(1,601,525)</u>
<b>CAPITAL ASSETS, net</b>	<b><u>\$8,321,680</u></b>	<b><u>\$8,028,831</u></b>	<b><u>\$27,993,589</u></b>	<b><u>\$17,723,232</u></b>	<b><u>\$36,315,269</u></b>	<b><u>\$25,752,063</u></b>	<b><u>\$10,563,206</u></b>

Detailed information about the Township's capital assets can be found in Notes to the Financial Statements.

The cost of capital assets increased by \$12.2 million, consisting of \$11.9 million of purchases of capital assets, and \$.3 million of capitalized interest.

Accumulated depreciation increased by \$1.6 million, consisting of the current year's depreciation.

**GOVERNMENTAL FUNDS**

The Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of Governmental Funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, an unreserved/undesignated fund balance may serve as a useful measure of the Township's net resources available for spending at the end of the year. Therefore, some figures will be different in the fund statements than the government-wide statements.

The Township's Governmental Funds include the General Fund, Liquid Fuels Fund, Debt Service Fund, Capital Reserve Fund and Emergency Fund. The General Fund is the chief operating fund for the Township. The Capital Reserve Fund accounts for the proceeds of bond issues. The major funds are shown on the statement of revenues, expenditures and changes in fund balances in the Financial Statements.

**WEST NORRITON TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), CONTINUED  
Year Ended December 31, 2023**

**GOVERNMENTAL FUNDS, CONTINUED**

**Governmental Funds Revenues**

Governmental Funds revenues by source at December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$9,662,115	\$10,014,896	(\$352,781)
Fees, licenses and permits	885,246	938,490	(53,244)
Court costs and fines	50,981	52,258	(1,277)
Grants	957,624	1,030,550	(72,926)
Charges for services	3,200	5,760	(2,560)
Public safety and highway	399,922	311,039	88,883
Recreation and culture	133,732	126,364	7,368
Interest	321,974	82,964	239,010
Miscellaneous	<u>621,338</u>	<u>480,748</u>	<u>140,590</u>
<b>TOTAL REVENUES</b>	<b><u>\$13,036,132</u></b>	<b><u>\$13,043,069</u></b>	<b><u>(\$6,937)</u></b>

Governmental Funds revenues totaled \$13.0 million for the year ended December 31, 2023, which was comparable to 2022. Recognized tax revenues decreased by \$350 thousand, a decrease of \$53 thousand in fees, licenses and permits, a decrease of \$73 thousand in grants, and increase of \$472 thousand in other revenues for a total net decrease of \$7 thousand.

**Governmental Funds Expenditures**

Governmental Funds expenditures by source at December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
<b>EXPENSES</b>			
Administration	\$5,064,290	\$5,083,310	(\$19,020)
Public safety	5,100,352	4,701,114	399,238
Public works	1,354,257	1,144,630	209,627
Culture and recreation	583,356	704,041	(120,685)
Community development	125,000	230,000	(105,000)
Debt service	<u>276,336</u>	<u>258,807</u>	<u>17,529</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$12,503,591</u></b>	<b><u>\$12,121,902</u></b>	<b><u>\$381,689</u></b>

**WEST NORRITON TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), CONTINUED  
Year Ended December 31, 2023**

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**GOVERNMENTAL FUNDS, CONTINUED**

**Governmental Fund Balances**

The ending balance for Governmental Funds and net position for Proprietary Funds at December 31, 2023, were as follows:

Fund	Governmental Funds	Proprietary Funds
General Fund	\$6,218,294	\$ -
Liquid Fuels Fund	268,921	-
Debt Service Fund	4,188	-
Capital Reserve Fund	2,208,322	-
Emergency Fund	12,307	-
Sewer Fund	-	12,660,489
Golf Fund	-	3,375,419
	<u>\$8,712,032</u>	<u>\$16,035,908</u>

**BUDGETARY HIGHLIGHTS**

The Township Commissioners revise the budget on an as-needed basis. There are two kinds of revisions:

Allocations are made to specific line items from other line items or from contingency funds established in the budget.

New appropriations are budgeted when received, and the anticipated related expense is budgeted at the same time.

Because the Township is on a different fiscal year than the Commonwealth, it is difficult to know what grants will be forthcoming in the Township's fiscal year. Many revenue variances are due to budgeting for grants not received. Other revenue variances are based on grants received, but not anticipated.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

**Economic Conditions**

The Township's revenues have not kept up with the growing expenditures. This has forced the Township to look for ways to generate revenue from additional sources such as state grants. In addition, the Township is an older, densely populated and developed community with aging infrastructure that requires maintenance, rehabilitation, or reconstruction, further straining municipal resources.

**WEST NORRITON TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED), CONTINUED  
Year Ended December 31, 2023**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET, CONTINUED**

**Market Impact on Investment Income**

The Commonwealth restricts Township investments to government secured funds and deposits with federally insured institutions. In March 2016, the governor signed legislation (the "Act") which authorized additional financial products to the approved list of approved investments. The Act adds high quality money market instruments including repurchase agreements, commercial paper, negotiable certificates of deposit and bankers' acceptances to the list of approved investments.

**Government Funding**

The Township relies on state funding for various purposes including the Township's projects and programs, Police Department programs and economic development projects. Funding for these programs varies from year to year, and the Township develops strategies to maximize the impact of these funds.

**Personnel Costs**

The Township has contracts with two unions: The West Norriton Police Association and the American Federation of State County and Municipal Employees (AFSCME). The West Norriton Police Association contract was renewed effective January 1, 2023 and is due to expire on December 31, 2027; the current AFSCME contract is due to expire on December 31, 2027.

**CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT**

These financial statements are designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability. Questions concerning this financial information or requests for additional information should be directed to:

West Norriton  
Township Manager  
1630 West Marshall Street  
Jeffersonville, PA 19403  
Phone: 610-631-0450  
Fax: 610-630-0304

**WEST NORRITON TOWNSHIP  
STATEMENT OF NET POSITION  
December 31, 2023**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$5,198,969	\$10,178,275	\$15,377,244	\$3,157
Accounts receivable	28,511	1,250,927	1,279,438	-
Accrued receivables	346,779	924,099	1,270,878	-
Other receivables	-	7,580	7,580	-
Due from Other Funds	3,746,888	-	3,746,888	-
<b>TOTAL CURRENT ASSETS</b>	<u>9,321,147</u>	<u>12,360,881</u>	<u>21,682,028</u>	<u>3,157</u>
<b>CAPITAL ASSETS</b>				
Capital assets not being depreciated	2,798,103	14,277,640	17,075,743	-
Capital assets being depreciated, net	5,523,577	13,715,949	19,239,526	-
<b>TOTAL CAPITAL ASSETS</b>	<u>8,321,680</u>	<u>27,993,589</u>	<u>36,315,269</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$17,642,827</u>	<u>\$40,354,470</u>	<u>\$57,997,297</u>	<u>\$3,157</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred outflows of resources for pension	\$2,170,011	\$ -	\$2,170,011	\$ -
Deferred outflows of resources for OPEB	3,168,794	-	3,168,794	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$5,338,805</u>	<u>\$ -</u>	<u>\$5,338,805</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$385,233	\$541,394	\$926,627	\$ -
Accrued liabilities	223,882	58,199	282,081	-
Due to Other Funds	-	3,401,004	3,401,004	-
Current portion of capital lease obligation	-	33,532	33,532	-
Current portion of long-term debt	199,000	1,079,807	1,278,807	-
<b>TOTAL CURRENT LIABILITIES</b>	<u>808,115</u>	<u>5,113,936</u>	<u>5,922,051</u>	<u>-</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term debt, net of current portion and unamortized issuance costs	2,512,449	19,204,626	21,717,075	-
Net pension liability	8,248,492	-	8,248,492	-
Net OPEB liability	14,391,672	-	14,391,672	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>25,152,613</u>	<u>19,204,626</u>	<u>44,357,239</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>\$25,960,728</u>	<u>\$24,318,562</u>	<u>\$50,279,290</u>	<u>\$ -</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources for pension	\$1,516,026	\$ -	\$1,516,026	\$ -
Deferred inflows of resources for OPEB	4,496,434	-	4,496,434	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>\$6,012,460</u>	<u>\$ -</u>	<u>\$6,012,460</u>	<u>\$ -</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$5,610,231	\$7,675,624	\$13,285,855	\$ -
Unrestricted (deficit)	(14,601,787)	8,360,284	(6,241,503)	3,157
<b>TOTAL NET POSITION</b>	<u>(\$8,991,556)</u>	<u>\$16,035,908</u>	<u>\$7,044,352</u>	<u>\$3,157</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$22,981,632</u>	<u>\$40,354,470</u>	<u>\$63,336,102</u>	<u>\$3,157</u>

See accompanying notes to the basic financial statements.

**WEST NORRITON TOWNSHIP  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023**

Functions/Programs	Program Revenues		Operating Grants	Net (Expenses) Revenues and Changes in Net Position			Component Unit
	Expenses	Charges for Services		Governmental Activities	Business-Type Activities	Totals	
<b>PRIMARY GOVERNMENT</b>							
Governmental activities							
General government	\$6,565,795	\$3,200	\$957,624	(\$5,604,971)	\$ -	(\$5,604,971)	
Public safety							
Police	4,435,642	149,110	-	(4,286,532)	-	(4,286,532)	
Fire	387,692	-	-	(387,692)	-	(387,692)	
Public works							
Streets and roads	949,388	-	-	(949,388)	-	(949,388)	
Culture and recreation	610,370	133,732	-	(476,638)	-	(476,638)	
Community development	125,000	-	-	(125,000)	-	(125,000)	
Interest on long-term debt	86,853	-	-	(86,853)	-	(86,853)	
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>13,160,740</u>	<u>286,042</u>	<u>957,624</u>	<u>(11,917,074)</u>	<u>-</u>	<u>(11,917,074)</u>	
Business-type activities							
Sewer	3,289,938	3,296,219	-	-	6,281	6,281	
Golf	2,350,621	2,355,849	-	-	5,228	5,228	
Interest on long-term debt	298,718	-	-	-	(298,718)	(298,718)	
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<u>5,939,277</u>	<u>5,652,068</u>	<u>-</u>	<u>-</u>	<u>(287,209)</u>	<u>(287,209)</u>	
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$19,100,017</u>	<u>\$5,938,110</u>	<u>\$957,624</u>	<u>(11,917,074)</u>	<u>(287,209)</u>	<u>(12,204,283)</u>	
<b>COMPONENT UNIT</b>							
West Norriton Township IDA	\$ -	\$ -	\$ -				\$ -
<b>GENERAL REVENUES</b>							
Taxes							
Real estate				4,390,022	-	4,390,022	-
Per capita				44,457	-	44,457	-
Transfer				490,240	-	490,240	-
Earned Income				3,911,352	-	3,911,352	-
LST				410,642	-	410,642	-
Liquid fuels				415,402	-	415,402	-
Investment earnings				321,974	192,438	514,412	1
Licenses, grants and fees				1,187,039	-	1,187,039	-
Miscellaneous				621,338	100	621,438	-
Gain on sales of capital assets				9,400	26,830	36,230	-
<b>TRANSFERS</b>				(419,567)	419,567	-	-
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>				<u>11,382,299</u>	<u>638,935</u>	<u>12,021,234</u>	<u>1</u>
<b>CHANGES IN NET POSITION</b>				(534,775)	351,726	(183,049)	1
<b>NET POSITION AT BEGINNING OF YEAR</b>				<u>(8,456,781)</u>	<u>15,684,182</u>	<u>7,227,401</u>	<u>3,156</u>
<b>NET POSITION AT END OF YEAR</b>				<u>(\$8,991,556)</u>	<u>\$16,035,908</u>	<u>\$7,044,352</u>	<u>\$3,157</u>

See accompanying notes to the basic financial statements.

**WEST NORRITON TOWNSHIP  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2023**

	<u>General Fund</u>	<u>Liquid Fuels Fund</u>	<u>Debt Service Fund</u>	<u>Capital Reserve Fund</u>	<u>Emergency Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$2,356,064	\$268,921	\$4,188	\$2,557,081	\$12,715	\$5,198,969
Accounts receivable	28,511	-	-	-	-	28,511
Accrued receivables	346,779	-	-	-	-	346,779
Due from Agency Fund	<u>3,746,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,746,888</u>
<b>TOTAL CURRENT ASSETS</b>	<u>6,478,242</u>	<u>268,921</u>	<u>4,188</u>	<u>2,557,081</u>	<u>12,715</u>	<u>9,321,147</u>
<b>TOTAL ASSETS</b>	<u>\$6,478,242</u>	<u>\$268,921</u>	<u>\$4,188</u>	<u>\$2,557,081</u>	<u>\$12,715</u>	<u>\$9,321,147</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$36,474	\$ -	\$ -	\$348,759	\$ -	\$385,233
Accrued liabilities	<u>223,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>408</u>	<u>223,882</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>259,948</u>	<u>-</u>	<u>-</u>	<u>348,759</u>	<u>408</u>	<u>609,115</u>
<b>TOTAL LIABILITIES</b>	<u>259,948</u>	<u>-</u>	<u>-</u>	<u>348,759</u>	<u>408</u>	<u>609,115</u>
<b>FUND BALANCES</b>						
Unassigned	<u>6,218,294</u>	<u>268,921</u>	<u>4,188</u>	<u>2,208,322</u>	<u>12,307</u>	<u>8,712,032</u>
<b>TOTAL FUND BALANCES</b>	<u>6,218,294</u>	<u>268,921</u>	<u>4,188</u>	<u>2,208,322</u>	<u>12,307</u>	<u>8,712,032</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$6,478,242</u>	<u>\$268,921</u>	<u>\$4,188</u>	<u>\$2,557,081</u>	<u>\$12,715</u>	<u>\$9,321,147</u>

See accompanying notes to the basic financial statements.

**WEST NORRITON TOWNSHIP**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**December 31, 2023**

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TOTAL GOVERNMENTAL FUNDS BALANCES	\$8,712,032
<p>Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. These assets consist of:</p>	
Cost of capital assets	15,672,797
Accumulated depreciation	(7,351,117)
<p>Net note issuance costs are not current financial resources and therefore are not reported in the funds</p>	
	65,639
<p>Long-term liabilities applicable to the Township's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.</p>	
Series notes	(2,777,088)
Net pension liability	(8,248,492)
Net OPEB liability	(14,391,672)
<p>Deferred inflows and outflows of resources related to pension activities are not financial resources and therefore not reported in the governmental funds.</p>	
Deferred outflows - pension	2,170,011
Deferred inflows - pension	(1,516,026)
Deferred outflows - OPEB	3,168,794
Deferred inflows - OPEB	<u>(4,496,434)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>(\$8,991,556)</u>

See accompanying notes to the basic financial statements.

**WEST NORRITON TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2023**

	<u>General Fund</u>	<u>Liquid Fuels Fund</u>	<u>Debt Service Fund</u>	<u>Capital Reserve Fund</u>	<u>Emergency Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Taxes	\$9,058,331	\$415,402	\$ -	\$ -	\$188,382	\$9,662,115
Fees, licenses and permits	885,246	-	-	-	-	885,246
Court costs and fines	50,981	-	-	-	-	50,981
Grants	839,530	-	-	-	118,094	957,624
Charges for services	3,200	-	-	-	-	3,200
Public safety and highway	399,922	-	-	-	-	399,922
Recreation and culture	133,732	-	-	-	-	133,732
Interest	213,959	8,886	-	99,129	-	321,974
Miscellaneous	621,338	-	-	-	-	621,338
<b>TOTAL REVENUES</b>	<u>12,206,239</u>	<u>424,288</u>	<u>-</u>	<u>99,129</u>	<u>306,476</u>	<u>13,036,132</u>
<b>EXPENDITURES</b>						
Administration	939,470	-	-	-	-	939,470
Public safety						
Building/zoning	237,629	-	-	-	-	237,629
Police department	4,475,031	-	-	-	-	4,475,031
Fire department	-	-	-	-	387,692	387,692
Public works - Highways and streets	1,007,157	347,100	-	-	-	1,354,257
Recreation and culture	583,356	-	-	-	-	583,356
Community development	125,000	-	-	-	-	125,000
Payroll taxes	188,703	-	-	-	-	188,703
Insurance	302,569	-	-	-	-	302,569
Employee benefits	3,633,548	-	-	-	-	3,633,548
Debt service						
Principal	194,000	-	-	-	-	194,000
Interest	82,336	-	-	-	-	82,336
<b>TOTAL EXPENDITURES</b>	<u>11,768,799</u>	<u>347,100</u>	<u>-</u>	<u>-</u>	<u>387,692</u>	<u>12,503,591</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>437,440</u>	<u>77,188</u>	<u>-</u>	<u>99,129</u>	<u>(81,216)</u>	<u>532,541</u>

See accompanying notes to the basic financial statements.

**WEST NORRITON TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2023**

	<u>General Fund</u>	<u>Liquid Fuels Fund</u>	<u>Debt Service Fund</u>	<u>Capital Reserve Fund</u>	<u>Emergency Fund</u>	<u>Total Governmental Funds</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from dispositions of capital assets	\$9,400	\$ -	\$ -	\$ -	\$ -	\$9,400
Transfers in from General Fund	-	-	306,933	3,967,068	95,000	4,369,001
Transfers in from Debt Service Fund	306,933	-	-	-	-	306,933
Transfers in from Capital Reserve	766,607	-	-	-	-	766,607
Transfers in from Emergency Fund	9,000	-	-	-	-	9,000
Transfers in from Sewer Fund	14,993	-	-	35,000	-	49,993
Transfers in from Golf Fund	3,466,670	-	-	-	-	3,466,670
Transfers out	<u>(4,693,903)</u>	<u>-</u>	<u>(306,933)</u>	<u>(4,377,935)</u>	<u>(9,000)</u>	<u>(9,387,771)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(120,300)</u>	<u>-</u>	<u>-</u>	<u>(375,867)</u>	<u>86,000</u>	<u>(410,167)</u>
<b>NET CHANGE IN FUND BALANCES</b>	317,140	77,188	-	(276,738)	4,784	122,374
<b>FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR</b>	<u>5,901,154</u>	<u>191,733</u>	<u>4,188</u>	<u>2,485,060</u>	<u>7,523</u>	<u>8,589,658</u>
<b>FUND BALANCES (DEFICIT) AT END OF YEAR</b>	<u>\$6,218,294</u>	<u>\$268,921</u>	<u>\$4,188</u>	<u>\$2,208,322</u>	<u>\$12,307</u>	<u>\$8,712,032</u>

See accompanying notes to the basic financial statements.

**WEST NORRITON TOWNSHIP  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023**

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NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$317,140
<p>Capital outlays are reported in Governmental Funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays totaling \$950,645, consisting of current purchases plus principal payments on an installment contract and a capital lease obligation, exceeds depreciation of \$648,446 in the current period.</p>	
	302,199
<p>The net effect of various dispositions of capital assets is an increase to net position.</p>	
	(9,352)
<p>The net change in pension expense as it relates to deferred inflows, deferred outflows and net pension liability are reported in Governmental Funds as expenditures. However, on the statement of activities, these costs are not recognized.</p>	
	(1,139,479)
<p>Note proceeds, net of issuance costs, are reported as financing sources on Governmental Funds and thus contribute to the change in fund balance. On the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the Governmental Funds but reduces the liability in the statement of net position. In addition, the cost and amortization of issuance costs is not reflected in the Governmental Funds. However, the net issuance costs are recognized in long-term liabilities on the statement of net position and current amortization is recognized as expense on the statement of activities.</p>	
Repayments on general obligation debt/notes	194,000
Amortization of issuance costs	<u>(4,517)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>(\$340,009)</u></u>

See accompanying notes to the basic financial statements.

**WEST NORRITON TOWNSHIP  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2023**

	Sewer Fund	Golf Fund	Total Proprietary Funds
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$9,833,279	\$344,996	\$10,178,275
Accounts receivable	1,158,275	-	1,158,275
Grant receivable	92,652	-	92,652
Accrued receivables	924,099	-	924,099
Other receivables	7,580	-	7,580
<b>TOTAL CURRENT ASSETS</b>	<b>12,015,885</b>	<b>344,996</b>	<b>12,360,881</b>
<b>CAPITAL ASSETS</b>			
Capital assets not being depreciated	65,126	14,212,514	14,277,640
Capital assets being depreciated, net	11,108,810	2,607,139	13,715,949
<b>TOTAL CAPITAL ASSETS</b>	<b>11,173,936</b>	<b>16,819,653</b>	<b>27,993,589</b>
<b>TOTAL ASSETS</b>	<b>\$23,189,821</b>	<b>\$17,164,649</b>	<b>\$40,354,470</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$465,529	\$75,865	\$541,394
Accrued liabilities	34,858	23,341	58,199
Due to Other Funds	206	3,400,798	3,401,004
Current portion of capital lease obligations	-	33,532	33,532
Current portion of long-term debt	807,807	272,000	1,079,807
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,308,400</b>	<b>3,805,536</b>	<b>5,113,936</b>
<b>LONG-TERM LIABILITIES</b>			
Long-term portion of debt, net of unamortized issuance costs	9,220,932	9,983,694	19,204,626
<b>TOTAL LIABILITIES</b>	<b>10,529,332</b>	<b>13,789,230</b>	<b>24,318,562</b>
<b>NET POSITION</b>			
Net investment in capital assets	1,145,197	6,530,427	7,675,624
Unrestricted	11,515,292	(3,155,008)	8,360,284
<b>TOTAL NET POSITION</b>	<b>12,660,489</b>	<b>3,375,419</b>	<b>16,035,908</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$23,189,821</b>	<b>\$17,164,649</b>	<b>\$40,354,470</b>

See accompanying notes to the basic financial statements.

**WEST NORRITON TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**Year Ended December 31, 2023**

	Sewer Fund	Golf Fund	Total Proprietary Funds
<b>OPERATING REVENUES</b>			
Charges for services	\$3,296,219	\$2,138,511	\$5,434,730
Food and beverage sales	-	217,338	217,338
<b>TOTAL OPERATING REVENUES</b>	<b>3,296,219</b>	<b>2,355,849</b>	<b>5,652,068</b>
<b>OPERATING EXPENSES</b>			
Sewer treatment expenses	863,575	-	863,575
Professional services	127,505	-	127,505
Employee salaries, payroll taxes and benefits	803,169	1,274,241	2,077,410
Supplies and materials	12,637	563,877	576,514
Insurance	95,111	70,229	165,340
Utilities	96,697	45,627	142,324
Depreciation and amortization	807,483	246,694	1,054,177
Repairs and maintenance	371,808	9,127	380,935
General expenses	111,953	140,826	252,779
<b>TOTAL OPERATING EXPENSES</b>	<b>3,289,938</b>	<b>2,350,621</b>	<b>5,640,559</b>
<b>OPERATING INCOME</b>	<b>6,281</b>	<b>5,228</b>	<b>11,509</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest expense	(248,270)	(50,448)	(298,718)
Investment earnings	78,596	113,842	192,438
Miscellaneous revenue	100	26,830	26,930
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(169,574)</b>	<b>90,224</b>	<b>(79,350)</b>
<b>INCOME BEFORE TRANSFERS</b>	<b>(163,293)</b>	<b>95,452</b>	<b>(67,841)</b>
<b>TRANSFERS</b>			
Transfers in from General Fund	266,206	58,696	324,902
Transfers in from Capital Reserve Fund	-	3,611,328	3,611,328
Transfers out	(49,993)	(3,466,670)	(3,516,663)
<b>TOTAL TRANSFERS</b>	<b>216,213</b>	<b>203,354</b>	<b>419,567</b>
<b>CHANGE IN NET POSITION</b>	<b>52,920</b>	<b>298,806</b>	<b>351,726</b>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<b>12,607,569</b>	<b>3,076,613</b>	<b>15,684,182</b>
<b>NET POSITION AT END OF YEAR</b>	<b>\$12,660,489</b>	<b>\$3,375,419</b>	<b>\$16,035,908</b>

See accompanying notes to the basic financial statements.

**WEST NORRITON TOWNSHIP  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended December 31, 2023**

	<u>Sewer Fund</u>	<u>Golf Fund</u>	<u>Total Proprietary Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from charges for services	\$3,290,220	\$2,355,849	\$5,646,069
Payments to employees	(803,070)	(1,265,986)	(2,069,056)
Payments to suppliers	<u>(1,508,535)</u>	<u>(813,396)</u>	<u>(2,321,931)</u>
<b>NET CASH PROVIDED BY         OPERATING ACTIVITIES</b>	<u>978,615</u>	<u>276,467</u>	<u>1,255,082</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers to other funds	(49,993)	(3,466,670)	(3,516,663)
Transfers from other funds	266,206	3,670,024	3,936,230
Miscellaneous revenue (expense)	<u>100</u>	<u>-</u>	<u>100</u>
<b>NET CASH PROVIDED (USED) BY         NONCAPITAL FINANCING ACTIVITIES</b>	<u>216,313</u>	<u>203,354</u>	<u>419,667</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Repayments of debt/notes	(741,036)	(150,283)	(891,319)
Interest payments	<u>(248,270)</u>	<u>(50,448)</u>	<u>(298,718)</u>
<b>NET CASH PROVIDED (USED) BY         CAPITAL AND RELATED FINANCING         ACTIVITIES</b>	<u>(989,306)</u>	<u>(200,731)</u>	<u>(1,190,037)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment earnings	78,596	113,842	192,438
Proceeds from disposal of fixed assets	-	26,830	26,830
Purchase of capital assets	<u>(181,132)</u>	<u>(7,932,581)</u>	<u>(8,113,713)</u>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(102,536)</u>	<u>(7,791,909)</u>	<u>(7,894,445)</u>
 <b>NET INCREASE (DECREASE) IN CASH AND         CASH EQUIVALENTS</b>	 103,086	 (7,512,819)	 (7,409,733)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>9,730,193</u>	<u>7,857,815</u>	<u>17,588,008</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$9,833,279</u></u>	<u><u>\$344,996</u></u>	<u><u>\$10,178,275</u></u>

See accompanying notes to the basic financial statements.

**WEST NORRITON TOWNSHIP  
STATEMENT OF CASH FLOWS, CONTINUED  
PROPRIETARY FUNDS  
Year Ended December 31, 2023**

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	Sewer Fund	Golf Fund	Total Proprietary Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$6,281	\$5,228	\$11,509
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization	807,483	246,694	1,054,177
(Increase) decrease in:			
Account receivables	(44,541)	-	(44,541)
Accrued receivables	3,605	-	3,605
Increase (decrease) in:			
Accounts payable	207,534	16,357	223,891
Accrued liabilities	(1,747)	8,255	6,508
Sales tax payable	-	(67)	(67)
	-	(67)	(67)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$978,615</u>	<u>\$276,467</u>	<u>\$1,255,082</u>

See accompanying notes to the basic financial statements.

**WEST NORRITON TOWNSHIP  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
December 31, 2023**

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	Pension Trust Funds		
	Police Pension	Non-Uniform Pension	Agency Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$198,004	\$2,294	\$615,727
Investments	<u>20,796,277</u>	<u>6,391,912</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>20,994,281</u>	<u>6,394,206</u>	<u>\$615,727</u>
<b>LIABILITIES</b>			
Escrow deposits	-	-	\$280,953
Due to General Fund	7,777	3,333	338,938
Due to (from) Golf Fund	<u>-</u>	<u>-</u>	<u>(4,164)</u>
<b>TOTAL LIABILITIES</b>	<u>7,777</u>	<u>3,333</u>	<u>\$615,727</u>
<b>NET POSITION</b>			
Held in trust for pension benefits	<u>\$20,986,504</u>	<u>\$6,390,873</u>	

See accompanying notes to the basic financial statements.

**WEST NORRITON TOWNSHIP**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**Year Ended December 31, 2023**

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	Pension Trust Funds	
	Police Pension	Non-Uniform Pension
<b>ADDITIONS</b>		
Contributions		
Township contribution	\$1,421,486	\$559,205
Member contributions	136,020	9,700
<b>TOTAL CONTRIBUTIONS</b>	<b>1,557,506</b>	<b>568,905</b>
Investment earnings		
Net appreciation in fair value of investments	2,379,614	723,385
Interest and dividend income	594,924	181,456
<b>TOTAL INVESTMENT EARNINGS</b>	<b>2,974,538</b>	<b>904,841</b>
Investment expense	(34,169)	(10,318)
<b>INVESTMENT EARNINGS, net</b>	<b>2,940,369</b>	<b>894,523</b>
<b>TOTAL ADDITIONS</b>	<b>4,497,875</b>	<b>1,463,428</b>
<b>DEDUCTIONS</b>		
Benefits	1,133,671	381,705
Actuary fees	9,512	10,196
Insurance	7,777	3,333
<b>TOTAL DEDUCTIONS</b>	<b>1,150,960</b>	<b>395,234</b>
<b>CHANGE IN NET POSITION</b>	<b>3,346,915</b>	<b>1,068,194</b>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<b>17,639,589</b>	<b>5,322,679</b>
<b>NET POSITION AT END OF YEAR</b>	<b>\$20,986,504</b>	<b>\$6,390,873</b>

See accompanying notes to the basic financial statements.

**WEST NORRITON TOWNSHIP**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Township of West Norriton (the "Township"), located in Montgomery County, Pennsylvania, was organized in 1909. The Township operates under the Township Code, under the laws of the Commonwealth of Pennsylvania, and provides the following services: general administrative services; tax collection; public improvements; public safety; conservation and development; culture and recreation; and maintenance and repairs of streets and roads.

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

**Reporting Entity**

The Board of Commissioners (the "Board") is the elected governing body of the Township. The Board comprises five members elected at large by the Township voters. As required by GAAP, the Township, for financial reporting purposes, includes all funds relevant to the operations of the Township. Management, in determining what potential component units should be included for financial reporting purposes, considers financial accountability and the nature and significance of the relationship. Fiscal accountability, the most significant of all criteria, refers to conditions of financial interdependency between two units, including budgetary adoption, taxing authority, responsibility for debt and control over or responsibility for financial management.

Based on the aforementioned criteria, the Township's component unit is the West Norriton Industrial Development Authority (the "Authority"). The Authority has been reported as a discretely presented component unit in a separate column in the financial statements to emphasize that it is legally separate from the Township.

West Norriton Township Industrial Development Authority - The Authority is a separate legal entity created for the purpose of acquiring, holding, constructing, improving, maintaining and operating, owning or leasing (either in the capacity of lessor or lessee) projects of all kinds and character.

The Authority is governed by a five-member board appointed by the Board of Commissioners of the Township.

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

The Authority is presented as a Proprietary Fund Type, and its financial statements have been prepared on the accrual basis of accounting. Separately issued financial statements of the Authority may be obtained at the Township's administrative office.

**WEST NORRITON TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Fund Accounting**

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

The Township reports the following major Governmental Funds:

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

Liquid Fuels Fund - The Liquid Fuels Fund is used by the Township to account for state aid revenues for building, improving and maintaining roads and bridges.

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

Emergency Fund - The Emergency Fund is used by the Township to account for state aid and property tax revenues used to provide fire fighting and emergency services.

Capital Reserve Fund - The Capital Reserve Fund is used to account for capital project expenditures related to the acquisition, construction and renovation of Township facilities and vehicles.

The Township reports the following Proprietary Funds:

Sewer Fund - The Sewer Fund is used to account for the operations of the Township's Sewer System, which is financed and operated in a manner similar to private business enterprises, where the intent of the governing body is to have the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges and cost reimbursement plans.

Golf Fund - The Golf Fund is used to account for revenue and expenditures related to the operation of the golf course owned by the Township.

Additionally, the Township reports the following fund types:

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results of operations. The Township's Trust and Agency Funds consist of developer escrow deposits held by the Township and investments held for the Township's Police Pension Plan and Non-Uniform Pension Plan.

**WEST NORRITON TOWNSHIP**  
**NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Basis of Presentation and Accounting**

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

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the Proprietary Funds financial statements but differs from the manner in which Governmental Funds financial statements are prepared. Governmental Funds financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for Governmental Funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Other receipts, including earned income taxes, are recorded as revenue when received because they are generally not measurable until actually received. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

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

**WEST NORRITON TOWNSHIP**  
**NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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

All Proprietary Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the Township finances and meets the cash flow needs of its proprietary activities.

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 the Proprietary Funds' ongoing operations. The principal operating revenues of the Township's Proprietary Funds are sewer rents and income from the Jeffersonville Golf Course. Operating expenses of the Township's Proprietary Funds include supplies, administrative costs and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Township's Pension Trust Funds, discretely presented component unit and Agency Funds are presented on the accrual basis of accounting, whereby revenues are recognized in the period earned, and expenses are recognized when incurred.

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

**Cash and Cash Equivalents**

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

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

**WEST NORRITON TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Investments**

The Township follows the provisions of GASB Statement No. 31; therefore, investments are stated at fair value in all funds. Investments that do not have an established market value are reported at estimated fair value.

The Commonwealth restricts Township investments to government secured funds and deposits with federally insured institutions. In March 2016, the governor signed legislation (the "Act") which authorized additional financial products to the approved list of approved investments. The Act adds high quality money market instruments including repurchase agreements, commercial paper, negotiable certificates of deposit and bankers' acceptances to the list of approved investments.

The Township's Pension Trust Funds, which are mostly invested in mutual funds and exchange traded funds, are not bound by these restrictions.

**Receivables**

Receivables and Payables - Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Sewer Revenues and Accounts Receivable - Charges for services are recognized when earned. Management considers all sewer receivables to be collectible; accordingly, the allowance for doubtful accounts has been set at \$-0- as of December 31, 2023.

**Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental activities, business-type activities, or discretely presented component unit columns in the government-wide financial statements. The Township defines capital assets as assets with an initial, individual cost equal to or greater than \$5,000. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are reported at estimated fair market value at the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

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

	<u>Years</u>
Land improvements	15
Buildings and building improvements	39 - 40
Machinery and equipment	5 - 7
Infrastructure	10 - 50

**WEST NORRITON TOWNSHIP**  
**NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Long-Term Obligations**

In the government-wide and business-type activities financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond or note premiums and discounts, where applicable, are deferred and amortized over the life of the bonds using the effective interest method. Bonds and notes payable are reported net of the applicable premium or discount. Costs relative to debt issuance, whether withheld from debt proceeds or paid separately, are reported as assets and amortized to expense using the straight-line method over the life of the related debt.

In the Governmental Fund Type financial statements, bond or note premiums and discounts, as well as debt issuance costs, are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Net Position/Fund Balances**

The government-wide and business-type activities financial statements utilize net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted - This category represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This category represents net position of the Township not restricted for any project or other purpose.

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

Unassigned Fund Balance - Amounts available for any purpose. Positive amounts are reported only in the General Fund.

**WEST NORRITON TOWNSHIP**  
**NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Interfund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed. Interfund transactions other than quasi-external transactions and reimbursements are reported as transfers.

**Component Unit - West Norriton Industrial Development Authority**

Basis of Accounting - The Authority's financial statements are presented on the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this basis of accounting, revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows.

All activities of the Authority are accounted for within one Proprietary (Enterprise) Fund. Proprietary Funds are used to account for operations that are (1) financed and operated in a manner similar to private business enterprises, where the intent of the governing body is to have the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included on the statement of net position. Proprietary Fund Type operating statements present increases (revenues) and decreases (expenses) in net position.

Net Position - Net position is categorized as net investment in capital assets, restricted and unrestricted as follows:

**Net Investment in Capital Assets**

This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

**Unrestricted**

This category represents net position of the Authority not restricted for any project or any other purpose.

**WEST NORRITON TOWNSHIP**  
**NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Cash and Cash Equivalents**

For the purposes of the statement of cash flows, the Authority considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

**Use of Estimates**

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

**Leases**

The Township follows GASB Statement No. 87 "Leases" to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB Statement No. 87 increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities. The Township has determined its leases are not material to the financial statements as a whole and has recorded lease expense in the Statement of Activities.

**Adoption of Governmental Accounting Standards Board (GASB) Statements**

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements" is effective for the Township for the year ended December 31, 2023. The objective of GASB Statement No. 96 is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction; (2) establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The Township has determined its SBITA contracts are not material to the financial statements as a whole and has recorded the related expense in the Statement of Activities.

**WEST NORRITON TOWNSHIP**  
**NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**New Accounting Pronouncements**

GASB Statement No. 100, "Accounting Changes and Error Corrections (an amendment to GASB Statement No. 62)", will be effective for the Township for the year ended December 31, 2024. The objective of GASB Statement No. 100 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for accounting changes and correction of an error. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 101, "Compensated Absences", will be effective for the Township for the year ended December 31, 2024. The objective of GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

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

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

Township management is in the process of analyzing these pending changes in accounting principles and the impact, if any, they will have on the Township's financial statements.

**WEST NORRITON TOWNSHIP**  
**NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

**DEPOSITS**

The Township is required by statute to deposit funds in depositories that are either banks, banking institutions, or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral obligations of the United States of America, the Commonwealth of Pennsylvania, or any political subdivision of the Commonwealth. Under Act 72 of 1971, as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit.

**CAPITAL ASSETS**

**Primary Government**

A summary of changes to capital assets is as follows:

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				-
Land	\$2,798,103	\$ -	\$ -	\$2,798,103
Construction in progress	<u>26,124</u>	<u>96,614</u>	<u>(9,350)</u>	<u>113,388</u>
<b>TOTAL CAPITAL ASSETS NOT         BEING DEPRECIATED</b>	<u>2,824,227</u>	<u>96,614</u>	<u>(9,350)</u>	<u>2,911,491</u>
Capital assets being depreciated				
Buildings and improvements	8,317,121	626,692	-	8,943,813
Machinery and equipment	<u>3,623,056</u>	<u>202,786</u>	<u>(32,902)</u>	<u>3,792,940</u>
<b>TOTAL CAPITAL ASSETS         BEING DEPRECIATED</b>	<u>11,940,177</u>	<u>829,478</u>	<u>(32,902)</u>	<u>12,736,753</u>
Accumulated depreciation				
Buildings and improvements	(3,985,869)	(374,192)	-	(4,360,061)
Machinery and equipment	<u>(2,749,704)</u>	<u>(274,118)</u>	<u>32,902</u>	<u>(2,990,920)</u>
<b>TOTAL ACCUMULATED         DEPRECIATION</b>	<u>(6,735,573)</u>	<u>(648,310)</u>	<u>32,902</u>	<u>(7,350,981)</u>
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED, net</b>	<u>5,204,604</u>	<u>181,168</u>	<u>-</u>	<u>5,385,772</u>
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net</b>	<u><u>\$8,028,831</u></u>	<u><u>\$277,782</u></u>	<u><u>(\$9,350)</u></u>	<u><u>\$8,297,263</u></u>

**WEST NORRITON TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

**CAPITAL ASSETS, CONTINUED**

**Primary Government, Continued**

	<u>Balance January 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2023</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$1,328,729	\$ -	\$ -	\$1,328,729
Construction in progress	2,054,887	10,580,781	-	12,635,668
Capitalized interest	<u>30,618</u>	<u>282,625</u>	<u>-</u>	<u>313,243</u>
<b>TOTAL CAPITAL ASSETS NOT     BEING DEPRECIATED</b>	<u>3,414,234</u>	<u>10,863,406</u>	<u>-</u>	<u>14,277,640</u>
Capital assets being depreciated				
Buildings and improvements	32,849,494	320,664	-	33,170,158
Machinery and equipment	<u>2,097,222</u>	<u>98,975</u>	<u>(57,325)</u>	<u>2,138,872</u>
<b>TOTAL CAPITAL ASSETS     BEING DEPRECIATED</b>	<u>34,946,716</u>	<u>419,639</u>	<u>(57,325)</u>	<u>35,309,030</u>
Accumulated depreciation				
Buildings and improvements	(19,046,210)	(913,578)	-	(19,959,788)
Machinery and equipment	<u>(1,560,890)</u>	<u>(129,728)</u>	<u>57,325</u>	<u>(1,633,293)</u>
<b>TOTAL ACCUMULATED     DEPRECIATION</b>	<u>(20,607,100)</u>	<u>(1,043,306)</u>	<u>57,325</u>	<u>(21,593,081)</u>
<b>TOTAL CAPITAL ASSETS     BEING DEPRECIATED, net</b>	<u>14,339,616</u>	<u>(623,667)</u>	<u>-</u>	<u>13,715,949</u>
<b>BUSINESS-TYPE ACTIVITIES     CAPITAL ASSETS, net</b>	<u>\$17,753,850</u>	<u>\$10,239,739</u>	<u>\$ -</u>	<u>\$27,993,589</u>

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

**GOVERNMENTAL ACTIVITIES**

General government	\$124,451
Public safety	150,814
Public works	207,320
Culture and recreation	<u>165,725</u>

**TOTAL GOVERNMENTAL ACTIVITIES** \$648,310

**BUSINESS-TYPE ACTIVITIES**

Golf course and sewer services	<u>\$1,043,306</u>
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**WEST NORRITON TOWNSHIP**  
**NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

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**REAL ESTATE TAXES**

Real estate taxes attach as an enforceable lien on property on May 1. Taxes are billed on March 1, payable under the following terms: 2% discount March 1 through May 1; face amount, May 2 through July 1; and 10% penalty after July 1. The County bills these taxes, which are collected by an independent tax collector. Real estate tax revenues are recognized in the period in which they become susceptible to accrual; that is, when they become both measurable and available. Assessed values of real property are generally 100% of the market value as determined by the Montgomery County Board of Assessment.

The rate of real estate taxation in 2023 was 4.475 mills, consisting of 3.882 mills for general purposes, .070 mills for recreation purposes, .325 mills for debt purposes, and .198 mills for fire protection purposes, on a total County assessed valuation of \$985,467,675.

**DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)**

**Summary of Significant Accounting Policies**

The Township's Police Pension Plan (the "Police Plan") investments are carried at fair value as reported by the investment managers. Short-term investments are reported at cost, which approximates fair value. Financial information of the Police Plan is presented on the accrual basis of accounting. Police Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due, as required by the Police Plan. For the purpose of measuring the net pension liability, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions, information about the fiduciary net position has been determined on the same basis as it is reported by the Police Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

**Plan Description**

Plan Administration - The Township administers the Police Plan, a single-employer defined benefit pension plan that provides pensions for all regular, full-time sworn police officers. The Police Plan is part of the Township's financial reporting entity and is included in the Township's financial statements as a Pension Trust Fund. A stand-alone, GASB No. 67 and 68 valuation report for the 2023 calendar year is available via the Township's website.

The Police Plan is locally controlled by the provisions of Ordinance No. 08-629, as amended, adopted pursuant to Act 600. The Police Plan is also affected by the provisions of collective bargaining agreements between the Township and its police officers. The Police Plan was established January 1, 1967. As of December 31, 2023, the Police Plan had 26 active members, 1 terminated member eligible for vested benefits in the future, and 25 retirees receiving benefits from the Plan.

**WEST NORRITON TOWNSHIP**  
**NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

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**DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN), CONTINUED**

Benefits Provided - The Police Plan provides retirement benefits, as well as death and disability benefits. Employees who retire at or after age 50 with 25 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 50% of their final average compensation. Final average compensation is the employee's total compensation over the last 36 months of credited service. The service increment benefit is capped at \$100 per month for those hired after January 1, 2000. Participants are 100% vested after 12 years of service.

In the event of the death of a member after normal retirement date, the surviving spouse (or the surviving minor children in the absence of a surviving spouse) will receive at least 50% of the monthly benefit the deceased member had been receiving or was eligible to receive. If the benefit is higher than 50%, it is reduced to 50% of the monthly benefit as of the first day of the month in which the surviving spouse is remarried.

If a member should die without a spouse, each dependent child of the member under the age of 18 (or 24 if attending college) will receive a proportional share of the 50% monthly benefit. In the event of the death of a member prior to normal retirement date, the surviving spouse (or the surviving minor children in the absence of a surviving spouse) will receive 100% of compensation payable the year of death including base wages, longevity, college incentive and residency bonuses if killed or dying in the line of service.

Disability benefits are based on the compensation earned in the member's pay period immediately preceding the incident that caused the disability, including all earned paid leave which can be cashed in, based on the following schedule:

- 1 day through 24 months - 100% of compensation
- 25<sup>th</sup> through 48 months - 75% of compensation
- 49<sup>th</sup> through 60 months - 60% of compensation
- After 60 months - 50% of compensation

Upon the member's death, 100% of the pension he or she had been receiving will be continued to the surviving spouse (or minor children).

Contributions - Pennsylvania Act 205 of 1984 (as amended) requires that annual contributions be based upon the minimum municipal obligation (MMO), which is based on the Plan's biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds, which must be used for pension funding. A financial requirement established by the MMO, which exceeds state and member contributions, must be funded by the employer. In accordance with Act 205, the Township was required to contribute \$1,067,107 to the Plan for the year ended December 31, 2023.

As a condition of participation, participants are required to make contributions to the Plan. The amount of the contribution for 2023 was 4.0% of the participant's pay.

**WEST NORRITON TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

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**DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN), CONTINUED**

**Investments**

Investment Policy - The Police Plan's policy in regard to the allocation of invested assets is established and may be amended by the West Norriton Police Pension/Investment Board. It is the policy of the West Norriton Police Pension/Investment Board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The Police Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The following chart shows the asset class allocation as of December 31, 2023:

<u>Target Asset Class</u>	<u>Allocation</u>
Domestic equity	81%
International equity	6%
Fixed income	12%
Cash	1%
	<u>100%</u>

Concentrations - No individual investment represented 5% of the Police Plan's total investments.

**Net Pension Liability of the Township**

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

Total pension liability	\$26,981,799
Police Plan fiduciary net position	<u>(20,994,281)</u>
<b>NET PENSION LIABILITY</b>	<b><u>\$5,987,518</u></b>
Police Plan fiduciary net position as a percentage of the total pension liability	<u>77.81%</u>

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.75%
Projected salary increases	4.50%
Includes inflation at	2.50%

Mortality rates were based on the PUB-2010 General Amount-Weighted Mortality Tables (Employee, Retiree, Contingent Survivor, and Disabled Retiree tables as applicable), projected from 2010 with Mortality Improvement Scale MP-2021.

**WEST NORRITON TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

**DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN), CONTINUED**

**Net Pension Liability of the Township, Continued**

According to the Police Plan's investment consultant, the long-term expected return on assets is to be approximately 6.75%.

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

Changes in the Net Pension Liability

	Total Pension Liability <u>(a)</u>	Plan Fiduciary Net Position <u>(b)</u>	Net Pension Liability <u>(a)-(b)</u>
Balances at 12/31/2022	<u>\$25,563,391</u>	<u>\$17,665,687</u>	<u>\$7,897,704</u>
Changes for the year:			
Service cost	931,261	-	931,261
Interest cost	1,682,718	-	1,682,718
Changes of assumptions	892,660	-	892,660
Changes of benefit terms	446,310	-	446,310
Differences between expected and actual experience	(1,411,856)	-	(1,411,856)
Contributions:			
Township and state aid	-	1,421,486	(1,421,486)
Employee	-	136,020	(136,020)
Net investment income	-	2,974,538	(2,974,538)
Benefit payments	(1,122,685)	(1,122,685)	-
Administrative expense	-	(80,765)	80,765
Net changes	<u>1,418,408</u>	<u>3,328,594</u>	<u>(1,910,186)</u>
Balances at 12/31/2023	26,981,799	20,994,281	5,987,518
Deferred Retirement Option Program (DROP) balance at 12/31/2023	<u>703,991</u>	<u>703,991</u>	<u>-</u>
Total at 12/31/2023	<u>\$27,685,790</u>	<u>\$21,698,272</u>	<u>\$5,987,518</u>

The above township and state aid amount includes \$303,050 from funds provided by the Commonwealth of Pennsylvania to the Township, which is included in the Township's miscellaneous revenue.

**WEST NORRITON TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

**DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN), CONTINUED**

**Net Pension Liability of the Township, Continued**

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Township, calculated using the discount rate of 6.75%, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Township's net pension liability	<u>\$9,175,411</u>	<u>\$5,987,518</u>	<u>\$3,325,447</u>

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

For the year ended December 31, 2023, the Township incurred pension expense of \$1,421,486. At December 31, 2023, the Township reported deferred outflows and deferred 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	\$ -	\$1,291,363
Changes of assumptions	982,378	-
Net difference between projected and actual earnings on pension plan investments	<u>855,430</u>	<u>-</u>
Total pension expense	<u>\$1,837,808</u>	<u>\$1,291,363</u>

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

<u>Year Ending December 31,</u>	
2024	\$111,661
2025	323,051
2026	546,064
2027	<u>(434,331)</u>
Total	<u>\$546,445</u>

**Deferred Retirement Option Program (DROP)**

An active member who has met the eligibility requirements for normal retirement may elect to participate in the Deferred Retirement Option Program (DROP) for a period of not more than 48 months. The member's monthly pension amount will be calculated as of their date of participation in the program and will be distributed in a lump sum at retirement. As of December 31, 2023, the total DROP account balance for the Police Plan was approximately \$703,991.

**WEST NORRITON TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

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**DEFINED BENEFIT PENSION PLAN (NON-UNIFORM PENSION PLAN)**

**Summary of Significant Accounting Policies**

The Township's Non-Uniform Pension Plan (the "Non-Uniform Plan") investments are carried at fair value as reported by the investment managers. The Non-Uniform Plan is governed by the West Norriton Police Pension/Investment Board, which is responsible for the management of plan assets. Short-term investments are reported at cost, which approximates fair value. Financial information of the Non-Uniform Plan is presented on the accrual basis of accounting. Non-Uniform Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due, as required by the Non-Uniform Plan. For the purpose of measuring the net pension liability, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions, information about the fiduciary net position has been determined on the same basis as it is reported by the Non-Uniform Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

**Plan Description**

Plan Administration - The Township administers the Non-Uniform Plan, a single-employer defined benefit pension plan controlled by the provisions of Ordinance No. 1470, adopted pursuant to Act 15 of 1974. Each full-time employee of the Township, who is not a member of the police force, becomes eligible upon the first of the month on or after the completion of six consecutive months of full-time service.

The Non-Uniform Plan is part of the Township's financial reporting entity and is included in the Township's financial statements as a Pension Trust Fund. A stand-alone, GASB No. 67 and 68 valuation report for the 2023 calendar year is available via the Township's website. As of December 31, 2023, the plan had 24 active members, 23 retirees or beneficiaries currently receiving benefits, and 13 inactive employees entitled to but not yet receiving benefits.

Benefit Provisions - The Non-Uniform Pension Plan provides retirement and death benefits to plan members and their beneficiaries. Participants are 100% vested after 5 years of service. Each participant will be eligible for retirement on the first of the month coincident with or next following attainment of age 65 and the completion of 5 years of service. Each participant will be eligible for early retirement on the first of the month coincident with or next following attainment of age 55. The first day of the month following the member's actual retirement date, if after that member's normal retirement date, is the deferred retirement date.

For members who were hired on or after October 1, 2004, the Accrued Benefit is 2% of the Average Monthly Compensation multiplied by completed years and months of service as of the date of determination, to a maximum of 25 years of service.

**WEST NORRITON TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

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**DEFINED BENEFIT PENSION PLAN (NON-UNIFORM PENSION PLAN), CONTINUED**

Benefit Provisions, Continued

Members who first became participants on or after January 1, 2003, but prior to October 1, 2004, the Accrued Benefit is 50% of the Average Monthly Compensation calculated as of the date of determination, multiplied by the ratio of completed years of service (excluding any service with the Township Municipal Authority prior to January 1, 2003) over the greater of 25 years or the completed number of years of service as of the normal retirement date (including service with the Township Municipal Authority prior to January 1, 2003).

For employees who were participants of the Non-Uniform Plan prior to January 1, 2003, the Accrued Benefit is 50% of the Average Monthly Compensation calculated as of the date of determination, multiplied by the ratio of completed years of service over the completed years of service as of the normal retirement date.

Notwithstanding anything above to the contrary, the Accrued Benefit will not be less than 2% of the Average Monthly Compensation times completed years and months of service, to a maximum of 25 years.

Average Monthly Compensation is the average monthly earnings of a member during the last 36 months of employment excluding overtime.

The monthly benefit upon normal retirement shall be the member's Accrued Benefit as of that date, payable for the remainder of the member's life, no less than \$10 per month.

For those choosing early retirement, the benefit is reduced 5/12ths of 1% for each month by which the early retirement date precedes the normal retirement date. For those with at least 25 years of service, the reduction is 5/12% for each month that such actual retirement date precedes the first day of the month coincident with or next following age 62.

If a member continues employment beyond the normal retirement date, no benefit will be paid until actual retirement. The member will be entitled to a benefit equal to the greater of the actuarial equivalent of the monthly retirement benefit the member was entitled to at the close of the prior plan year, or the member's Accrued Benefit determined at the close of the plan year.

For single members, the benefit is paid in the form of a straight life annuity. For those married, the benefit is a joint and 50% survivor annuity, actuarially equivalent to straight life annuity. The member may also opt for other similar annuities.

Contributions - Act 205 requires that annual contributions be based upon the Non-Uniform Plan's minimum municipal obligation (MMO). The MMO is based upon the Non-Uniform Plan's biennial actuarial valuation. In accordance with the Non-Uniform Plan's governing ordinance, members are required to contribute at least 1.00% of total pensionable wages. The Non-Uniform Plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program, which must be used for pension funding. In accordance with Act 205 the Township was required to contribute \$413,508 to the Plan for the year ended December 31, 2023.

**WEST NORRITON TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

**DEFINED BENEFIT PENSION PLAN (NON-UNIFORM PENSION PLAN), CONTINUED**

Contributions, Continued

Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the municipality in accordance with Act 205. Administrative costs, including the investment manager, custodial trustee and actuarial services, are charged to the Non-Uniform Plan and funded through investment earnings.

**Investments**

Investment Policy - The Non-Uniform Plan's investment policy is the same as for the Police Plan above (see separate note).

The following chart shows the asset class allocation as of December 31, 2023:

<u>Target Asset Class</u>	<u>Allocation</u>
Domestic equity	81%
International equity	6%
Fixed income	12%
Cash	1%
	<u>100%</u>

Concentrations - One individual investment exceeded 5% of the Non-Uniform Plan's total investments.

**Net Pension Liability of the Township**

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

Total pension liability	\$8,560,298
Non-Uniform Plan fiduciary net position	<u>(6,299,324)</u>
<b>NET PENSION LIABILITY</b>	<b><u>\$2,260,974</u></b>
Non-Uniform Plan fiduciary net position as a percentage of the total pension liability	<u>73.59%</u>

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.75%
Projected salary increases	4.50%
Includes inflation at	2.50%

**WEST NORRITON TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

**DEFINED BENEFIT PENSION PLAN (NON-UNIFORM PENSION PLAN), CONTINUED**

**Net Pension Liability of the Township, Continued**

Actuarial Assumptions, Continued

Mortality rates were based on the PUB-2010 General Amount-Weighted Mortality Tables (Employee, Retiree, Contingent Survivor, and Disabled Retiree tables as applicable), projected from 2010 with Mortality Improvement Scale MP-2021.

According to the Non-Uniform Plan's investment consultant, the long-term expected return on assets is to be approximately 6.75%.

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

Changes in the Net Pension Liability

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a)-(b)</u>
Balances at 12/31/2022	\$8,334,674	\$5,333,864	\$3,000,810
Changes for the year:			
Service cost	216,294	-	216,294
Interest cost	540,498	-	540,498
Changes in assumptions	-	-	-
Differences between expected and actual experience	(60,853)	-	(60,853)
Contributions:			
Township and state aid	-	559,205	(559,205)
Employee	-	9,700	(9,700)
Net investment income	-	901,847	(901,847)
Benefit payments	(407,754)	(407,754)	-
Administrative expense	-	(34,977)	34,977
Net changes	<u>288,185</u>	<u>1,028,021</u>	<u>(739,836)</u>
Balances at 12/31/2023	8,560,298	6,299,324	2,260,974
Deferred Retirement Option Program (DROP) balance at 12/31/2023	<u>94,882</u>	<u>94,882</u>	<u>-</u>
Total at 12/31/2023	<u>\$8,655,180</u>	<u>\$6,394,206</u>	<u>\$2,260,974</u>

**WEST NORRITON TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

**DEFINED BENEFIT PENSION PLAN (NON-UNIFORM PENSION PLAN), CONTINUED**

**Net Pension Liability of the Township, Continued**

The above township and state aid amount includes \$145,697 from funds provided by the Commonwealth of Pennsylvania to the Township, which is included in the Township's miscellaneous revenue.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Township, calculated using the discount rate of 6.75%, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Township's net pension liability	<u>\$3,270,905</u>	<u>\$2,260,974</u>	<u>\$1,408,679</u>

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

For the year ended December 31, 2023, the Township incurred pension expense of \$559,205. At December 31, 2023, the Township has not reported deferred outflows and deferred inflows of resources related to pensions (see Basis for Qualified Opinion) from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$224,663
Changes of assumptions	70,042	-
Net difference between projected and actual earnings on pension plan investments	<u>262,161</u>	<u>-</u>
Total pension expense	<u>\$332,203</u>	<u>\$224,663</u>

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

<u>Year Ending December 31,</u>	
2024	(\$51,291)
2025	88,114
2026	186,132
2027	<u>(115,415)</u>
Total	<u>\$107,540</u>

**WEST NORRITON TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

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**DEFINED BENEFIT PENSION PLAN (NON-UNIFORM PENSION PLAN), CONTINUED**

**Deferred Retirement Option Program (DROP)**

An active member who has met the eligibility requirements for normal retirement may elect to participate in the Deferred Retirement Option Program (DROP) for a period of not more than 48 months. The member's monthly pension amount will be calculated as of their date of participation in the program and will be distributed in a lump sum at retirement. As of December 31, 2023, the total DROP account balance for the Non-Uniform Pension Plan is approximately \$94,882.

**POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**Plan Description**

Plan Administration - West Norriton Township sponsors a single-employer defined benefit post employment plan to provide post-employment benefits for employees of the Township. The Plan was established and is governed by the provision of the collective bargaining agreement between the Township and the police officers and their spouses, to provide continuation of medical, dental, prescription, and vision insurance for officers who retire from the Township. The Plan also provides continuation of these benefits for eligible retired non-uniformed employees and their spouses. The Township funds the plan on a pay-as-you-go basis and there is no irrevocable trust established for the Plan. The plan does not issue a stand-alone financial report.

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

	<u>Uniformed</u>	<u>Non-Uniformed</u>	<u>Total</u>
Active Employees	27	25	52
Retirees and Covered Spouses	<u>20</u>	<u>-</u>	<u>20</u>
Total	<u>47</u>	<u>25</u>	<u>72</u>

Eligibility - A police officer will be eligible for coverage upon retirement after attainment of age 50 with 25 years of continuous service or upon receiving an honorable discharge as a result of a work-related injury or illness. A non-uniformed employee will be eligible for coverage upon retirement after attainment of age 62 and 20 years of continuous service.

Benefits Provided - Healthcare benefits which include medical, prescription drug, dental and vision benefits are provided to eligible retired police officers and their spouses for a period of five years from date of retirement. Spouses of retirees continue the healthcare benefits for one year after the date of the officer's death. Benefits are provided for life for officers who retire due to permanent disability. At retirement a police officer may elect to receive compensation in an amount of 50% of the annual benefit for five years, in lieu of the healthcare benefits. This election is not available to non-uniformed employees.

Healthcare benefits are also provided to eligible retired non-uniformed employees and their spouses for a period of three years from date of retirement, but not later than age 65.

**WEST NORRITON TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

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**POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

Benefits Provided (continued) - Life insurance benefits of \$15,000 are provided to both officers who retire due to permanent disability and normal retirement. No contributions are required. Fully insured \$15,000 accidental death benefit for normal retirees prior to age 70 is also provided. There is no life insurance provided to non-uniformed employees upon retirement.

Sick Leave - Each officer shall have thirty days of paid sick leave per calendar year. Each officer may accumulate up to ninety days of unused sick leave and may carry that amount over from year to year, in addition to the current year accrual. An officer shall be permitted to sell back to the Township up to seventy-five days of accumulated and unused sick days at the time of normal retirement, calculated at the officer's then rate of pay. At the time of retirement, non-uniformed employees will be paid out a maximum of seventy-five accumulated sick days (or 600 hours) at a rate of \$16.00 per hour.

Contributions - The contribution requirements of the Township are established and may be amended by the collective bargaining agreement between the Township and the West Norriton Township Police Association. The plan requires police officers and non-uniformed employees to reimburse the Township 50% of the costs of benefits. If the retiree or spouse fails or neglects to reimburse the Township within 30 days, the Township is relieved of further obligation to pay this benefit. The medical premiums for retired members are paid from the Township's General Fund monthly as they come due.

**Net OPEB Liability**

The Township's net OPEB liability was measured as of the Plan Measurement Date of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022, and by rolling forward the liabilities from the January 1, 2022 actuarial valuation through the measurement date.

Mortality rates were based on the PUB-2010 Safety Headcount-Weighted Mortality Tables (Employee, Retiree, and Disabled Retiree tables as applicable), projected from 2010 with Mortality Improvement Scale MP-2021.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study from the period January 1, 2017 to January 1, 2022.

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

Actuarial Cost Method	Entry Age Normal
Annual Wage Increases	3.5%
Healthcare Cost Trend Rates	6.25% for 2022; Rates gradually decrease from 6.00% in 2023 to 5.181% in 2030 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model

**WEST NORRITON TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

**POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

Actuarial Assumptions (continued) - The net OPEB liability was measured as of the Plan Measurement Date of January 1, 2023. The discount rate increased from 2.25% to 4.31% and the mortality and trend assumptions were updated during 2022.

Discount Rate - The discount rate used to measure the net OPEB liability was 4.31% based upon 20-year AA/Aa municipal bond rates for the plan. No assets have been accumulated in an irrevocable trust, so the municipal rate has been applied to all periods.

Change in Net OPEB Liability

	2023	2022
Balance at January 1,	\$12,567,538	\$15,903,928
Changes for the year:		
Service cost	666,110	1,066,687
Interest cost	548,761	352,462
Net benefits paid by employer	(336,668)	(294,619)
Ad hoc postemployment benefit changes	-	-
Differences between expected and actual experience	-	(624,973)
Changes in assumptions	945,931	(3,835,947)
Net changes	1,824,134	(3,336,390)
Balance at December 31,	\$14,391,672	\$12,567,538

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability, calculated using the discount rate of 4.31%, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.31%) or one percentage point higher (5.31%) than the current rate:

	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
Township's net OPEB liability	\$16,647,176	\$14,391,672	\$12,606,130

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates- The following presents the net OPEB liability of the Township, as well as what the Township's net pension liability would be if it were calculated using a healthcare cost trend rates (7.50% for 2023; Rates gradually decrease from 7.50% in 2023 to 5.181% in 2030 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model), that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease Valuation Rates	Healthcare Cost Trend Valuation Rates	1% Increase Valuation Rates
Township's net OPEB liability	\$12,362,181	\$14,391,672	\$16,947,566

**WEST NORRITON TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

**POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

OPEB Expense, and Deferred Outflows and Inflows of Resources

For the Measurement Date of January 1, 2023, as rolled forward to December 31, 2023, the actuarial determined contribution expense for the OPEB was \$336,668. For the Measurement Date of January 1, 2023, as rolled forward to December 31, 2023, the Township reported the following deferred outflows and inflows of resources related to OPEB:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$1,578,239
Changes of assumptions	3,168,794	2,918,195
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>-</u>
Total pension expense	<u>\$3,168,794</u>	<u>\$4,496,434</u>

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

<u>Year Ending December 31,</u>	
2024	\$71,942
2025	(50,449)
2026	(585,585)
2027	(532,596)
2028	(331,045)
Thereafter	<u>100,093</u>
Total	<u>(\$1,327,640)</u>

**WEST NORRITON TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

**LONG-TERM DEBT**

**Primary Government**

A summary of changes in long-term debt is as follows:

	Balance Outstanding January 1, <u>2023</u>	Additions	Deletions	Balance Outstanding December 31, <u>2023</u>	Due Within <u>One Year</u>
<b>GOVERNMENTAL ACTIVITIES:</b>					
General Obligation Note, Series A of 2014	\$628,088	\$ -	(\$81,000)	\$547,088	\$84,000
General Obligation Note, Series of 2020	2,343,000	-	(113,000)	2,230,000	115,000
Capital lease obligations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	2,971,088	-	(194,000)	2,777,088	199,000
Less: unamortized issuance costs	<u>(70,157)</u>	<u>-</u>	<u>4,518</u>	<u>(65,639)</u>	<u>-</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES DEBT</b>	<b><u>\$2,900,931</u></b>	<b><u>\$ -</u></b>	<b><u>(\$189,482)</u></b>	<b><u>\$2,711,449</u></b>	<b><u>\$199,000</u></b>
<b>BUSINESS-TYPE ACTIVITIES:</b>					
General Obligation Note, Series A of 2016	\$975,011	\$ -	\$ -	\$975,011	\$ -
General Obligation Note, Series B of 2016	2,044,000	-	(467,000)	1,577,000	456,000
General Obligation Note, Series of 2021	4,393,000	-	(5,000)	4,388,000	5,000
General Obligation Note, Series of 2022	9,499,000	-	(118,000)	9,381,000	272,000
Loan payable, Norristown Municipal Auth.	4,397,373	-	(269,036)	4,128,337	346,806
Capital lease obligations	<u>65,815</u>	<u>-</u>	<u>(32,283)</u>	<u>33,532</u>	<u>33,532</u>
	21,374,199	-	(891,319)	20,482,880	1,113,338
Less: unamortized issuance costs	<u>(175,787)</u>	<u>-</u>	<u>10,872</u>	<u>(164,915)</u>	<u>-</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES DEBT</b>	<b><u>\$21,198,412</u></b>	<b><u>\$ -</u></b>	<b><u>(\$880,447)</u></b>	<b><u>\$20,317,965</u></b>	<b><u>\$1,113,338</u></b>

**General Obligation Note, Series A of 2014**

In September 2014, the Township entered into a General Obligation Note, Series A, with Continental Bank, which subsequently merged with Bryn Mawr Trust Company, which has subsequently merged with WSFS Bank. This Note was issued for the purpose of financing a streetlight improvement project and to pay the costs of issuing the Note. This issuance provided a total drawable balance of \$1,210,000, of which \$1,198,088 has been drawn to date as of December 31, 2023. Interest was computed on unpaid principal at 2.33% per annum until December 1, 2021, after which this Note will bear interest at a variable rate, reset monthly on the first calendar day of each month, equal to the 30-day LIBOR (London Inter Bank Offering Rate) plus 25 basis points, with a maximum interest rate not to exceed 4% per annum. As of December 31, 2023, the interest rate was 4%. Per the Note agreement, for the prompt and full payment of all obligations of this Note, the full faith, credit and taxing power of the Township are irrevocably pledged. Payments for interest on the Note commenced in December 2014 and payments including principal commenced in December 2016, and will continue through December 2029. The outstanding balance as of December 31, 2023 on the Series A Note was \$547,088.

**WEST NORRITON TOWNSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

**LONG-TERM DEBT, CONTINUED**

**General Obligation Note, Series A of 2014, Continued**

The outstanding Series A of 2014 Note summary, using the full drawable balance, is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$84,000	\$21,520	\$105,520
2025	87,000	18,140	105,140
2026	91,000	14,620	105,620
2027	95,000	10,940	105,940
2028	99,000	7,100	106,100
2029	<u>103,000</u>	<u>3,100</u>	<u>106,100</u>
	<u>\$559,000</u>	<u>\$75,420</u>	<u>\$634,420</u>

**General Obligation Note, Series of 2020**

In April 2020, the Township entered into a General Obligation Note, Series of 2020, with Webster Public Finance Corporation. This Note was issued for the purpose of financing paving projects in the Township. This note is in the amount of \$2,560,000, fully funded at closing. Interest is computed on unpaid principal at 2.479% per annum. Per the Note agreement, for the prompt and full payment of all obligations of this Note, the Township pledges the full faith, credit and taxing power of the Township. Payments for interest on the Note commenced in November, 2020 and payments including principal commenced in November 2021, and will continue through November 2039. The outstanding balance as of December 31, 2023 on the Series of 2020 Note was \$2,230,000.

The outstanding Series of 2020 Note summary is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$115,000	\$55,282	\$170,282
2025	118,000	52,431	170,431
2026	121,000	49,506	170,506
2027	124,000	46,506	170,506
2028	127,000	43,432	170,432
2029 to 2033	685,000	168,300	853,300
2034 to 2038	774,000	79,080	853,080
2039	<u>166,000</u>	<u>4,115</u>	<u>170,115</u>
	<u>\$2,230,000</u>	<u>\$498,652</u>	<u>\$2,728,652</u>

**WEST NORRITON TOWNSHIP**  
**NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

**LONG-TERM DEBT, CONTINUED**

**General Obligation Note, Series A of 2016**

In September 2016, the Township entered into a General Obligation Note, Series A, with The Bryn Mawr Trust Company. This Note was issued to finance capital improvements at the Jeffersonville Golf Course and to pay the costs of issuing the Note. This issuance provided a total drawable balance of \$1,030,000, of which \$975,011 has been drawn to date as of December 31, 2023. Interest is computed on unpaid principal at 2.46% per annum until November 15, 2026, after which this Note will bear interest at a variable rate, reset monthly on the first calendar day of each month, equal to 67% of the sum of the 30-day LIBOR plus 150 basis points, with a maximum interest rate not to exceed 4.50% per annum. Per the Note agreement, for the prompt and full payment of all obligations of this Note, the full faith, credit and taxing power of the Township are irrevocably pledged. Payments for interest on the Note commenced in May 2017 and payments including principal commence in November 2028, and will continue through November 2036. The outstanding balance as of December 31, 2023 on the Series A Note was \$975,011.

The outstanding Series A of 2016 Note summary, using the full drawable balance, is as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$ -	\$25,338	\$25,338
2025	-	25,338	25,338
2026	-	25,338	25,338
2027	-	46,350	46,350
2028	95,000	46,350	141,350
2029 to 2033	545,000	163,575	708,575
2034 to 2036	390,000	35,640	425,640
	<u>\$1,030,000</u>	<u>\$367,929</u>	<u>\$1,397,929</u>

**General Obligation Note, Series B of 2016**

In September 2016, the Township entered into a General Obligation Note, Series B, also with The Bryn Mawr Trust Company. This Note was issued to finance, together with available Township funds, the current refunding of the Township's General Obligation Bond, Series of 2010 and to pay the costs of issuing the Note. This issuance provided a total drawable balance of \$4,665,000, all of which has been drawn to date as of December 31, 2023. Interest is computed on unpaid principal at 2.16% per annum until November 15, 2023, after which this Note will bear interest at a variable rate, reset monthly on the first calendar day of each month, equal to 67% of the sum of the 30-day LIBOR plus 150 basis points, with a maximum interest rate not to exceed 3.50% per annum. Per the Note agreement, for the prompt and full payment of all obligations of this Note, the full faith, credit and taxing power of the Township are irrevocably pledged. Payments for interest on the Note commenced in May 2017 and payments including principal commenced in November 2017, and will continue through November 2027. The outstanding balance as of December 31, 2023 on the Series B Note was \$1,577,000.

**WEST NORRITON TOWNSHIP**  
**NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

**LONG-TERM DEBT, CONTINUED**

**General Obligation Note, Series B of 2016, Continued**

The outstanding Series B of 2016 Note summary is as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$456,000	\$55,195	\$511,195
2025	360,000	39,235	399,235
2026	374,000	26,635	400,635
2027	387,000	13,545	400,545
	<u>\$1,577,000</u>	<u>\$134,610</u>	<u>\$1,711,610</u>

**General Obligation Note, Series of 2021**

In February, 2021, the Township entered into a General Obligation Note for \$4,420,000 with Phoenixville Federal Bank & Trust, for the purpose of paying off the outstanding principal and accrued interest on General Obligation Note, Series B of 2014. Issuance costs, and a portion of the first interest payment due were included in the financing, which was fully drawn at closing. Interest is computed at 2.00% per annum until December 1, 2035; thereafter, through maturity on December 1, 2039 or earlier payment, interest is computed at a variable rate, continually reset, equal to 80% of The Wall Street Journal Prime Rate, with a maximum interest rate of 4.50% per annum. Per the Note agreement, for the prompt and full payment of all obligations of this Note, the full faith, credit and taxing power of the Township are hereby irrevocably pledged. Payments on interest commenced June 1, 2021 and payments including principal commenced December 1, 2021. The outstanding balance as of December 31, 2023, was \$4,388,000.

The outstanding Series of 2021 Note summary is as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$5,000	\$87,760	\$92,760
2025	57,000	87,660	144,660
2026	58,000	86,520	144,520
2027	59,000	85,360	144,360
2028	320,000	84,180	404,180
2029 to 2033	1,705,000	322,060	2,027,060
2034 to 2038	1,794,000	230,280	2,024,280
2039	390,000	17,550	407,550
	<u>\$4,388,000</u>	<u>\$1,001,370</u>	<u>\$5,389,370</u>

**WEST NORRITON TOWNSHIP**  
**NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

**LONG-TERM DEBT, CONTINUED**

**General Obligation Note, Series of 2022**

In October, 2022, the Township entered into a General Obligation Note for \$9,625,000 with S&T Bank, for the purpose of paying off the outstanding balance owed on General Obligation Note, Series AA of 2016 (see separate note) and funding the costs of the design, acquisition, construction, installation and equipping of a new banquet facility and pro shop at the Jeffersonville Golf Club. Issuance costs were included in the financing, which was fully drawn at closing. Interest is computed at 3.23% per annum until November 15, 2032; thereafter, through maturity on November 15, 2046 or earlier payment, interest is computed at a variable rate, continually reset, equal to 79% of The Wall Street Journal Prime Rate, with a maximum interest rate of 4.50% per annum. Per the Note agreement, for the prompt and full payment of all obligations of this Note, the full faith, credit and taxing power of the Township are hereby irrevocably pledged. Payments of principal and interest commenced November 15, 2022. The outstanding balance as of December 31, 2023, was \$9,381,000.

The outstanding Series of 2022 Note summary is as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$272,000	\$303,006	\$575,006
2025	362,000	294,221	656,221
2026	374,000	282,528	656,528
2027	366,000	270,448	636,448
2028	283,000	258,626	541,626
2029 to 2033	1,473,000	1,232,611	2,705,611
2034 to 2038	1,765,000	1,272,960	3,037,960
2039 to 2043	2,616,000	784,260	3,400,260
2044 to 2046	<u>1,870,000</u>	<u>170,775</u>	<u>2,040,775</u>
	<u>\$9,381,000</u>	<u>\$4,869,435</u>	<u>\$14,250,435</u>

**Loan Payable, Norristown Municipal Authority**

The Township shares certain sewer costs with the Norristown Municipal Authority (the "Authority"), with generally a one-third allocation of actual costs to the Township, including a current sewer upgrade project that benefits the Township. The Authority received a bank loan and is also using its own moneys to fund the project. The Township has agreed to pay the Authority for the Township's share, which totaled \$4,744,833 per the Authority's cost estimates, and has been recorded as a loan payable, with the cost recorded to fixed assets. Interest is accrued at 2.70% per annum. Interest only payments were paid for the period from January 1 through May 31, 2021, for the Township's one-third portion of the actual bank loan interest paid. Effective June 1, 2021, monthly installments of principal and interest in the amount of \$32,171 began and were to continue through May 2036. Beginning in 2022, payments became quarterly, made after being invoiced by the Authority, rather than being paid monthly, resulting in nine months worth of payments for 2022, with three months invoiced and paid in January, 2023. Likewise, the fourth quarter of 2023, was invoiced and paid in January, 2024. Unpaid interest of \$28,098 has been accrued through December 31, 2023. The Township owed \$4,128,337 principal on this loan as of December 31, 2023.

**WEST NORRITON TOWNSHIP**  
**NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

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**LONG-TERM DEBT, CONTINUED**

**Loan Payable, Norristown Municipal Authority, Continued**

The following is a schedule by years of future loan maturities as of December 31, 2023.

<u>December 31,</u>	
2024	\$346,806
2025	286,108
2026	294,039
2027	302,190
2028	310,567
Thereafter	<u>2,588,627</u>
	4,128,337
Less current portion	<u>(346,806)</u>
Total long-term portion	<u><u>\$3,781,531</u></u>

**Capital Leases**

In March 2021, the Township entered into a 43-month capital lease with Yamaha Motor Finance Corporation, U.S.A., in the amount of \$129,062, for the conditional purchase of 25 golf carts. Interest is computed at 3.80% per annum. Payments in the amount of \$5,759 are due monthly each year during the months May through October, beginning in May 2021, and continuing through October 2024, with a \$-0- buyout. The lease is secured by the golf carts.

The cost of the above golf carts is included in capital assets being depreciated, and amortization is included in depreciation and amortization expense.

The following is a schedule by years of future minimum lease payments due under the above capital leases as of December 31, 2023.

<u>December 31,</u>	<u>Golf Fund</u>
2024	<u>\$34,554</u>
Total minimum lease payments	34,554
Less amount representing interest	<u>(1,022)</u>
Present value of minimum lease payments	33,532
Less current portion	<u>(33,532)</u>
Long-term capital lease obligation	<u><u>\$ -</u></u>

**WEST NORRITON TOWNSHIP**  
**NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED**

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**RISK MANAGEMENT**

The Township maintains an insurance policy for workers' compensation insurance. Insurance premiums are developed based on employee job descriptions, rate factors and payroll costs for the year. The policy has an audit performed each year, and the Township may be required to pay an additional premium as a result of the audit, or the Township may be entitled to a refund as a result of the audit. Such year-end adjustments due to the payroll audit have historically not been significant. In addition, the Township is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; health care costs; and natural disasters for which the Township carries commercial insurance. There have been no significant reductions in insurance coverage from the prior year, and settlements have not exceeded insurance coverage for each of the past three years.

**EVALUATION OF SUBSEQUENT EVENTS**

In preparing the financial statements, the Township has evaluated events and transactions for potential recognition or disclosure through July 29, 2024, the date that the financial statements were available to be issued. Except as noted below, no material subsequent events have occurred since December 31, 2023 that required recognition or disclosure in the financial statements.

**REQUIRED SUPPLEMENTAL INFORMATION**

**WEST NORRITON TOWNSHIP  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
Year Ended December 31, 2023**

	Budgeted Amounts	Actual Amounts	Variance with Budget
<b>REVENUES</b>			
Real estate taxes	\$4,203,081	\$4,201,640	(\$1,441)
Act 511 enabling taxes	4,421,000	4,856,691	435,691
Business/non-business licenses, permits and fees	937,250	885,246	(52,004)
Fines	42,100	50,981	8,881
Federal and state grants and shared revenue	118,000	839,530	721,530
Charges for services	5,000	3,200	(1,800)
Public safety and highway	384,209	399,922	15,713
Recreation and culture	146,400	133,732	(12,668)
Miscellaneous	436,353	621,338	184,985
Interest	<u>30,000</u>	<u>213,959</u>	<u>183,959</u>
<b>TOTAL REVENUES</b>	<u><b>10,723,393</b></u>	<u><b>12,206,239</b></u>	<u><b>1,482,846</b></u>
<b>EXPENDITURES</b>			
Administration	764,718	1,265,762	(501,044)
Police	4,321,047	4,475,031	(153,984)
Building/zoning	169,763	218,270	(48,507)
Public works - sanitation	7,700	4,592	3,108
Public works - other	451,935	1,002,565	(550,630)
Recreation and culture	585,217	583,356	1,861
Community development	-	125,000	(125,000)
Insurance	314,500	302,569	11,931
Debt service - principal	194,000	194,000	-
Debt service - interest	82,883	82,336	547
Payroll taxes	178,000	188,703	(10,703)
Employee benefits	<u>3,447,567</u>	<u>3,633,548</u>	<u>(185,981)</u>
<b>TOTAL EXPENDITURES</b>	<u><b>10,517,330</b></u>	<u><b>12,075,732</b></u>	<u><b>(1,558,402)</b></u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u><b>206,063</b></u>	<u><b>130,507</b></u>	<u><b>(75,556)</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of assets	-	9,400	9,400
Transfers in	31,548	4,564,203	4,532,655
Transfers out	<u>(195,000)</u>	<u>(4,693,903)</u>	<u>(4,498,903)</u>
<b>TOTAL OTHER FINANCING USES</b>	<u><b>(163,452)</b></u>	<u><b>(120,300)</b></u>	<u><b>43,152</b></u>
<b>NET CHANGE IN FUND BALANCE</b>	42,611	10,207	(32,404)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u><b>5,901,154</b></u>	<u><b>5,901,154</b></u>	<u><b>-</b></u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><b>\$5,943,765</b></u>	<u><b>\$5,911,361</b></u>	<u><b>(\$32,404)</b></u>

See accompanying notes to the budgetary comparison schedules.

**WEST NORRITON TOWNSHIP  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - LIQUID FUELS FUND  
Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget</u>
<b>REVENUES</b>			
Liquid fuel taxes	\$406,963	\$415,402	\$8,439
Interest	<u>1,000</u>	<u>8,886</u>	<u>7,886</u>
<b>TOTAL REVENUES</b>	<u>407,963</u>	<u>424,288</u>	<u>16,325</u>
<b>EXPENDITURES</b>			
Streets and roads - materials and repairs	<u>407,963</u>	<u>347,100</u>	<u>60,863</u>
<b>TOTAL EXPENDITURES</b>	<u>407,963</u>	<u>347,100</u>	<u>60,863</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>77,188</u>	<u>77,188</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING USES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	77,188	77,188
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>191,733</u>	<u>191,733</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$191,733</u>	<u>\$268,921</u>	<u>\$77,188</u>

See accompanying notes to the budgetary comparison schedules.

**WEST NORRITON TOWNSHIP  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - EMERGENCY FUND  
Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget</u>
REVENUES			
Intergovernmental	\$94,885	\$ -	(\$94,885)
Fire millage/tax	189,115	188,382	(733)
Grant for fire company	<u>95,876</u>	<u>118,094</u>	<u>22,218</u>
TOTAL REVENUES	<u>379,876</u>	<u>306,476</u>	<u>(73,400)</u>
EXPENDITURES			
Fire company contributions and expenses	<u>379,876</u>	<u>396,488</u>	<u>(16,612)</u>
TOTAL EXPENDITURES	<u>379,876</u>	<u>396,488</u>	<u>(16,612)</u>
EXCESS OF EXPENDITURES OVER REVENUES	<u>-</u>	<u>(90,012)</u>	<u>(90,012)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>-</u>	<u>95,000</u>	<u>95,000</u>
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>95,000</u>	<u>95,000</u>
NET CHANGE IN FUND BALANCE	-	4,988	4,988
FUND DEFICIT AT BEGINNING OF YEAR	<u>7,523</u>	<u>7,523</u>	<u>-</u>
FUND DEFICIT AT END OF YEAR	<u>\$7,523</u>	<u>\$12,511</u>	<u>\$4,988</u>

See accompanying notes to the budgetary comparison schedules.

**WEST NORRITON TOWNSHIP  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - SEWER FUND  
Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$450,000	\$266,206	(\$183,794)
Sewer fees	3,773,000	3,296,219	(476,781)
Miscellaneous	-	100	100
Interest	<u>7,500</u>	<u>78,596</u>	<u>71,096</u>
<b>TOTAL REVENUES</b>	<u>4,230,500</u>	<u>3,641,121</u>	<u>(589,379)</u>
<b>EXPENDITURES</b>			
Intergovernmental	507,000	49,993	457,007
Professional fees	320,000	127,505	192,495
Wages and salaries	569,798	475,392	94,406
Employee benefits	342,952	327,777	15,175
Insurance	48,677	95,111	(46,434)
Repairs and maintenance	1,124,800	371,808	752,992
Utilities	127,000	96,697	30,303
Treatment	900,000	863,575	36,425
Interest	132,010	248,270	(116,260)
Depreciation and amortization	-	807,483	(807,483)
Other costs	<u>129,366</u>	<u>124,590</u>	<u>4,776</u>
<b>TOTAL EXPENDITURES</b>	<u>4,201,603</u>	<u>3,588,201</u>	<u>613,402</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	28,897	52,920	24,023
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>12,607,569</u>	<u>12,607,569</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$12,636,466</u>	<u>\$12,660,489</u>	<u>\$24,023</u>

See accompanying notes to the budgetary comparison schedules.

**WEST NORRITON TOWNSHIP  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GOLF FUND  
Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget</u>
<b>REVENUES</b>			
Intergovernmental	\$303,413	\$3,670,024	\$3,366,611
Green fees	1,735,000	2,074,920	339,920
Membership fees	24,500	28,800	4,300
Power carts	16,800	34,791	17,991
Food and beverage sales	231,008	217,338	(13,670)
Miscellaneous	5,400	-	(5,400)
Interest	<u>9,858</u>	<u>113,842</u>	<u>103,984</u>
<b>TOTAL REVENUES</b>	<u><b>2,325,979</b></u>	<u><b>6,139,715</b></u>	<u><b>3,813,736</b></u>
<b>EXPENDITURES</b>			
Intergovernmental	118,000	3,466,670	(3,348,670)
Salaries	913,021	1,008,700	(95,679)
Supplies and materials	490,200	563,877	(73,677)
Insurance	13,500	70,229	(56,729)
Utilities	52,000	45,627	6,373
Capital improvements and purchase of major equipment	60,000	-	60,000
Interest	332,156	50,448	281,708
Depreciation and amortization	-	246,694	(246,694)
Employee benefits	151,096	160,103	(9,007)
Payroll taxes	60,000	105,438	(45,438)
Other costs	<u>136,006</u>	<u>149,953</u>	<u>(13,947)</u>
<b>TOTAL EXPENDITURES</b>	<u><b>2,325,979</b></u>	<u><b>5,867,739</b></u>	<u><b>(3,541,760)</b></u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>271,976</b>	<b>271,976</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u><b>3,076,613</b></u>	<u><b>3,076,613</b></u>	<u><b>-</b></u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u><b>\$3,076,613</b></u></u>	<u><u><b>\$3,348,589</b></u></u>	<u><u><b>\$271,976</b></u></u>

See accompanying notes to the budgetary comparison schedules.

**WEST NORRITON TOWNSHIP  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE BUDGETARY COMPARISON SCHEDULES  
Year Ended December 31, 2023**

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**BUDGETARY INFORMATION**

Commonwealth of Pennsylvania statutes require township governments to establish budgetary systems and adopt annual operating budgets. The Township's annual budget includes the General Fund, Liquid Fuels Fund, Emergency Fund, Sewer Fund and Golf Fund and is based on estimates of revenues and expenditures approved by the Township Board of Commissioners. The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

Township Budget Process

- Starting in October, the Township holds public budget hearings for the purpose of receiving oral and written comments from the public in regards to the proposed budget for the following year.
- Public meetings are conducted on the proposed budget. The proposed budget is available for public inspection for 20 days prior to final adoption.
- After the 20-day inspection period, but prior to December 31, the Township Board of Commissioners adopts the final budget by enacting an appropriate resolution.
- Formal budgetary process is employed as a planning device. Budget amounts are as originally adopted, or as amended by, the Township Board of Commissioners.

Level of Control

- The Township maintains budgetary controls at the fund level.

Management Amendment Authority

During the course of the year, department needs may change, emergencies may occur, or additional revenue may arise. As a result, funds are transferred between line items of a department's budget or additional revenue may need to be budgeted for a specific project or grant. Adjustments to the budget are made on a line item basis during the year and approved by the Township Board of Commissioners.

**WEST NORRITON TOWNSHIP  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY  
AND RELATED RATIOS - POLICE PENSION PLAN  
Year Ended December 31, 2023**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY										
Service cost	\$931,261	\$831,531	\$795,724	\$739,891	\$649,677	\$632,489	\$605,253	\$707,331	\$679,025	\$649,785
Interest cost	1,682,718	1,599,790	1,524,639	1,421,312	1,452,755	1,355,627	1,292,732	1,319,103	1,282,593	1,197,471
Changes of assumptions	892,660	-	723,294	1,117,235	937,335	-	109,127	-	-	-
Changes of benefit terms	446,310	-	(61,188)	-	-	-	-	-	-	-
Differences between expected and actual experience	(1,411,856)	-	(467,272)	40,545	(510,524)	-	(1,524,294)	-	(672,909)	-
Benefit payments	<u>(1,122,685)</u>	<u>(1,137,036)</u>	<u>(1,277,007)</u>	<u>(1,185,062)</u>	<u>(1,151,009)</u>	<u>(1,088,757)</u>	<u>(1,030,013)</u>	<u>(895,743)</u>	<u>(708,087)</u>	<u>(716,502)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	1,418,408	1,294,285	1,238,190	2,133,921	1,378,234	899,359	(547,195)	1,130,691	580,622	1,130,754
TOTAL PENSION LIABILITY AT BEGINNING OF YEAR	<u>25,563,391</u>	<u>24,269,106</u>	<u>23,030,916</u>	<u>20,896,995</u>	<u>19,518,761</u>	<u>18,619,402</u>	<u>19,166,597</u>	<u>18,035,906</u>	<u>17,455,284</u>	<u>16,324,530</u>
TOTAL PENSION LIABILITY AT END OF YEAR (a)	<u>\$26,981,799</u>	<u>\$25,563,391</u>	<u>\$24,269,106</u>	<u>\$23,030,916</u>	<u>\$20,896,995</u>	<u>\$19,518,761</u>	<u>\$18,619,402</u>	<u>\$19,166,597</u>	<u>\$18,035,906</u>	<u>\$17,455,284</u>
PLAN FIDUCIARY NET POSITION										
Contributions:										
Township and state aid	\$1,421,486	\$1,336,491	\$1,061,965	\$1,032,570	\$1,058,363	\$1,051,544	\$1,212,328	\$1,340,004	\$952,976	\$788,038
Employee	136,020	181,072	121,226	86,576	77,038	76,819	105,791	112,406	64,631	71,778
Net investment income	2,974,538	(3,661,217)	2,577,461	2,214,153	2,870,103	(1,043,412)	1,951,192	1,152,090	(77,735)	690,836
Benefit payments	(1,122,685)	(1,137,036)	(1,277,007)	(1,185,062)	(1,151,009)	(1,088,757)	(1,030,013)	(895,743)	(708,087)	(716,502)
Administrative expense	<u>(80,765)</u>	<u>(57,034)</u>	<u>(55,147)</u>	<u>(42,428)</u>	<u>(67,055)</u>	<u>(62,308)</u>	<u>(55,547)</u>	<u>(51,642)</u>	<u>(74,949)</u>	<u>(70,174)</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	3,328,594	(3,337,724)	2,428,498	2,105,809	2,787,440	(1,066,114)	2,183,751	1,657,115	156,836	763,976
PLAN FIDUCIARY NET POSITION AT BEGINNING OF YEAR	<u>17,665,687</u>	<u>21,003,411</u>	<u>18,574,913</u>	<u>16,469,104</u>	<u>13,681,664</u>	<u>14,747,778</u>	<u>12,564,027</u>	<u>10,906,912</u>	<u>10,750,076</u>	<u>9,986,100</u>
PLAN FIDUCIARY NET POSITION AT END OF YEAR (b)	<u>\$20,994,281</u>	<u>\$17,665,687</u>	<u>\$21,003,411</u>	<u>\$18,574,913</u>	<u>\$16,469,104</u>	<u>\$13,681,664</u>	<u>\$14,747,778</u>	<u>\$12,564,027</u>	<u>\$10,906,912</u>	<u>\$10,750,076</u>
NET PENSION LIABILITY AT END OF YEAR (a) - (b)	<u>\$5,987,518</u>	<u>\$7,897,704</u>	<u>\$3,265,695</u>	<u>\$4,456,003</u>	<u>\$4,427,891</u>	<u>\$5,837,097</u>	<u>\$3,871,624</u>	<u>\$6,602,570</u>	<u>\$7,128,994</u>	<u>\$6,705,208</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>77.81%</u>	<u>69.11%</u>	<u>86.54%</u>	<u>80.65%</u>	<u>78.81%</u>	<u>70.09%</u>	<u>79.21%</u>	<u>65.55%</u>	<u>60.47%</u>	<u>61.59%</u>
Covered employee payroll	<u>\$3,359,581</u>	<u>\$3,437,158</u>	<u>\$3,210,093</u>	<u>\$2,862,759</u>	<u>\$2,555,011</u>	<u>\$2,615,526</u>	<u>\$2,512,197</u>	<u>\$2,590,516</u>	<u>\$2,829,774</u>	<u>\$2,904,910</u>
Township's net pension liability as a percentage of covered payroll	<u>178.22%</u>	<u>229.77%</u>	<u>101.73%</u>	<u>155.65%</u>	<u>173.30%</u>	<u>223.17%</u>	<u>154.11%</u>	<u>254.87%</u>	<u>251.93%</u>	<u>230.82%</u>

**Notes to Schedule:**

Above does not include DROP Account Balance.

Assumption Changes - In 2021, the mortality improvement scale projection was updated from 2020 to 2021.

Benefit Changes - The disability benefit was changed in 2021.

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

**WEST NORRITON TOWNSHIP  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS - POLICE PENSION PLAN  
Year Ended December 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$1,421,486	\$1,336,491	\$1,061,965	\$1,032,570	\$1,058,363	\$1,051,544	\$1,212,328	\$1,340,004	\$952,976	\$788,038
Contributions in relation to the actuarially determined contribution	<u>1,421,486</u>	<u>1,336,491</u>	<u>1,061,965</u>	<u>1,032,570</u>	<u>1,058,363</u>	<u>1,051,544</u>	<u>1,212,328</u>	<u>1,340,004</u>	<u>952,976</u>	<u>788,038</u>
Contribution deficiency (excess)	<u>\$ -</u>									
Covered employee payroll	<u>\$3,359,581</u>	<u>\$3,437,158</u>	<u>\$3,210,093</u>	<u>\$2,862,759</u>	<u>\$2,555,011</u>	<u>\$2,615,526</u>	<u>\$2,512,197</u>	<u>\$2,590,516</u>	<u>\$2,829,774</u>	<u>\$2,904,910</u>
Contributions as a percentage of covered employee payroll	<u>42.31%</u>	<u>38.88%</u>	<u>33.08%</u>	<u>36.07%</u>	<u>41.42%</u>	<u>40.20%</u>	<u>48.26%</u>	<u>51.73%</u>	<u>33.68%</u>	<u>27.13%</u>

**Notes to schedule:**

Most recent valuation date: January 1, 2023

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar open
Remaining amortization period	6 years
Asset valuation method	Adjusted market value
Investment rate of return	6.75%
Projected salary increases	4.50%
Includes inflation at	2.50%
Retirement age	Age 50 and 25 years of service, or at attained age plus 1 year, if later
Pre-retirement	None
Post-retirement	PUB-2010 General Amount-Weighted Mortality Tables (Employee, Retiree, Contingent Survivor, and Disabled Retiree tables as applicable), projected from 2010 with Mortality Improvement Scale MP-2021

**Notes to Schedule:**

Assumption Changes - In 2021, the mortality improvement scale projection was updated from 2020 to 2021.

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

**WEST NORRITON TOWNSHIP  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY  
AND RELATED RATIOS - NON-UNIFORM PENSION PLAN  
Year Ended December 31, 2023**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY										
Service cost	\$216,294	\$183,638	\$175,730	\$142,677	\$121,266	\$125,564	\$120,157	\$128,798	\$136,028	\$130,171
Interest cost	540,498	525,281	509,835	513,445	534,018	477,524	463,206	454,552	423,906	405,276
Changes of assumptions	-	-	248,116	374,458	469,705	-	23,082	-	-	-
Differences between expected and actual experience	(60,853)	-	(629,617)	20,720	117,979	-	(153,861)	-	140,209	-
Benefit payments	(407,754)	(437,485)	(475,981)	(427,251)	(453,957)	(421,078)	(363,831)	(310,528)	(272,551)	(301,536)
NET CHANGE IN TOTAL PENSION LIABILITY	288,185	271,434	(171,917)	624,049	789,011	182,010	88,753	272,822	427,592	233,911
TOTAL PENSION LIABILITY AT BEGINNING OF YEAR	<u>8,272,113</u>	<u>8,000,679</u>	<u>8,172,596</u>	<u>7,548,547</u>	<u>6,759,536</u>	<u>6,577,526</u>	<u>6,488,773</u>	<u>6,215,951</u>	<u>5,788,359</u>	<u>5,554,448</u>
TOTAL PENSION LIABILITY AT END OF YEAR (a)	<u>\$8,560,298</u>	<u>\$8,272,113</u>	<u>\$8,000,679</u>	<u>\$8,172,596</u>	<u>\$7,548,547</u>	<u>\$6,759,536</u>	<u>\$6,577,526</u>	<u>\$6,488,773</u>	<u>\$6,215,951</u>	<u>\$5,788,359</u>
PLAN FIDUCIARY NET POSITION										
Contributions:										
Township and state aid	\$559,205	\$534,524	\$493,157	\$498,641	\$465,570	\$469,889	\$443,158	\$443,039	\$271,970	\$232,544
Employee	9,700	9,274	8,824	6,998	6,685	7,027	5,561	6,057	5,255	3,852
Net investment income	901,847	(1,126,645)	771,845	653,906	863,819	(311,783)	560,861	325,425	(19,677)	223,729
Benefit payments	(407,754)	(437,485)	(475,981)	(427,251)	(453,957)	(421,078)	(363,831)	(310,528)	(272,551)	(301,536)
Administrative expense	(34,977)	(19,299)	(24,554)	(19,229)	(22,455)	(21,985)	(25,016)	(21,943)	(44,310)	(41,497)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	1,028,021	(1,039,631)	773,291	713,065	859,662	(277,930)	620,733	442,050	(59,313)	117,092
PLAN FIDUCIARY NET POSITION AT BEGINNING OF YEAR	<u>5,271,303</u>	<u>6,310,934</u>	<u>5,537,643</u>	<u>4,824,578</u>	<u>3,964,916</u>	<u>4,242,846</u>	<u>3,622,113</u>	<u>3,180,063</u>	<u>3,239,376</u>	<u>3,122,284</u>
PLAN FIDUCIARY NET POSITION AT END OF YEAR (b)	<u>\$6,299,324</u>	<u>\$5,271,303</u>	<u>\$6,310,934</u>	<u>\$5,537,643</u>	<u>\$4,824,578</u>	<u>\$3,964,916</u>	<u>\$4,242,846</u>	<u>\$3,622,113</u>	<u>\$3,180,063</u>	<u>\$3,239,376</u>
NET PENSION LIABILITY AT END OF YEAR (a) - (b)	<u>\$2,260,974</u>	<u>\$3,000,810</u>	<u>\$1,689,745</u>	<u>\$2,634,953</u>	<u>\$2,723,969</u>	<u>\$2,794,620</u>	<u>\$2,334,680</u>	<u>\$2,866,660</u>	<u>\$3,035,888</u>	<u>\$2,548,983</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>73.59%</u>	<u>63.72%</u>	<u>78.88%</u>	<u>67.76%</u>	<u>63.91%</u>	<u>58.66%</u>	<u>64.51%</u>	<u>55.82%</u>	<u>51.16%</u>	<u>55.96%</u>
Covered employee payroll	<u>\$1,866,081</u>	<u>\$1,800,051</u>	<u>\$1,556,346</u>	<u>\$1,494,340</u>	<u>\$1,341,805</u>	<u>\$1,367,968</u>	<u>\$1,364,236</u>	<u>\$1,393,599</u>	<u>\$1,363,136</u>	<u>\$1,342,139</u>
Township's net pension liability as a percentage of covered payroll	<u>121.16%</u>	<u>166.71%</u>	<u>108.57%</u>	<u>176.33%</u>	<u>203.01%</u>	<u>204.29%</u>	<u>171.13%</u>	<u>205.70%</u>	<u>222.71%</u>	<u>189.92%</u>

**Notes to Schedule:**

Above does not include DROP Account Balance.

Assumption Changes - In 2021, the mortality improvement scale projection was updated from 2020 to 2021.

Benefit Changes - None.

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

**WEST NORRITON TOWNSHIP  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS - NON-UNIFORM PENSION PLAN  
Year Ended December 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$559,205	\$534,524	\$493,157	\$498,641	\$465,570	\$469,889	\$443,158	\$443,039	\$271,970	\$232,544
Contributions in relation to the actuarially determined contribution	<u>559,205</u>	<u>534,524</u>	<u>493,157</u>	<u>498,641</u>	<u>465,570</u>	<u>469,889</u>	<u>443,158</u>	<u>443,039</u>	<u>271,970</u>	<u>232,544</u>
Contribution deficiency (excess)	<u>\$ -</u>									
Covered employee payroll	<u>\$1,866,081</u>	<u>\$1,800,051</u>	<u>\$1,556,346</u>	<u>\$1,494,340</u>	<u>\$1,341,805</u>	<u>\$1,367,968</u>	<u>\$1,364,236</u>	<u>\$1,393,599</u>	<u>\$1,363,136</u>	<u>\$1,342,139</u>
Contributions as a percentage of covered employee payroll	<u>29.97%</u>	<u>29.69%</u>	<u>31.69%</u>	<u>33.37%</u>	<u>34.70%</u>	<u>34.35%</u>	<u>32.48%</u>	<u>31.79%</u>	<u>19.95%</u>	<u>17.33%</u>

**Notes to schedule:**

Most recent valuation date: January 1, 2023

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar open
Remaining amortization period	6 years
Asset valuation method	Adjusted market value
Investment rate of return	6.75%
Projected salary increases	4.50%
Includes inflation at	2.50%
Retirement age	Age 50 and 25 years of service, or at attained age plus 1 year, if later
Pre-retirement	None
Post-retirement	PUB-2010 General Amount-Weighted Mortality Tables (Employee, Retiree, Contingent Survivor, and Disabled Retiree tables as applicable), projected from 2010 with Mortality Improvement Scale MP-2021

**Notes to Schedule:**

Assumption Changes - In 2021, the mortality improvement scale projection was updated from 2020 to 2021.

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

**WEST NORRITON TOWNSHIP  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY  
AND RELATED RATIOS -  
POST-RETIREMENT HEALTHCARE AND SICK LEAVE BENEFITS PLAN  
Year Ended December 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY						
Service cost	\$666,110	\$1,066,687	\$1,010,459	\$686,050	\$405,327	\$432,469
Interest cost	548,761	352,462	301,646	390,257	393,708	341,792
Ad Hoc Postemployment benefit changes	-	-	-	986,762	(2,371,037)	-
Changes of assumptions	945,931	(3,835,947)	(317,608)	2,867,577	5,205,588	(508,280)
Differences between expected and actual experience	-	(624,973)	-	(3,240,092)	-	-
Benefit payments	(336,668)	(294,619)	(429,267)	(466,400)	(265,065)	(239,853)
NET CHANGE IN TOTAL OPEB LIABILITY	<u>1,824,134</u>	<u>(3,336,390)</u>	<u>565,230</u>	<u>1,224,154</u>	<u>3,368,521</u>	<u>26,128</u>
TOTAL OPEB LIABILITY AT BEGINNING OF YEAR	<u>12,567,538</u>	<u>15,903,928</u>	<u>15,338,698</u>	<u>14,114,544</u>	<u>10,746,023</u>	<u>10,719,895</u>
TOTAL OPEB LIABILITY AT END OF YEAR (a)	<u>\$14,391,672</u>	<u>\$12,567,538</u>	<u>\$15,903,928</u>	<u>\$15,338,698</u>	<u>\$14,114,544</u>	<u>\$10,746,023</u>
PLAN FIDUCIARY NET POSITION						
Contributions:						
Township	\$336,668	\$294,619	\$429,267	\$466,400	\$265,065	\$239,853
Employee	-	-	-	-	-	-
Net investment income (loss)	-	-	-	-	-	-
Benefit payments	(336,668)	(294,619)	(429,267)	(466,400)	(265,065)	(239,853)
Administrative expense	-	-	-	-	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
PLAN FIDUCIARY NET POSITION AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
PLAN FIDUCIARY NET POSITION AT END OF YEAR (b)	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>
NET OPEB LIABILITY AT END OF YEAR (a) - (b)	<u>\$14,391,672</u>	<u>\$12,567,538</u>	<u>\$15,903,928</u>	<u>\$15,338,698</u>	<u>\$14,114,544</u>	<u>\$10,746,023</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
Covered employee payroll	<u>\$5,117,593</u>	<u>\$4,968,537</u>	<u>\$4,604,008</u>	<u>\$4,448,317</u>	<u>\$4,423,784</u>	<u>\$4,201,157</u>
Township's net OPEB liability as a percentage of covered payroll	<u>281.22%</u>	<u>252.94%</u>	<u>345.44%</u>	<u>344.82%</u>	<u>319.06%</u>	<u>255.79%</u>

**Notes to Schedule:**

Above does not include DROP Account Balance.

Assumption Changes - In 2022, the mortality improvement scale projection was updated from 2021 to 2022. In 2023, the healthcare cost trend assumption was changed based on the October 2023 release of the Society of Actuaries Getzen Model.

Benefit Changes - None.

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

**WEST NORRITON TOWNSHIP  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS -  
POST-RETIREMENT HEALTHCARE AND SICK LEAVE BENEFITS PLAN  
Year Ended December 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$666,110	\$343,065	\$783,549	\$301,519	\$701,708	\$306,553
Contributions in relation to the actuarially determined contribution	<u>336,668</u>	<u>294,619</u>	<u>429,267</u>	<u>466,400</u>	<u>265,065</u>	<u>239,853</u>
Contribution deficiency (excess)	<u>\$329,442</u>	<u>\$48,446</u>	<u>\$354,282</u>	<u>(\$164,881)</u>	<u>\$436,643</u>	<u>\$66,700</u>
Covered employee payroll	<u>\$5,117,593</u>	<u>\$4,968,537</u>	<u>\$4,604,008</u>	<u>\$4,448,317</u>	<u>\$4,423,784</u>	<u>\$4,201,157</u>
Contributions as a percentage of covered employee payroll	<u>6.58%</u>	<u>5.93%</u>	<u>9.32%</u>	<u>10.48%</u>	<u>5.99%</u>	<u>5.71%</u>

**Notes to schedule:**

The above amounts represent amounts as of the most recent valuation date of January 1, 2022.

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.