

WARRINGTON TOWNSHIP
ANNUAL FINANCIAL REPORT
Year Ended December 31, 2022

WARRINGTON TOWNSHIP
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022

	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis (Unaudited)	4-11
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements	
Governmental Funds	
Balance Sheet	14
Reconciliation of Total Governmental Funds Balance Sheet to Net Position of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balances	16
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	17
Fiduciary Funds	
Statement of Fiduciary Net Position	18
Statement of Changes in Fiduciary Net Position	19
Notes to the Financial Statements	20-45
Required Supplementary Information	
Budgetary Comparison Schedules	47
Police Pension Plan	
Schedule of Changes in the Net Police Pension Plan Liability and Related Ratios	53
Schedule of Police Pension Plan Contributions and Investment Returns	54
Non-Uniform Employees' Pension Plan	
Schedule of Changes in the Net Non-Uniform Employees' Pension Plan Liability and Related Ratios	55
Schedule of Non-Uniform Employees' Pension Plan Contributions and Investment Returns	56

WARRINGTON TOWNSHIP
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022

	<u>Page</u>
Other Postemployment Benefits Plan	
Schedule of Changes in the Net OPEB Plan Liability	57
Schedule of OPEB Plan Contributions	58
Other Supplementary Information	
Other Governmental Funds	
Combining Balance Sheet.....	60
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances.....	61
Fiduciary Funds	
Combining Schedule of Fiduciary Net Position – Pension Funds	62
Combining Schedule of Changes in Fiduciary Net Position – Pension Funds.....	63



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Independent Auditor's Report

To the Board of Supervisors
Warrington Township, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Warrington Township, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Warrington Township's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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To the Board of Supervisors
Warrington Township, Pennsylvania

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 Warrington 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 Warrington 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 required supplementary information, such as management's discussion and analysis on pages 4-11, budgetary comparison information on page 47, pension fund schedules on pages 53-56, and the OPEB schedules on pages 57-58 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Warrington Township's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.



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To the Board of Supervisors
Warrington Township, Pennsylvania

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Zelenkofske Axlerod LLC

ZELENKOFSCHE AXELROD LLC

Jamison, Pennsylvania
August 17, 2023

WARRINGTON TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
DECEMBER 31, 2022

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of Warrington Township exceeded its liabilities and deferred inflows at the close of 2022 by \$54.2 million (net position). The township's total net position increased by \$0.8 million compared to December 31, 2021.
- As of the close of 2022, Warrington Township's Governmental Funds reported combined ending fund balances of \$24.2 million. Approximately \$5.9 million of the total fund balance is available (reserve) for emergencies and unexpected expenditures.
- At the end of 2022, the available unrestricted (unassigned) fund balance for the General Fund was \$6.1 million or 40% of General Fund expenditures, which total \$16.5 million.
- Warrington Township's Governmental Activities long-term liabilities increased by \$2.4 million during 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

Governmental Funds

Warrington Township maintains seven individual major Governmental Funds. Information is presented separately in the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Utility Proceeds Fund, Tax Rate Stabilization Fund, Highway Aid Fund, Fire Fund, American Rescue Plan Fund, and Debt Service Fund. Individual fund data for each of the five nonmajor Governmental Funds are provided by *combining statements* elsewhere in this report. Nonmajor Governmental Funds are the General Capital Fund, Capital Reserve Fund, 2016 Capital Projects Fund, 2019 Capital Projects Fund, and Open Space Fund.

Other Information

The combining statements referred to earlier in connection with nonmajor Governmental Funds are presented immediately following the required supplementary information. Combining individual fund statements and schedules can be found on this report: pages 55 to 56.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a valuable indicator of a government's financial condition. In the case of Warrington Township, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$54.2 million at the close of 2022.

The largest portion of Warrington Township's net position (65.8%) is Net Investment in Capital Assets.

Governmental Activities

Governmental activities increased Warrington Township's net position by \$0.8 million in 2022.

WARRINGTON TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
DECEMBER 31, 2022

TABLE 1
CONDENSED STATEMENTS OF NET POSITION
DECEMBER 31, 2022 AND 2021

	Governmental Activities	
	2022	2021
Assets		
Current and Other Assets	\$ 30,672,698	\$ 37,469,500
Capital Assets		
Depreciable, Net	53,637,651	51,244,240
Nondepreciable	8,698,162	7,937,051
Total Assets	93,008,511	96,650,791
Deferred Outflows of Resources		
Deferred Gain on Refunding	86,244	103,882
Deferred Outflows Related to OPEB	481,283	523,673
Deferred Outflows Related to Pensions	4,161,135	1,555,785
Total Deferred Outflows of Resources	4,728,662	2,183,340
Liabilities		
Long-Term Liabilities	35,957,491	33,578,433
Other Liabilities	6,482,830	8,317,598
Total Liabilities	42,440,321	41,896,031
Deferred Inflows of Resources		
Deferred Inflows Related to Pension	252,205	2,644,519
Deferred Inflows Related to OPEB	809,439	815,566
Total Deferred Inflows of Resources	1,061,644	3,460,085
Net Position		
Net Investment in Capital Assets	35,660,482	30,879,029
Restricted	14,456,964	17,483,072
Unrestricted	4,117,762	5,115,914
Total Net Position	\$ 54,235,208	\$ 53,478,015

WARRINGTON TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
DECEMBER 31, 2022

TABLE 2
CONDENSED STATEMENTS OF CHANGES IN NET POSITION

	Governmental Activities	
	2022	2021
Revenue		
Program Revenue		
Charges for Services	\$ 2,160,537	\$ 2,165,631
Operating Grants and Contributions	2,566,233	1,536,276
General Revenue		
Taxes	13,604,378	13,392,623
Investment Earnings	397,299	264,177
Miscellaneous	2,548,155	2,585,523
Total Revenue	21,276,602	19,944,230
Expenditures		
General Government	2,919,620	2,546,747
Public Safety	12,005,394	11,270,002
Highway/Public Works	3,213,824	5,031,817
Health, Welfare and Sanitation	145,446	155,843
Culture and Recreation	1,718,480	1,170,807
Interest on Long-Term Debt	496,264	609,890
Refunds of Prior Year Expenditures	20,381	314,019
Total Expenditures	20,519,409	21,099,125
Change in Net Position	757,193	(1,154,895)
Net Position at Beginning of Year	53,478,015	54,632,910
Net Position at End of Year	\$ 54,235,208	\$ 53,478,015

Governmental Funds

At the end of 2022, Warrington Township's Governmental Funds reported combined ending fund balances of \$24.2 million, a decrease of \$3.7 million compared to 2021.

The General Fund is the chief operating fund of Warrington Township. At the end of 2022, the unrestricted (unassigned) fund balance of the General Fund was \$6.1 million. As a measure of liquidity, the unrestricted (unassigned) balance represents 40% of total General Fund expenditures, \$16.5 million. The fund balance of Warrington Township's General Fund decreased by \$42,251 in 2022.

WARRINGTON TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
DECEMBER 31, 2022

General Fund Budgetary Highlights

The following is a summarized snapshot analysis of noteworthy budgetary highlights relating to all revenues and expenditures comprising the 2022 Township Budget:

Revenues - Warrington Township was able to post overall solid revenues in most major operating categories:

- The Earned Income Tax (EIT), representing approximately 37.0% of all General Fund operating revenues, posted total revenues of \$5.9 million, \$361,773 above the budgeted amount of \$5.5 million.
- The Real Estate Transfer Tax revenue amounted to \$1.5 million, exceeding the budget by \$301,428.
- Charges for Services derives its revenues primarily from residential and commercial development permits. The Charges for Services 2022 revenue budget was \$2.5 million, and the actual revenue collected was \$2.2 million, which is \$333,563 below the budget estimate.

Expenditures - General Fund expenditures totaled \$16.5 million, representing an amount of \$458,572 over the expenditure budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Warrington Township's capital assets for its governmental activities as of December 31, 2022, amount to \$62.3 million (net of accumulated depreciation). Capital assets include land, buildings, building improvements, park facilities, roads, highways and bridges, vehicles, machinery, and equipment. The total net increase of Warrington Township's capital assets for 2022 was \$3.2 million, a 5.3% increase from 2021.

The following comprise major project expenditures in 2022:

Fire Ladder Truck	\$1,691,222
2022 Road Paving Program	1,328,217
DocterAdams® Community Park	601,874
Rt 202/Bradford Dam Walking Trail	435,777
Township Building Repairs & Renovation	395,614
Stormwater/Drainage	313,477
Lions Pride Park Parking Lot	276,440
Police & Emergency Vehicles	204,059
Machinery & Equipment	169,722
Other	750,656
	<hr/>
Total	<u><u>\$6,167,058</u></u>

WARRINGTON TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
DECEMBER 31, 2022

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Continued)

While the 2023 projects are ongoing, the 2023 major capital expenditures are projected to be as shown in the table below:

Stormwater/Drainage	\$2,229,900
Lions Pride Park Park	1,895,000
2023 Road Paving Program	1,200,000
Easton Road to Township Bldg Connection	675,000
Pool Construction & Repairs	375,000
Bristol/Easton Rd Intersection Improvements	375,000
Mill Creek Meadow Installation	290,000
Walking Trails & Crosswalks	235,000
King Park Court Repairs	225,000
Township Building Repairs & Renovation	200,000
Rt 202/Bradford Dam Walking Trail	196,000
Other	<u>487,900</u>
Total	<u>\$8,383,800</u>

**TABLE 3
CAPITAL ASSETS (NET OF DEPRECIATION)**

	Governmental Activities	
	2022	2021
Capital Assets		
Land	\$ 7,169,557	\$ 7,169,557
Infrastructure	77,351,092	74,149,180
Buildings and Improvements	19,056,497	19,056,497
Machinery, Vehicles and Equipment	10,549,519	8,433,298
Construction in Progress	<u>1,528,605</u>	<u>767,494</u>
	115,655,270	109,576,026
Accumulated Depreciation	<u>(53,319,457)</u>	<u>(50,394,735)</u>
Capital Assets, Net	<u>\$ 62,335,813</u>	<u>\$ 59,181,291</u>

WARRINGTON TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
DECEMBER 31, 2022

Long-Term Debt

At the end of 2022, Warrington Township had total bonded debt outstanding of \$25.6 million. This amount comprises debt backed by the full faith and credit of the Township. The remainder of the outstanding debt is capital leases.

Table 4
Outstanding Debt

	Governmental Activities	
	2022	2021
General Obligation Bonds and Notes	\$ 25,556,857	\$ 27,316,961
Leases	1,118,474	972,135
	<u>\$ 26,675,331</u>	<u>\$ 28,289,096</u>

Warrington Township maintains an Aa1 rating from Moody's for general obligation debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In 2022, the Township, like the rest of the world, faced supply shortages, staffing issues, and inflation, causing expenditures growth. However, the Township has continued to meet its obligations and go beyond all possible aspects of its responsibilities.

In 2022 Warrington Township implemented a Rental Inspection Program to ensure the safety of the rental properties and residents. The Rental Inspection Program was a new revenue source for the Township. The Township will continue exploring other potential revenue streams to ensure Warrington remains fiscally healthy and a desirable and safe place to live.

2022 and 2023 General Fund Adopted Spending Plan

For 2022, a fiscally conservative and balanced budget was adopted. 2022 Expenditures were \$16.5 million compared to the \$15.7 million spent in 2021, representing a 5.1% increase over 2021. The table below, Table 5, shows the 2018-2023 General Fund budget summaries.

For 2023, a fiscally conservative and balanced budget was adopted. 2023 Expenditures budget is \$17.5 million compared to the \$16.5 million spent in 2022, representing a 6.13% increase over the 2022 actual.

Table 5
General Fund Budget Summaries: 2018 - 2023 (In Millions)

Description	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Proposed
Revenues	13.6	14.7	14.7	15.6	15.9	16.9
Expenditures	12.9	13.5	14.3	15.7	16.5	17.5
Transfers (net)	(0.6)	0.1	0.1	0.1	0.6	0.7
Net Change in Fund Balance	0.1	1.3	0.5	0.0	-	0.1
Ending Fund Balance	4.6	5.8	6.3	6.3	6.3	6.4
% Fund Balance To Expenditures	35.3%	43.0%	44.1%	40.1%	38.2%	36.6%

WARRINGTON TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
DECEMBER 31, 2022

2022 & 2023 Cost Drivers and Budget Variations

The adopted 2022 expenditure budget was \$16.1 million, an increase of \$0.9 million (6.79%) compared to the 2021 expenditure budget (\$15.0 million). Actual 2022 expenditure results are \$16.5 million, an increase of \$0.784 million compared to 2021 expenditure actuals (\$15.7 million).

The adopted 2023 expenditure budget (\$17.5 million) reflects an increase of \$1.013 million or 6% compared to the 2022 expenditure budget (\$16.1 million). 2023 estimated expenditures show a \$1,012,580 increase compared to 2022 actual expenditures.

While expenditures increase, Warrington Township continues to have a fiscally conservative and balanced budget. Below are some of the noteworthy drivers which impacted 2022 revenues and expenses.

Fringe Benefits

As a participant in the Delaware Valley Insurance Trust (DVIT), the Township uses the Trust to procure health insurance. For 2022, healthcare costs increased by 11% over 2021. However, actions such as entering a two-year agreement with DVIT for the more significant rebate and continuous monitoring of the expenditure on the benefits Township is managing the increasing cost.

For the 2023 budget, the Township anticipated and assumed a healthcare benefit cost increase of 17.8% for the Township. We will continue to evaluate options for all employees to proactively manage these rising benefit costs while ensuring attractive benefits to our employees and their families.

Residential and Commercial Development

In 2021 and 2022, Warrington Township saw residential and commercial development projects in all stages of construction. However, development activities are declining, resulting in a 19% decrease in permit revenue in 2022. This revenue loss was offset by the new rental inspection fee mentioned above, as well as increases in swim club revenues. Development activity is anticipated to continue to experience slower than previous growth throughout the Township in the upcoming years.

GENERAL FUND FISCAL TREND ANALYSIS: 2021 - 2023

Forecast for Revenues

The Township has worked diligently to maintain a healthy fund balance. At the end of 2022, the fund balance for the General Fund was \$6.3 million, or approximately 38.2% of the 2022 expenditures (available fund balance divided by 2022 expenditures), which well exceeds the 15% Government Finance Officers Association (GFOA) fund balance guidelines. While the fund balance meets the recommended GFOA balance, it is necessary to consider future revenue and expenditure trends. Warrington Township is continuing to grow; however, the Township is anticipating further declines in the permitting and real estate transfer activities due to the impact of the current global economic conditions (inflation and rising interest rates). These facts are incorporated in the risk analysis, and the Township will continue to monitor, prepare, and plan for any vulnerability.

The largest source of revenue in 2022 was Earned Income Tax which was \$5.9 million, an increase of \$140,580 or 2% compared to 2021 actuals. As mentioned, Warrington Township has fared much better than many municipalities since Warrington residents have above-average income levels and are affected less by layoffs or furloughs.

WARRINGTON TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
DECEMBER 31, 2022

GENERAL FUND FISCAL TREND ANALYSIS: 2022 – 2023 (CONTINUED)

Long Range Forecast for Revenues (Continued)

The 2022 Real Estate Transfer tax was \$1.5 million, or approximately \$12,000 less than the 2021 Transfer tax actuals. The current trends in 2023 show the real estate market slowing as interest rates rise. The 2023 adopted budget was lowered to \$1.3 million, incorporating the current conditions.

While Cable Television Franchise fees continue to be a significant revenue category, it is on a downward trend as more people are "cutting the cord" in favor of other streaming services.

By the end of 2023, the fund balance for the General Fund is projected to be \$6.4 million, or approximately 36.1% of the projected 2023 Expenditures (available cash balance divided by 2023 expenditures), which continues to exceed the 15% Government Finance Officers Association (GFOA) fund balance recommendation.

In 2023, real estate taxes are projected to be \$3.8 million. The revenue continues upward due to ongoing residential and commercial development in the Township. The largest source of revenue, Earned Income Tax is projected to be \$ 6.0 million (2023).

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Warrington Township's finances for those interested in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Open Records Officer by completing a Request Form found on our website (www.warringtontownship.org) or at the Township Office located at 852 Easton Road, Warrington, Pennsylvania 18976-2090

WARRINGTON TOWNSHIP
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 26,957,044
Receivables	2,942,727
Due From Escrow Fund	650,832
Prepaid Expenses	122,095
Capital Assets	
Land	7,169,557
Construction in Progress	1,528,605
Infrastructure	77,351,092
Buildings and Improvements	19,056,497
Machinery, Vehicles and Equipment	10,549,519
Accumulated Depreciation	<u>(53,319,457)</u>
Total Assets	<u>93,008,511</u>
Deferred Outflows of Resources	
Deferred Loss on Refunding	86,244
Deferred Outflows Related to OPEB	481,283
Deferred Outflows Related to Pensions	<u>4,161,135</u>
Total Deferred Outflows of Resources	<u>4,728,662</u>
Liabilities	
Accounts Payable and Accrued Expenses	3,318,435
Due to Escrow Fund	3,737
Unearned Revenue	2,255,210
Escrows Payable	905,448
Long Term Liabilities:	
Portion Due or Payable Within One Year	
Bonds, Notes and Leases	1,832,748
Portion Due or Payable After One Year	
Bonds, Notes and Leases	24,842,583
Compensated Absences	786,774
Net Pension Liability	3,618,468
OPEB Obligation	<u>4,876,918</u>
Total Liabilities	<u>42,440,321</u>
Deferred Inflows of Resources	
Deferred Inflows Related to OPEB	809,439
Deferred Inflows Related to Pensions	<u>252,205</u>
Total Deferred Inflows of Resources	<u>1,061,644</u>
Net Position	
Net Investment in Capital Assets	35,660,482
Restricted	14,456,964
Unrestricted	<u>4,117,762</u>
Total Net Position	<u>\$ 54,235,208</u>

WARRINGTON TOWNSHIP
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
					Governmental Activities
Governmental Activities:					
General Government	\$ 2,919,620	\$ 1,571,187	\$ 866,110	\$ -	\$ (482,323)
Public Safety	12,005,394	-	263,297	-	(11,742,097)
Public Works	3,213,824	-	1,028,502	-	(2,185,322)
Sanitation	145,446	160,423	63,324	-	78,301
Culture/Recreation	1,718,480	428,927	345,000	-	(944,553)
Refunds of Prior Year Expenditures	20,381	-	-	-	(20,381)
Interest on Long-Term Debt	496,264	-	-	-	(496,264)
Total Governmental Activities	<u>\$ 20,519,409</u>	<u>\$ 2,160,537</u>	<u>\$ 2,566,233</u>	<u>\$ -</u>	(15,792,639)
General Revenues:					
Taxes					
Property Taxes					5,693,647
Earned Income Tax					5,896,773
Local Services Tax					500,701
Real Estate Transfer Tax					1,501,428
Public Utility Realty Tax					11,829
Interest, Investment Earnings and Royalties					397,299
License and Permits					560,015
Fees and Fines					173,935
Miscellaneous					1,590,156
Gain on Sale of Assets					224,049
Total General Revenues					<u>16,549,832</u>
Change in Net Position					757,193
Net Position - Beginning					<u>53,478,015</u>
Net Position - Ending					<u>\$ 54,235,208</u>

WARRINGTON TOWNSHIP
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2022

<u>Assets</u>	General Fund	Tax Rate Stabilization Fund	Utility Proceeds Fund	Highway Aid Fund	Fire Fund	Debt Service Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 2,836,777	\$ 3,726,004	\$ 8,069,910	\$ 1,402,553	\$ 1,802,446	\$ 470,229	\$ 2,586,229	\$ 6,062,896	\$ 26,957,044
Accounts Receivable	690,965	-	210,056	-	383,706	156,395	-	93,681	1,534,803
Taxes Receivable	1,364,237	-	-	-	3,283	15,404	-	-	1,382,924
Due From Other Governments	-	-	-	-	-	-	-	25,000	25,000
Due From Other Funds	15,830,735	12	6,133,128	235,235	1,053,658	4,407,702	3,467	2,288,186	29,952,123
Due from Escrow Fund	650,832	-	-	-	-	-	-	-	650,832
Prepaid Expenses	122,095	-	-	-	-	-	-	-	122,095
Total Assets	\$ 21,495,641	\$ 3,726,016	\$ 14,413,094	\$ 1,637,788	\$ 3,243,093	\$ 5,049,730	\$ 2,589,696	\$ 8,469,763	\$ 60,624,821
<u>Liabilities and Fund Balances</u>									
Liabilities									
Accounts Payable	\$ 449,076	\$ -	\$ 692,568	\$ 12,937	\$ 1,741,629	\$ 500	\$ 240,179	\$ 74,995	\$ 3,211,884
Due to Escrow Fund	3,737	-	-	-	-	-	-	-	3,737
Due to Other Funds	13,357,930	-	2,869,779	119,413	978,524	5,312,483	496,931	6,817,063	29,952,123
Escrow Payables	905,448	-	-	-	-	-	-	-	905,448
Unearned Revenues	402,758	-	-	-	-	-	1,852,452	-	2,255,210
Accrued Expenses	106,551	-	-	-	-	-	-	-	106,551
Total Liabilities	15,225,500	-	3,562,347	132,350	2,720,153	5,312,983	2,589,562	6,892,058	36,434,953
Fund Balances									
Restricted									
Capital Improvements	-	-	10,850,747	-	-	-	-	1,105,521	11,956,268
Open Space and Parkland Improvements	-	-	-	-	-	-	-	472,184	472,184
Fire Services	-	-	-	-	522,940	-	-	-	522,940
Liquid Fuels	-	-	-	1,505,438	-	-	-	-	1,505,438
American Rescue Plan	-	-	-	-	-	-	134	-	134
Assigned									
Debt Service	-	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-	-
Highways and Streets	-	-	-	-	-	-	-	-	-
Tax Rate Stabilization	-	3,726,016	-	-	-	-	-	-	3,726,016
Nonspendable, Prepaid Expenses	122,095	-	-	-	-	-	-	-	122,095
Unassigned (Deficit)	6,148,046	-	-	-	-	(263,253)	-	-	5,884,793
Total Fund Balances	6,270,141	3,726,016	10,850,747	1,505,438	522,940	(263,253)	134	1,577,705	24,189,868
Total Liabilities and Fund Balances	\$ 21,495,641	\$ 3,726,016	\$ 14,413,094	\$ 1,637,788	\$ 3,243,093	\$ 5,049,730	\$ 2,589,696	\$ 8,469,763	\$ 60,624,821

WARRINGTON TOWNSHIP
 RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCE SHEET
 TO NET POSITION OF GOVERNMENTAL ACTIVITIES
 DECEMBER 31, 2022

Total Governmental Funds Balances	\$ 24,189,868
Capital Assets used in governmental activities are not current financial resources and are not reported in the funds. These assets consist of:	
Land	7,169,557
Construction in Progress	1,528,605
Infrastructure	77,351,092
Buildings and Improvements	19,056,497
Machinery, Vehicles and Equipment	10,549,519
Accumulated Depreciation	(53,319,457)
Deferred charges used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Deferred Loss on Defeasance of Debt	86,244
Deferred inflows and outflows related to pension activities are not financial resources and therefore are not reported in the governmental funds.	
	3,908,930
Deferred inflows and outflows related to OPEB activities are not financial resources and therefore are not reported in the governmental funds.	
	(328,156)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Bonds, Notes and Leases	(25,976,974)
Bond Premiums/Discounts	(698,357)
Compensated Absences	(786,774)
Net Pension Liability	(3,618,468)
OPEB Obligation	(4,876,918)
Net Position of Governmental Activities	<u>\$ 54,235,208</u>

WARRINGTON TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	General Fund	Tax Rate Stabilization Fund	Utility Proceeds Fund	Highway Aid Fund	Fire Fund Fund	Debt Service Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
Revenues									
Taxes									
Property	\$ 3,070,040	\$ -	\$ -	\$ -	\$ 441,345	\$ 2,182,262	\$ -	\$ -	\$ 5,693,647
Transfer	1,501,428	-	-	-	-	-	-	-	1,501,428
Earned Income	5,896,773	-	-	-	-	-	-	-	5,896,773
Other	512,530	-	-	-	-	-	-	-	512,530
Fees and Fines	173,935	-	-	-	-	-	-	-	173,935
Licenses and Permits	560,015	-	-	-	-	-	-	-	560,015
Intergovernmental	781,806	-	-	709,608	-	-	729,819	345,000	2,566,233
Charges for Services	2,160,537	-	-	-	-	-	-	-	2,160,537
Investment Income and Rent	229,513	75,843	47,562	4,518	4,271	-	7,291	28,301	397,299
Miscellaneous	1,058,747	-	67,895	-	-	182	-	463,332	1,590,156
Total Revenues	15,945,324	75,843	115,457	714,126	445,616	2,182,444	737,110	836,633	21,052,553
Expenditures									
Current									
General Government	2,425,755	-	175,138	-	4,985	24,660	374,203	-	3,004,741
Public Safety	10,977,784	-	-	-	2,023,683	-	44,013	200,382	13,245,862
Public Works	1,834,094	-	1,458,832	-	-	-	250,980	-	3,543,906
Sanitation	145,446	-	-	-	-	-	-	-	145,446
Culture/Recreation	1,041,842	-	656,521	-	-	-	-	819,582	2,517,945
Highways and Roads	-	-	-	270,151	-	-	67,914	38,951	377,016
Refund of Prior Year Revenue	20,381	-	-	-	-	-	-	-	20,381
Debt Service									
Principal	45,369	-	-	227,800	-	1,230,239	-	158,292	1,661,700
Interest and Other Charges	21,949	-	-	14,448	-	737,564	-	6,730	780,691
Total Expenditures	16,512,620	-	2,290,491	512,399	2,028,668	1,992,463	737,110	1,223,937	25,297,688
Excess of Revenues Over (Under) Expenditures	(567,296)	75,843	(2,175,034)	201,727	(1,583,052)	189,981	-	(387,304)	(4,245,135)
Other Financing Sources (Uses)									
Proceeds from Leases	-	-	-	-	350,000	-	-	-	350,000
Proceeds from Sale of Capital Assets	-	-	-	-	140,000	-	-	84,049	224,049
Transfers In	800,000	-	-	221,259	570,824	-	-	274,954	1,867,037
Transfers Out	(274,955)	(400,000)	(870,823)	-	-	(221,259)	-	(100,000)	(1,867,037)
Total Other Financing Sources (Uses)	525,045	(400,000)	(870,823)	221,259	1,060,824	(221,259)	-	259,003	574,049
Net Change in Fund Balances	(42,251)	(324,157)	(3,045,857)	422,986	(522,228)	(31,278)	-	(128,301)	(3,671,086)
Fund Balances (Deficit) - Beginning of Year	6,312,392	4,050,173	13,896,604	1,082,452	1,045,168	(231,975)	134	1,706,006	27,860,954
Fund Balances (Deficit) - End of Year	\$ 6,270,141	\$ 3,726,016	\$ 10,850,747	\$ 1,505,438	\$ 522,940	\$ (263,253)	\$ 134	\$ 1,577,705	\$ 24,189,868

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

Net Change in Fund Balances - Total Governmental Funds	\$ (3,671,086)
Capital outlays are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current period	3,154,522
Deferred charges are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the term lives of debt instruments as amortization expense. This is the amount by which amortization exceeds deferred charges in the current period.	(17,638)
The issuance of long-term debt provides current financial resources to Governmental Funds, while the repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long-term debt.	1,613,765
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in Governmental Funds:	
Pension plan expense	88,248
OPEB plan expense	(239,034)
In the statement of activities, certain operating expenses - compensated absences (vacations, compensated absences and sick leave) - are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	(171,584)
Change in Net Position of Governmental Activities	<u>\$ 757,193</u>

WARRINGTON TOWNSHIP
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2022

	<u>Component Units</u>	
	Pension Trust Funds	Custodial Fund Escrow Fund
Assets		
Cash and Cash Equivalents	\$ 568,742	\$ 2,149,913
Investments	28,722,227	-
Due from Governmental Funds	-	3,737
Accounts Receivable	-	169,593
Due from Members	10,909	-
	<hr/>	<hr/>
Total Assets	29,301,878	2,323,243
	<hr/>	<hr/>
Liabilities		
Accounts Payable	-	1,600,929
Due to Governmental Funds	-	650,832
	<hr/>	<hr/>
Total Liabilities	-	2,251,761
	<hr/>	<hr/>
Net Position		
Restricted	-	71,482
Held in Trust for Benefits and Other Purposes	29,301,878	-
	<hr/>	<hr/>
Total Net Position	<u>\$ 29,301,878</u>	<u>\$ 71,482</u>

WARRINGTON TOWNSHIP
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2022

	Component Units	
	Pension Trust Funds	Custodial Fund Escrow Fund
Additions		
Contributions:		
Employer	\$ 1,417,208	\$ -
Plan Members	268,602	-
Charges for Services	-	409,378
Total Contributions	1,685,810	409,378
Investment Earnings		
Net Increase in Fair Value of Investments	(4,241,270)	-
Dividends	484,534	-
Investment Earnings, Net	(3,756,736)	-
Total Additions	(2,070,926)	409,378
Deductions		
Benefits	1,173,318	-
Administrative	19,725	389,002
Total Deductions	1,193,043	389,002
Change in Net Position	(3,263,969)	20,376
Net Position, Beginning of Year	32,565,847	51,106
Net Position, End of Year	\$ 29,301,878	\$ 71,482

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Warrington Township (the "Township") is a municipal corporation existing and operating under the Second Class Township Code of the Commonwealth of Pennsylvania. The accompanying financial statements present the primary government. In evaluating the Township (the primary government) as a reporting entity, all potential component units that may or may not fall within the financial accountability of the Township have been addressed. Financial accountability is present if the Township appoints a voting majority of a component unit's governing body and has the ability to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Township.

In accordance with GASB statement No. 97, the Township's Police and Non-Uniform Pension Plans are reported as component units. The Township is not aware of any other entity which would exercise such oversight that would result in the Township being considered a component unit of the entity. The Township levies a tax for Warrington Township Fire Company Number 1 and remits the allocated portion to the Fire Company.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

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

Separate financial statements are provided for Governmental Funds and Fiduciary Funds, even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Governmental Funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. For this purpose, the Township considers revenues to be available if they are collected within 60 days after the end of the fiscal period. Under this basis, certain revenues (those susceptible to accrual, readily measurable and available as to amount and anticipated as being readily collectible) are recorded on the accrual basis. Property taxes, franchise taxes and licenses associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are recognized only when received in cash. Expenditures, with the exception of interest requirements on long-term debt, are accounted for on the accrual basis of accounting.

The Township reports the following major Governmental Funds;

- The General Fund is the Township's primary operating fund and accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Utility Proceeds Fund accounts for proceeds from the sale of the Township's Water and Sewer systems.
- The Tax Rate Stabilization Fund accounts for reserves for stabilization of tax rates throughout the Township.
- The Highway Aid Fund accounts for road improvements throughout the Township.
- The Fire Fund accounts for fire services throughout the Township.
- American Rescue Plan Fund accounts for proceeds from the American Rescue Plan.
- The Debt Service Fund accounts for payments of principal and interest of long-term debt.

Additionally, the Township reports the following Fiduciary Fund Types:

- The Pension Trust Funds are used to account for the activities of the Police and Non-Uniform Employees' Pension Plans, which accumulate resources for pension benefit payments to qualified employees.
- The Escrow Fund is used to account for funds received from individuals and private organizations for specific uses within the Township's boundaries.

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting - The Township follows the procedures outlined below, which comply with legal requirements in establishing the budgetary data reflected in the financial statements:

1. Budgets are legally adopted on an annual basis for most Township funds, which is consistent with U.S. generally accepted accounting principles. The operating budget includes proposed expenditures and the means of financing them.
2. During October and November, the Township holds budget hearings for the purpose of receiving oral and written comments from interested parties in regard to the proposed budget for the following year. The Township makes available to the public its proposed operating budget for all funds.
3. No later than December 31, the budget is legally adopted through the passage of an ordinance.
4. All budget revisions require the approval of the Township's Board of Supervisors. There were no budget revisions made during the year.
5. Budgets for the funds are prepared on the modified accrual basis of accounting.

All appropriations lapse at year-end. Supplemental appropriations may be made at any time.

As a matter of state law, expenditures cannot exceed total appropriations by fund.

During 2022 the following functions incurred expenditures in excess of appropriations in the adopted budget:

General Fund	
Public Safety	\$ 1,600,230
Public Works	\$ 284,151
Debt Service Principal	\$ 3,743
Refund of Prior Year Expenditures	\$ 20,381
Fire Fund	
Public Safety	\$ 1,588,683
American Rescue Plan Fund	
General Government	\$ 224,203
Public Safety	\$ 44,013

Available fund balance in the General Fund was used to cover the excess expenditures in these categories.

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

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Equity

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

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

The law provides that the Township's Pension Trust Funds may invest in any form or type of investment, financial instrument, or financial transaction if determined by the Township to be prudent.

Receivables and Payables - Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a committed or assigned fund balance account in applicable Governmental Funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Real Estate Taxes - Real estate taxes are recorded as revenues when the taxes are levied. All property tax receivables are shown net of an allowance for uncollectibles. At December 31, 2022, all tax receivables were deemed to be fully collectible. There is no tax receivable allowance due to the materiality of the outstanding receivables.

Real estate taxes are levied on January 1 on property values assessed as of the same date. Taxes are billed February 1 and are due on June 30 of each year. A 2% discount is provided for taxes paid prior to April 1. A 10% penalty is applied to taxes paid after June 30. Any unpaid bills at December 31 are subject to lien, and penalties and interest are assessed.

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Equity (Continued)

Earned Income Taxes - A 1% earned income tax is imposed on all residents and on nonresidents who work within the Township limits. This tax is recorded as revenue when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first.

Provision for Estimated Uncollectible Receivables - At December 31, 2022, all trade receivables were deemed to be fully collectible.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental columns in the government-wide financial statements. The Township defines a capital asset as an asset with an initial, individual cost equal to or greater than \$10,000 and must have an estimated useful life in excess of five years. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available (except for intangible right-to-use assets which is discussed below). Assets acquired by gift or bequest are recorded at their acquisition value at the date of transfer.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Prior to January 1, 2003, Governmental Funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation has been provided over the estimated useful lives of property, plant and equipment using the straight-line method as follows:

	<u>Years</u>
Buildings	20-40
Building Improvements	20-40
Roads, Curbs, Walks and Bridges	25-75
Storm Sewers	100
Lighting	20
Trucks and Heavy Equipment	8-15
Vehicles	8

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Equity (Continued)

Long-term Obligations - In the government-wide statement of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Bond premiums and discounts are deferred and amortized over the life of the bonds. Bond premiums or discounts are reported as deferred charges. Bonds payable are reported net of deferred amounts on refunding, which represent the difference between the reacquisition price and the net carrying amount of old debt that has been defeased in refunding transactions since 1993. A deferred charge is amortized as a component of interest expense over the lesser of the remaining life of the old debt or the life of the new debt.

In the fund financial statements, Governmental Fund types recognize issuance of debt, bond premiums and discounts during the current period in the statement of activities. 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 are reported as other financing uses.

Leases - The Township is a lessee for a noncancellable leases of equipment. The Township recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the Township initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the Township determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Township uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Township generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Township is reasonably certain to exercise.

The Township monitors changes in circumstance that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Compensated Absences – Certain unused vacation and sick benefits do not lapse at year-end without approval of the Township. As of December 31, 2022, \$786,774 was accumulated for governmental activities.

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Equity (Continued)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

Concentrations of Credit Risk - The Township's revenues and receivables for taxes and utility service are mostly derived from residents and businesses located in the Township and are, therefore, subject to the economic conditions of the area.

Fund Balances

The Township reports its fund balances in accordance with GASB Statement No. 54, which defines how fund balances of the Governmental Funds are presented in the financial statements. Fund balances are classified as follows;

- Nonspendable - Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors or creditors.
- Committed - Amounts that can be used only for specific purposes determined by the passage of a resolution by the Board of Supervisors.
- Assigned - Amounts that are intended to be used for a specific purpose, as expressed by the Board of Supervisors or by an official or body to which the Board of Supervisors delegates the authority. As of December 31, 2022, the Board has not delegated the authority to assign fund balance.
- Unassigned - All amounts not included in other fund balance classifications.

The details of the fund balances are included in the Governmental Funds balance sheet. Restricted funds are used first as appropriate, followed by committed resources and then assigned resources, to the extent that expenditure authority has been budgeted by the Board of Supervisors. The Township does reserve the right to first reduce unassigned fund balance to defer the use of these other classified funds. In the event that unassigned fund balance is reduced to zero, then assigned and committed fund balances are used in that order.

Deferred Outflows/inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has four items that qualify for reporting in this category. The deferred outflow of resources related to pensions and other postemployment benefits (OPEB) are reported in the government-wide statement of net position and are the result of differences between expected and actual experience of the pension plan, the net difference between projected and actual earnings on investments, changes in plan assumptions, and contributions subsequent to

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/inflows of Resources (Continued)

measurement date. Bond discounts and refundings are also reported in deferred outflows of resources on the government-wide statement of net position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township has two items that qualifies for reporting in this category. The deferred inflow of resources related to pension and OPEB plans are reported in the government-wide statement of net position and are the result of differences between expected and actual experience of the pension and OPEB plans, and the net difference between projected and actual earnings on pension plan investments and the change of assumptions.

Adoption of Governmental Accounting Standards Board (GASB) Statements

In 2022, the Township adopted the requirements of GASB issued Statement No. 87, "Leases". The adoption of Statement No. 87 resulted in a change in the presentation of Capital Lease to Leases as well as all Lease related assets being shown separately in Footnote 3.

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

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

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

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

Pending Changes in Accounting Principles

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

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

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

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

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

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pending Changes in Accounting Principles (Continued)

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

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. As of December 31, 2022, \$1,225,268 of the Township's bank balance of \$29,570,508 was insured by the FDIC. Of the remaining \$28,345,240, \$28,280,485 was exposed to custodial credit risk, collateralized in accordance with Act 72 of the Commonwealth of Pennsylvania Legislature, which permits the institution to pool collateral for all governmental deposits and has the collateral held by a custodian in the institution's name. \$64,755 was held in PLGIT state investment pools which is both uninsured and not collateralized.

Investments

Fair Value Measurement - The Township categorizes its fair value measurements within the fair value hierarchy established by U.S. generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are those that lack significant observable inputs. The Township had the following Level 1 inputs as of December 31, 2022:

<u>Investment Type</u>	<u>Investment Maturities</u>	
	<u>Fair Value</u>	
	<u>Level 1 Inputs</u>	<u>Less Than One Year</u>
Pension Activities		
Mutual Funds	<u>\$ 28,722,227</u>	<u>\$ 28,722,227</u>

Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township's formal investment policy does not address interest rate risk.

Credit Risk - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits the investment of Government Funds as described in Note 1. It is the Township's formal investment policy that the investment portfolio maintains an average AA rating by Standard & Poor's.

Concentration of Credit Risk - This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Mutual Funds comprise 100% of the Township's total investments.

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 3 CAPITAL ASSETS

Changes in capital asset activity for the year ended December 31, 2022, were as follows:

	Balance January 1, 2022	Increases	Decreases	Transfers	Balance December 31, 2022
Governmental Activities					
Capital Assets not Being Depreciated					
Land	\$ 7,169,557	\$ -	\$ -	\$ -	\$ 7,169,557
Construction in Progress	767,494	1,643,498	-	(882,387)	1,528,605
Total Capital Assets Not Being Depreciated	7,937,051	1,643,498	-	(882,387)	8,698,162
Capital Assets Being Depreciated					
Infrastructure	74,149,180	2,319,525	-	882,387	77,351,092
Buildings and Improvements	19,056,497	-	-	-	19,056,497
Machinery, Vehicles and Equipment - Leased	1,446,360	350,000	-	-	1,796,360
Machinery, Vehicles and Equipment	6,986,938	1,854,035	(87,814)	-	8,753,159
Total Capital Assets Being Depreciated	101,638,975	4,523,560	(87,814)	882,387	106,957,108
Accumulated Depreciation					
Infrastructure	41,746,584	1,877,896	-	-	43,624,480
Buildings and Improvements	3,152,466	444,360	-	-	3,596,826
Machinery, Vehicles and Equipment - Leased	503,231	-	-	-	503,231
Machinery, Vehicles and Equipment	4,992,454	690,280	(87,814)	-	5,594,920
Total Accumulated Depreciation	50,394,735	3,012,536	(87,814)	-	53,319,457
Total Capital Assets Being Depreciated, Net	51,244,240	1,511,024	-	882,387	53,637,651
Governmental Activities Capital Assets, Net	\$ 59,181,291	\$ 3,154,522	\$ -	\$ -	\$ 62,335,813

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Administrative	\$ 107,278
Police and Emergency Services	709,035
Public Works, Including Depreciation of General Infrastructure, Except Park Systems	1,523,678
Parks and Recreation, Including Depreciation Relating to Park Systems	672,545
Total Governmental Activities	<u>\$ 3,012,536</u>

NOTE 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables are as follows:

	Due from Other Funds	Due to Other Funds
Governmental Funds		
General Fund	\$ 15,830,735	\$ 13,357,930
Tax Rate Stabilization Fund	12	-
Utility Proceeds Fund	6,133,128	2,869,779
Highway Aid Fund	235,235	119,413
Fire Fund	1,053,658	978,524
Debt Service	4,407,702	5,312,483
American Rescue Plan Fund	3,467	496,931
Capital Reserve	398,208	2,188,726
2016 Capital Projects Fund	148	1,082,569
2019 Capital Projects Fund	1,022,918	1,530,881
General Capital	532,504	256,962
Open Space Fund	334,408	1,757,925
	<u>\$ 29,952,123</u>	<u>\$ 29,952,123</u>

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund balances are primarily a result of:

1. Reimbursement of payroll and payables charged to other funds.
2. Cash receipts collected in one fund but belonging to another.
3. Funding cash deficits.
4. In-transit budgeted operating transfers.

Interfund transfers are as follows:

	Transfer Out	Transfer In
Governmental Funds		
General Fund	\$ (274,955)	\$ 800,000
Utility Proceeds	(870,823)	-
Fire Fund	-	570,824
Highway Aid Fund	-	221,259
Debt Service Fund	(221,259)	-
Tax Rate Stabilization Fund	(400,000)	-
General Capital	(100,000)	174,954
Open Space Fund	-	100,000
	<u>\$ (1,867,037)</u>	<u>\$ 1,867,037</u>

Interfund transfers are primarily a result of:

1. Reimbursement of payroll and payables charged to other funds.
2. Reimbursement for debt payments.
3. Various funds financing capital projects.
4. Budgeted operating transfers.

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 5 LONG-TERM DEBT

Summary of Activity

Long-term liability activity for the year ended December 31, 2022, was as follows:

	Balance January 1, 2022	Increases	Decreases	Balance December 31, 2022	Due Within One Year
Governmental Activities					
General Obligation Bonds and Notes					
Series of 2014	\$ 3,795,000	\$ -	\$ (115,000)	\$ 3,680,000	\$ -
Series of 2019	9,660,000	-	(145,000)	9,515,000	100,000
Series of 2020	6,125,000	-	(395,000)	5,730,000	580,000
Series of 2021	6,965,500	-	(1,032,000)	5,933,500	1,037,500
Total General Obligation Bonds and Notes	26,545,500	-	(1,687,000)	24,858,500	1,717,500
Bond Premiums	784,627	-	(79,687)	704,940	-
Deferred Issuance Discount	(13,166)	-	6,583	(6,583)	-
Deferred Gain (Loss) on Defeasance	(103,882)	-	17,638	(86,244)	-
Leases	972,135	350,000	(203,661)	1,118,474	115,248
Compensated Absences	615,190	171,584	-	786,774	-
Net Pension Liability	-	3,618,468	-	3,618,468	-
Net OPEB Obligation	4,674,147	202,771	-	4,876,918	-
Total Governmental Activities	\$ 33,474,551	\$ 4,342,823	\$ (1,946,127)	\$ 35,871,247	\$ 1,832,748

Payments on the bonds, notes and loans payable pertaining to the Township's governmental activities are made by the Debt Service Fund.

Governmental Activities Debt

The Township issues general obligation bonds and notes to provide funds for the acquisition, construction and improvement of major capital facilities.

General obligation notes are direct obligations and pledge the full faith and credit of the Township. These notes are generally issued as 15-20 year serial notes with varying amounts of principal maturing each year.

Total Scheduled Annual Debt Service

The Township's total scheduled annual debt service on all General Obligation Bonds and Notes is as follows:

For the Years Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 1,717,500	\$ 703,318	\$ 2,420,818
2024	1,768,500	657,557	2,426,057
2025	1,838,300	589,191	2,427,491
2026	1,887,500	543,203	2,430,703
2027	1,088,600	509,015	1,597,615
2028-2032	5,885,400	2,119,334	8,004,734
2033-2037	5,087,700	1,266,429	6,354,129
2038-2042	4,580,000	611,220	5,191,220
2043-2047	1,005,000	32,663	1,037,663
Total	\$ 24,858,500	\$ 7,031,930	\$ 31,890,430

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 6 LEASES

The Township leases certain equipment instead of purchasing the assets. Pertinent information regarding leases at December 31, 2022 is presented below.

The Township has entered into long-term lease agreements for various equipment with an initial lease liability of \$972,135. Additional lease liability was added during 2022 totaling \$350,000. The Township is required to make monthly or yearly principal and interest payments ranging from \$11,495 to \$63,681 and lease periods ranging up to 14 years. The Township utilized an incremental borrowing rate of 3% for 2022. As of December 31, 2022, the outstanding lease liability for equipment is \$1,118,474.

The following is a schedule by years of future minimum lease payments, together with the present value of the net minimum lease payments, as of December 31, 2022.

For the Years Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 115,248	\$ 31,540	\$ 146,788
2024	106,916	28,376	135,292
2025	78,539	25,153	103,692
2026	80,777	22,915	103,692
2027	83,079	20,613	103,692
2028-2032	452,321	66,139	518,460
2033-2037	201,594	10,677	212,271
Total	<u>\$ 1,118,474</u>	<u>\$ 205,413</u>	<u>\$ 1,323,887</u>

NOTE 7 DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)

Plan Description

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

Management of the plan is vested in the Pension Advisory Board, which consists of up to eight members—three Township residents appointed by the Township, the Chairman of the Board of Supervisors, one member of the Board of Supervisors, the Township Manager, one sworn police officer and one non-uniformed employee. The Pension Advisory Board is responsible for advising, reviewing, monitoring and making recommendations to the Board of Supervisors as to the administrative, operation and investment of the plan.

Plan Membership - At December 31, 2021, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	16
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>36</u>
	<u>52</u>

Benefits Provided - The plan provides retirement benefits as well as death and disability benefits under Pennsylvania Act 600. All benefits vest after 12 years of credited service. Officers are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 50% of their final average monthly compensation. Final average monthly compensation is the employee's average compensation over the last 36 months of employment. Married officers will receive joint and 50% survivor annuity. Normal retirement is

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 7 DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (CONTINUED)

age 50 with at least 25 years of service. Members hired after December 15, 2015 have a normal retirement age of 53. Officers may also receive a service increment equal to \$100 per month for each year of service in excess of 25 years, but not more than \$500 additional.

If a member dies in service, a benefit will be paid per Act 30 equal to 100% of salary. Covered employees are required by statute to contribute 5% of their compensation to the plan and member contributions are credited with 4% interest. The Township is required by statute, principally Pennsylvania Act 205, to contribute the remaining amounts necessary to finance the plan.

Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law.

The benefit provisions of the Township's plan are established by Township ordinances.

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 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 2022, the MMO obligation for the plan was \$1,254,503. Contributions of \$1,254,503 were made by the Township to the plan.

Administrative costs, which may include, but are not limited to, investment management fees and actuarial services, are charged to the appropriate plan and funded through the MMO and/or plan earnings. On-behalf payments of fringe benefits and salaries for the Township's employees were recognized as revenues and expenditures during the year.

Investments

Investment Policy - The plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Advisory Board. It is the policy of the Pension Advisory Board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2022:

Asset Class	Target Allocation
Domestic Equity	50.00%
International Equity	21.00%
Fixed Income	28.00%
Cash	1.00%
	<u>100.00%</u>

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 7 DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (CONTINUED)

Investments (Continued)

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

Rate of Return - For the year ended December 31, 2022, the annual money-weighted rate of return on plan investments, net of plan investment expense, was (12.26%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Township

The components of the net pension liability of the Township at December 31, 2022, were as follows:

Total Pension Liability	\$ 25,383,541
Plan Fiduciary Net Position	<u>22,272,185</u>
Net Pension Liability	<u>\$ 3,111,356</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>88%</u>

Actuarial Assumptions – The net pension liability was measured as of December 31, 2022 and the total pension liability was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary increases	4.5% annual increase
Investment rate of return	7.10%
Postretirement Cost of Living Increase	0.00%

Mortality rates were based on the PubS-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2020 to reflect mortality improvement.

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

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

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 7 DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (CONTINUED)

Net Pension Liability of the Township (Continued)

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

Discount Rate – The discount rate used to measure the total pension liability was 7.10%. 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 available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

Changes in the Net Pension Liability

	Governmental Activities Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2021	\$ 24,001,265	\$ 24,486,540	\$ (485,275)
Changes for the Year:			
Service Cost	658,903	-	658,903
Interest Cost	1,576,579	-	1,576,579
Change of Benefit Terms	-	-	-
Changes for Experience	-	-	-
Employer	-	1,254,503	(1,254,503)
Member	-	241,899	(241,899)
Net Investment Income	-	(2,847,901)	2,847,901
Benefit Payments, including refunds of member contributions	(853,206)	(853,206)	-
Administrative Expenses	-	(9,650)	9,650
Net Changes	1,382,276	(2,214,355)	3,596,631
Balance at December 31, 2022	\$ 25,383,541	\$ 22,272,185	\$ 3,111,356

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 7 DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN) (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 7.10%, as well as what the Township's net pension would be if it were calculated using a discount rate that is one percentage point lower (6.10%) or one percentage point higher (8.10%) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Net Pension Liability	\$ 6,277,661	\$ 3,111,356	\$ 496,278

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

For the year ended December 31, 2022, the Township recognized pension expense of \$1,092,267. At December 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 191,641	\$ 45,662
Change of Assumptions	669,988	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,218,599	-
	<u>\$ 3,080,228</u>	<u>\$ 45,662</u>

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

Year Ending December 31,	Governmental Activities
2023	\$ 415,833
2024	737,416
2025	776,781
2026	1,061,132
2027	21,702
Thereafter	21,702
	<u>\$ 3,034,566</u>

Deferred Retirement Option Program

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 shall be calculated as of their date of participation in the program and shall be distributed in a lump sum at retirement. As of December 31, 2022, there were no participants in the DROP plan.

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 8 DEFINED BENEFIT PENSION PLAN (NON-UNIFORM EMPLOYEES' PENSION PLAN)

Plan Description

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

Management of the Non-Uniform Employees' Pension Plan is vested in the Pension Advisory Board, which consists of up to eight members - three Township residents appointed by the Township, the Chairman of the Board of Supervisors, one member of the Board of Supervisors, the Township Manager, one sworn police officer and one non-uniformed employee. The Pension Advisory Board is responsible for advising, reviewing, monitoring and making recommendations to the Board of Supervisors as to the administrative, operation and investment of the Non-Uniform Employees' Pension Plan.

Plan Membership - At December 31, 2022, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	24
Inactive plan members entitled to but not yet receiving benefits	12
Active plan members	<u>16</u>
	<u>52</u>

Benefits Provided - The plan provides retirement benefits as well as death benefits. All benefits vest at 10% per year, graded up to 100% after ten years of credited service. Employees who retire at or after age 65 with 30 years of service are entitled to an annual retirement benefit, payable monthly, in an amount equal to 50% of the final average compensation reduced proportionately for less than 30 years of service. Final average compensation is the employee's average monthly earnings over the last 36 months of compensation. Married employees will receive joint and 50% survivor annuity. Early retirement benefits equal the vested accrued benefit and begin at age 65. If benefits begin before age 65, they will be reduced by 1/12 of 3.33% for each month the benefits commence before age 65.

Eligibility – Any non-uniform employee hired on or after April 27, 2014 is not eligible to participate in the plan.

The benefit provisions of the plan are established by Township ordinances.

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 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.

The Township is required by statute, principally Pennsylvania Act 205, to contribute the remaining amounts necessary to finance the plan. Contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law.

As a condition of participation, participants are required to make contributions to the plan. The amount of the contribution is equal to 2.0% of the participant's pay. Member contributions are credited with 4.0% interest.

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 8 DEFINED BENEFIT PENSION PLAN (NON-UNIFORM EMPLOYEES' PENSION PLAN)
(CONTINUED)

In 2021, the MMO obligation for the plan was \$193,987 for the year 2022. Contributions of \$193,987 were made by the Township, to the plan.

Administrative costs, which may include, but are not limited to, investment management fees and actuarial services, are charged to the appropriate plan and funded through the MMO and/or plan earnings. On-behalf payments of fringe benefits and salaries for the Township's employees were recognized as revenues and expenditures during the year.

Investments

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

The following was the Board's adopted asset allocation policy as of December 31, 2022:

Asset Class	Target Allocation
Domestic Equity	45.00%
International Equity	26.00%
Fixed Income	28.00%
Cash	1.00%
	<u>100.00%</u>

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

Rate of Return - For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (12.65%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 8 DEFINED BENEFIT PENSION PLAN (NON-UNIFORM EMPLOYEES' PENSION PLAN)
(CONTINUED)

Net Pension Liability of the Township

The components of the net pension liability of the Township at December 31, 2022, were as follows:

Total Pension Liability	\$ 7,536,805
Plan Fiduciary Net Position	<u>7,029,693</u>
Net Pension Liability	<u>\$ 507,112</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>93%</u>

Actuarial Assumptions - The net pension liability was measured as of December 31, 2022, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75% annual increase.
Investment rate of return	6.75%

Mortality rates were based on the Pubg-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2020 to reflect mortality improvement.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 8 DEFINED BENEFIT PENSION PLAN (NON-UNIFORM EMPLOYEES' PENSION PLAN)
(CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability was 6.75%. 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 available to make projected future benefit payments to current and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer has always met the funding requirements of Pennsylvania Law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

Changes in the Net Pension Liability

	Governmental Activities		
	Increase (Decrease)		
	Total Pension Liability/(Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balance at December 31, 2021	\$ 7,273,634	\$ 8,079,307	\$ (805,673)
Changes for the Year:			
Service Cost	96,596	-	96,596
Interest Cost	486,687	-	486,687
Changes of Benefit Terms	-	-	-
Changes for Experience	-	-	-
Contributions			
Employer	-	162,705	(162,705)
Member	-	26,703	(26,703)
Net Investment Income	-	(908,835)	908,835
Benefit Payments	(320,112)	(320,112)	-
Administrative Expenses	-	(10,075)	10,075
Net Changes	263,171	(1,049,614)	1,312,785
Balance at December 31, 2022	<u>\$ 7,536,805</u>	<u>\$ 7,029,693</u>	<u>\$ 507,112</u>

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

The following presents the net pension liability of the plan, calculated using the discount rate of 6.75%, as well as what the plan'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:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability (Asset)	<u>\$ 1,470,850</u>	<u>\$ 507,112</u>	<u>\$ (301,494)</u>

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 8 DEFINED BENEFIT PENSION PLAN (NON-UNIFORM EMPLOYEES' PENSION PLAN)
(CONTINUED)

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

For the year ended December 31, 2022, the Township recognized pension expense of \$236,694. At December 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources;

	<u>Governmental Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 8,643	\$ 206,543
Change of Assumptions	357,059	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>715,204</u>	<u>-</u>
	<u>\$ 1,080,906</u>	<u>\$ 206,543</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>	
2023	\$ 77,391
2024	205,258
2025	226,227
2026	365,488
2027	-
Thereafter	-
	<u>\$ 874,364</u>

NOTE 9 DEFINED CONTRIBUTION PLAN

The Township has established a defined contribution pension plan to provide pension benefits for its regular, full-time, non-uniformed employees. Under the plan, an individual received his own account to which all contributions are made. The employee determines how his account is invested.

Under the plan, the Township contributes 2% to 7%, dependent on the employee's chosen contribution percentage, to range from 0% to 5%.

This plan was established effective May 13, 2014. Any full-time, permanent, non-uniformed employee of the Township hired before May 31, 2014, may opt to transfer into the defined contribution plan. Each full-time, permanent, non-uniformed employee hired on or after May 13, 2014, shall become eligible upon six months of service. For the year ended December 31, 2022, contributions of \$40,045 were made to this plan.

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The Township provides postemployment healthcare benefits, in accordance with Township policies and collective bargaining agreements, for Police employees. The plan is a single-employer defined benefit plan. Separate financial statements are not issued for the plan.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided

The Township will provide medical coverage to retired officers and their spouses at age fifty for all full time police officers employed by the Township as of January 1, 2005 with twenty-five (25) years of service or is separated with a service connected disability. Any retiree who is eligible for medical insurance through other employment or through his or her spouse shall not receive postretirement health payments. The Active Police retirees upon or after becoming eligible for normal retirement (age 50 with 25 years or more of service, or age 53 with 25 years or more of service if hired after January 1, 2016.)

The Township will pay 70% of the premium cost for the Retiree, spouse and dependent children for five (5) years immediately following retirement. During the sixth and seventh year of retirement the Township will pay 70% of the premium cost for the Retiree only. The Township contribution is thereafter capped at 70% of the seventh year rate and the Retiree will continue to receive that benefit until the Retiree is eligible for Medicare. Any premium increases for the eighth and subsequent years will be the responsibility of the Retiree. The Township will pay 100% of the premium cost for Retired Police Chiefs, their spouse and dependent children. Coverage will terminate upon Medicare eligibility. Retiree health insurance will include the same coverage as for Active Police Employees; major medical, hospitalization, prescription, vision, and dental coverage.

All full-time non-uniformed employees, who retire under the terms of the Non-Uniform Pension Plan, may not continue in the Township's group health plan; therefore, the Township has no postemployment healthcare liability for these individuals.

As of December 31, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	6
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>37</u>
Total	<u><u>43</u></u>

Total OPEB Liability

At December 31, 2022, the Township reported a total OPEB liability of \$4,876,918. The Township's total OPEB liability was measured as of January 1, 2022, and was determined by an actuarial valuation as of January 1, 2021.

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 1/1/2021	\$ 4,674,147
Changes for the year:	
Service Cost	337,886
Interest	95,592
Change in Benefit Terms	-
Differences between Expected and Actual Experience	-
Changes in Assumptions	(121,664)
Benefit Payments	(109,043)
Net Changes	202,771
Balance at 1/1/2022	<u>\$ 4,876,918</u>

Changes in assumptions reflect a change in the discount rate from 1.93% in 2021 to 2.25% in 2022.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows or Resources Related to OPEB:

For the year ended December 31, 2022, the Township recognized OPEB expense of \$356,017. At December 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 622,142
Change of Assumptions	364,300	187,297
Benefits Paid Subsequent to the Measurement Date	116,983	-
	<u>\$ 481,283</u>	<u>\$ 809,439</u>

The \$116,983 reported as deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2022. Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	
2023	\$ (77,461)
2024	(77,461)
2025	(77,461)
2026	(77,461)
2027	(77,461)
Thereafter	(57,834)
	<u>\$ (445,139)</u>

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial Assumptions

The January 1, 2021 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary Increase	5.00%
Discount Rate	2.25%
Healthcare cost trend rates	6.50% in 2022, 6.00% in 2023, and 5.50% in 2024 and 2025. Rates gradually decrease from 5.4% in 2026 to 3.9% in 2075 and later based on the Society of Actuarial Long-Run Medical Cost Trend Model.

The discount rate was based on the S&P Municipal Bond 20 year high grade rate index at January 1, 2022.

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

The actuarial assumptions used in the January 1, 2021 valuation were based on historical results as a recent experience study was not completed.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the Township, as well as what the Township's OPEB total liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current discount rate:

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB Liability	<u>\$ 5,272,622</u>	<u>\$ 4,876,918</u>	<u>\$ 4,512,650</u>

Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Township, calculated using current medical inflation rate as well as what the Township's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percent-point lower or 1-percent-point higher than the current rate:

	1% Decrease (5.5% decreasing to 5.0%)	Healthcare Cost Trend Rates (6.5% decreasing to 6.0%)	1% Increase (7.5% decreasing to 7.0%)
Total OPEB Liability	<u>\$ 4,406,600</u>	<u>\$ 4,876,918</u>	<u>\$ 5,423,455</u>

NOTE 11 RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Township carries commercial insurance.

WARRINGTON TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

NOTE 12 CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Township expects such amounts, if any, to be immaterial.

NOTE 13 SUBSEQUENT EVENTS

The Township has evaluated all subsequent events to determine if events or transactions occurring through August 17, 2023, the date which the financial statements were available for issuance, require potential adjustment to, or disclosures in, the accompanying financial statements. Based upon the evaluation, the Township's management did not identify any subsequent events that require adjustment or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

WARRINGTON TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues				
Taxes				
Property	\$ 3,290,857	\$ 3,290,857	\$ 3,070,040	\$ (220,817)
Transfer	1,200,000	1,200,000	1,501,428	301,428
Earned Income	5,535,000	5,535,000	5,896,773	361,773
Other	497,000	497,000	512,530	15,530
Fees and Fines	189,250	189,250	173,935	(15,315)
Licenses and Permits	559,200	559,200	560,015	815
Intergovernmental	813,450	813,450	781,806	(31,644)
Charges for Services	2,494,100	2,494,100	2,160,537	(333,563)
Investment Income and Rent	233,000	233,000	229,513	(3,487)
Miscellaneous	677,250	677,250	1,058,747	381,497
Total Revenues	15,489,107	15,489,107	15,945,324	456,217
Expenditures				
Current				
General Government	3,628,236	3,628,236	2,425,755	1,202,481
Public Safety	9,377,554	9,377,554	10,977,784	(1,600,230)
Public Works	1,549,943	1,549,943	1,834,094	(284,151)
Sanitation	173,485	173,485	145,446	28,039
Culture/Recreation	1,261,149	1,261,149	1,041,842	219,307
Refund of Prior Year Revenue	-	-	20,381	(20,381)
Debt Service				
Principal	41,626	41,626	45,369	(3,743)
Interest and Other Charges	22,055	22,055	21,949	106
Total Expenditures	16,054,048	16,054,048	16,512,620	(458,572)
Excess of Revenues Over Expenditures	(564,941)	(564,941)	(567,296)	(2,355)
Other Financing Sources (Uses)				
Transfers In	800,000	800,000	800,000	-
Transfers Out	(235,000)	(235,000)	(274,955)	(39,955)
Total Other Financing Sources (Uses)	565,000	565,000	525,045	(39,955)
Net Change in Fund Balance	59	59	(42,251)	(42,310)
Fund Balance at Beginning of Year	5,814,182	5,814,182	6,312,392	498,210
Fund Balance at End of Year	\$ 5,814,241	\$ 5,814,241	\$ 6,270,141	\$ 455,900

WARRINGTON TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
TAX RATE STABILIZATION FUND
YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Investment Income and Rent	\$ 8,500	\$ 8,500	\$ 75,843	\$ 67,343
Total Revenues	8,500	8,500	75,843	67,343
Expenditures				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Sanitation	-	-	-	-
Culture/Recreation	-	-	-	-
Refund of Prior Year Revenue	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	8,500	8,500	75,843	67,343
Other Financing Sources (Uses)				
Transfers Out	(400,000)	(400,000)	(400,000)	-
Total Other Financing Sources (Uses)	(400,000)	(400,000)	(400,000)	-
Net Change in Fund Balance	(391,500)	(391,500)	(324,157)	67,343
Fund Balance at Beginning of Year	4,041,861	4,041,861	4,050,173	8,312
Fund Balance at End of Year	\$ 3,650,361	\$ 3,650,361	\$ 3,726,016	\$ 75,655

WARRINGTON TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
UTILITY PROCEEDS FUND
YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 766,000	\$ 766,000	\$ -	\$ (766,000)
Investment Income and Rent	150,000	150,000	47,562	(102,438)
Miscellaneous	-	-	67,895	67,895
Total Revenues	916,000	916,000	115,457	(34,543)
Expenditures				
Current				
General Government	638,000	638,000	175,138	462,862
Public Works	1,575,000	1,575,000	1,458,832	116,168
Culture/Recreation	1,414,900	1,414,900	656,521	758,379
Total Expenditures	3,627,900	3,627,900	2,290,491	1,337,409
Excess of Revenues Over Expenditures	(2,711,900)	(2,711,900)	(2,175,034)	(1,371,952)
Other Financing Sources (Uses)				
Transfers Out	(400,000)	(400,000)	(870,823)	(39,955)
Total Other Financing Sources (Uses)	(400,000)	(400,000)	(870,823)	(39,955)
Net Change in Fund Balance	(3,111,900)	(3,111,900)	(3,045,857)	(1,411,907)
Fund Balance at Beginning of Year	9,084,534	9,084,534	13,896,604	4,812,070
Fund Balance at End of Year	\$ 5,972,634	\$ 5,972,634	\$ 10,850,747	\$ 4,878,113

WARRINGTON TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
HIGHWAY FUND
YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 666,800	\$ 666,800	\$ 709,608	\$ 42,808
Investment Income and Rent	2,000	2,000	4,518	2,518
Total Revenues	668,800	668,800	714,126	2,518
Expenditures				
Current				
General Government	2,000	2,000	-	2,000
Public Safety	70,000	70,000	-	70,000
Public Works	1,132,000	1,132,000	270,151	861,849
Sanitation	20,000	20,000	-	20,000
Debt Service				-
Principal	227,800	227,800	227,800	-
Interest and Other Charges	14,448	14,448	14,448	-
Total Expenditures	1,466,248	1,466,248	512,399	953,849
Excess of Revenues Over Expenditures	(797,448)	(797,448)	201,727	(951,331)
Other Financing Sources (Uses)				
Transfers In	-	-	221,259	221,259
Total Other Financing Sources (Uses)	-	-	221,259	221,259
Net Change in Fund Balance	(797,448)	(797,448)	422,986	(730,072)
Fund Balance at Beginning of Year	1,231,200	1,231,200	1,082,452	(148,748)
Fund Balance at End of Year	\$ 433,752	\$ 433,752	\$ 1,505,438	\$ 1,071,686

WARRINGTON TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
FIRE FUND
YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes				
Property	\$ 455,360	\$ 455,360	\$ 441,345	\$ (14,015)
Investment Income and Rent	250	250	4,271	4,021
Total Revenues	455,610	455,610	445,616	4,021
Expenditures				
Current				
General Government	8,726	8,726	4,985	3,741
Public Safety	435,000	435,000	2,023,683	(1,588,683)
Debt Service				-
Principal	8,000	8,000	-	8,000
Interest and Other Charges	3,000	3,000	-	-
Total Expenditures	454,726	454,726	2,028,668	(1,576,942)
Excess of Revenues Over Expenditures	884	884	(1,583,052)	1,580,963
Other Financing Sources (Uses)				
Proceeds from Leases	-	-	350,000	350,000
Proceeds from Sale of Capital Assets	-	-	140,000	140,000
Proceeds from Bond Issuance	-	-	-	-
Transfers In	-	-	570,824	570,824
Total Other Financing Sources (Uses)	-	-	1,060,824	1,060,824
Net Change in Fund Balance	884	884	(522,228)	2,641,787
Fund Balance at Beginning of Year	90,961	90,961	1,045,168	954,207
Fund Balance at End of Year	\$ 91,845	\$ 91,845	\$ 522,940	\$ 431,095

WARRINGTON TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
AMERICAN RESCUE PLAN FUND
YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes				
Intergovernmental	\$ -	\$ -	\$ 729,819	\$ -
Charges for Services	-	-	-	-
Investment Income and Rent	500	500	7,291	6,791
Total Revenues	500	500	737,110	6,791
Expenditures				
Current				
General Government	150,000	150,000	374,203	(224,203)
Public Safety	-	-	44,013	(44,013)
Public Works	960,000	960,000	318,894	641,106
Total Expenditures	1,110,000	1,110,000	737,110	372,890
Excess of Revenues Over Expenditures	(1,109,500)	(1,109,500)	-	(366,099)
Other Financing Sources (Uses)				
Transfers In	1,285,338	1,285,338	-	(1,285,338)
Total Other Financing Sources (Uses)	1,285,338	1,285,338	-	(1,285,338)
Net Change in Fund Balance	175,838	175,838	-	(1,651,437)
Fund Balance at Beginning of Year	656,338	656,338	134	(656,204)
Fund Balance at End of Year	\$ 832,176	\$ 832,176	\$ 134	\$ (832,042)

WARRINGTON TOWNSHIP
SCHEDULE OF CHANGES IN THE NET POLICE PENSION PLAN
LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service Cost	\$ 658,903	\$ 630,529	\$ 574,505	\$ 549,766	\$ 500,755	\$ 479,191	\$ 413,588	\$ 395,778	\$ 366,456
Interest	1,576,579	1,626,446	1,495,349	1,425,213	1,306,526	1,261,133	1,122,629	1,057,529	980,495
Changes of Benefit Terms	-	130,132	-	-	-	-	-	-	-
Changes for Experience	-	173,612	-	(91,322)	-	142,668	-	231,913	-
Changes of Assumptions	-	-	-	1,032,493	-	504,121	-	249,376	-
Benefit Payments	(853,206)	(771,698)	(768,942)	(1,066,821)	(787,932)	(537,503)	(542,239)	(542,859)	(507,570)
Net Change in Total Pension Liability	1,382,276	1,789,021	1,300,912	1,849,329	1,019,349	1,849,610	993,978	1,391,737	839,381
Total Pension Liability - Beginning	24,001,265	22,212,244	20,911,332	19,062,003	18,042,654	16,193,044	15,199,066	13,807,329	12,967,948
Total Pension Liability - Ending (a)	\$ 25,383,541	\$ 24,001,265	\$ 22,212,244	\$ 20,911,332	\$ 19,062,003	\$ 18,042,654	\$ 16,193,044	\$ 15,199,066	\$ 13,807,329
Plan Fiduciary Net Position									
Contributions									
Employer	\$ 1,254,503	\$ 1,172,475	\$ 1,075,537	\$ 1,093,517	\$ 805,895	\$ 769,228	\$ 748,774	\$ 762,752	\$ 675,622
Member	241,899	200,079	197,017	177,139	135,177	169,652	153,985	154,983	114,668
Net Investment Income	(2,847,901)	2,931,491	1,935,104	2,973,594	(975,247)	2,204,980	912,143	(89,851)	790,792
Benefit Payments, Including Refunds of Member Contributions	(853,206)	(771,698)	(768,942)	(1,066,821)	(787,932)	(537,503)	(542,239)	(542,859)	(507,570)
Administrative Expense	(9,650)	(18,100)	(8,125)	(4,486)	(7,925)	(17,216)	(18,401)	(11,790)	(6,660)
Net Change in Plan Fiduciary Net Position	(2,214,355)	3,514,247	2,430,591	3,172,943	(830,032)	2,589,141	1,254,262	273,235	1,066,852
Plan Fiduciary Net Position - Beginning	\$ 24,486,540	\$ 20,972,293	\$ 18,541,702	\$ 15,368,759	16,198,791	13,609,650	12,355,388	12,082,153	11,015,301
Plan Fiduciary Net Position - Ending (b)	\$ 22,272,185	\$ 24,486,540	\$ 20,972,293	\$ 18,541,702	\$ 15,368,759	\$ 16,198,791	\$ 13,609,650	\$ 12,355,388	\$ 12,082,153
Net Pension Liability, Ending (a)-(b)	\$ 3,111,356	\$ (485,275)	\$ 1,239,951	\$ 2,369,630	\$ 3,693,244	\$ 1,843,863	\$ 2,583,394	\$ 2,843,678	\$ 1,725,176
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.74%	102.02%	94.42%	88.67%	80.63%	89.78%	84.05%	81.29%	87.51%
Covered Payroll	\$ 4,673,122	\$ 4,372,754	\$ 4,049,262	\$ 3,843,091	\$ 3,438,829	\$ 3,097,081	\$ 2,990,098	\$ 2,808,968	\$ 2,630,522
Net Pension Liability as a Percentage of Covered Payroll	66.58%	-11.10%	30.62%	61.66%	107.40%	59.54%	86.40%	101.24%	65.58%

Notes to Schedule:

This schedule is intended to show information for ten years; all available information is displayed. Additional information will be displayed as it becomes available.

**WARRINGTON TOWNSHIP
SCHEDULE OF POLICE PENSION PLAN
CONTRIBUTIONS & INVESTMENT RETURNS
LAST 10 FISCAL YEARS**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 1,254,503	\$ 1,172,475	\$ 1,075,537	\$ 1,060,318	\$ 805,895	\$ 769,228	\$ 748,774	\$ 762,752	\$ 675,622
Contributions in Relation to Actuarially Determined Contribution	1,254,503	1,172,475	1,075,537	1,093,517	805,895	769,228	748,774	762,752	675,622
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (33,199)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 4,673,122	\$ 4,372,754	\$ 4,049,262	\$ 3,843,091	\$ 3,438,829	\$ 3,097,081	\$ 2,990,098	\$ 2,808,968	\$ 2,630,522
Contribution as a Percentage of Covered Payroll	26.85%	26.81%	26.56%	28.45%	23.44%	24.84%	25.04%	27.15%	25.68%

Notes to Schedule

Valuation Date for contribution rates

January 1, 2021

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

Methods and Assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	7 years
Asset Valuation Method	Market Value
Inflation	3.0%
Salary Increases	4.5%
Investment Rate of Return	7.10%
Retirement Age	Normal Retirement Age
Mortality	PubS-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2018 to reflect mortality improvement.

Notes to Schedule

This schedule is intended to show information for ten years; all available information is displayed. Additional information will be displayed as it becomes available.

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	-12.26%	12.77%	9.73%	19.22%	-6.65%	17.06%	8.16%	0.06%	7.70%

Notes to Schedule

This schedule is intended to show information for ten years; all available information is displayed. Additional information will be displayed as it becomes available.

WARRINGTON TOWNSHIP
SCHEDULE OF CHANGES IN THE NET NON-UNIFORM EMPLOYEES'
PENSION PLAN LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service Cost	\$ 96,596	\$ 93,105	\$ 159,454	\$ 153,691	\$ 149,682	\$ 143,236	\$ 150,773	\$ 144,280	\$ 137,707
Interest	486,687	469,703	470,833	446,406	406,284	386,034	350,284	331,281	323,696
Changes of Benefit Terms	-	38,453	-	160,155	-	-	-	-	-
Changes for Experience	-	(318,593)	-	15,918	-	2,742	-	(138,500)	-
Changes of Assumptions	-	-	-	588,896	-	217,113	-	75,005	-
Benefit Payments	(320,112)	(309,250)	(291,851)	(196,106)	(282,266)	(238,193)	(215,723)	(231,311)	(195,080)
Net Change in Total Pension Liability	263,171	(26,582)	338,436	1,168,960	273,700	510,932	285,334	180,755	266,323
Total Pension Liability - Beginning	7,273,634	7,300,216	6,961,780	5,792,820	5,519,120	5,008,187	4,722,853	4,542,098	4,275,775
Total Pension Liability - Ending (a)	\$ 7,536,805	\$ 7,273,634	\$ 7,300,216	\$ 6,961,780	\$ 5,792,820	\$ 5,519,119	\$ 5,008,187	\$ 4,722,853	\$ 4,542,098
Plan Fiduciary Net Position									
Contributions									
Employer	162,705	193,987	132,893	156,998	\$ 87,779	\$ 93,952	\$ 97,795	\$ 148,553	\$ 133,220
Member	26,703	24,775	47,285	361,538	24,012	25,847	29,048	26,332	35,970
Net Investment Income	(908,835)	868,125	693,509	982,485	(241,456)	819,958	355,749	(57,066)	339,170
Benefit Payments, Including Refunds of Member Contributions	(320,112)	(309,250)	(291,851)	(196,106)	(282,266)	(238,193)	(215,723)	(231,311)	(195,080)
Administrative Expense	(10,075)	(17,525)	(7,875)	(9,100)	(7,040)	(10,736)	(10,980)	(5,280)	(6,130)
Net Change in Plan Fiduciary Net Position	(1,049,614)	760,112	573,961	1,295,815	(418,971)	690,828	255,889	(118,772)	307,150
Plan Fiduciary Net Position - Beginning	8,079,307	7,319,195	6,745,234	5,449,419	5,868,390	5,177,562	4,921,673	5,040,445	4,733,295
Plan Fiduciary Net Position - Ending (b)	\$ 7,029,693	\$ 8,079,307	\$ 7,319,195	\$ 6,745,234	\$ 5,449,419	\$ 5,868,390	\$ 5,177,562	\$ 4,921,673	\$ 5,040,445
Net Pension Liability (Asset), Ending (a)-(b)	\$ 507,112	\$ (805,673)	\$ (18,979)	\$ 216,546	\$ 343,401	\$ (349,271)	\$ (169,375)	\$ (198,820)	\$ (498,347)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.27%	111.08%	100.26%	96.89%	94.07%	106.33%	103.38%	104.21%	110.97%
Covered Payroll	\$ 1,299,321	\$ 1,209,138	\$ 1,372,020	\$ 1,417,199	\$ 1,954,027	\$ 1,856,874	\$ 1,864,272	\$ 1,832,804	\$ 1,847,086
Net Pension Liability (Asset) as a Percentage of Covered Payroll	39.03%	-66.63%	-1.38%	15.28%	17.57%	-18.81%	-9.09%	-10.85%	-26.98%

Notes to Schedule:

This schedule is intended to show information for ten years; all available information is displayed. Additional information will be displayed as it becomes available.

WARRINGTON TOWNSHIP
SCHEDULE OF NON-UNIFORM EMPLOYEES'
PENSION PLAN CONTRIBUTIONS AND INVESTMENT RETURNS
LAST 10 FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 162,705	\$ 193,987	\$ 132,893	\$ 156,998	\$ 87,779	\$ 93,952	\$ 97,795	\$ 148,553	\$ 132,470
Contributions in Relation to Actuarially Determined Contribution	162,705	193,987	132,893	156,998	87,779	93,952	97,795	148,553	132,470
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,299,321	\$ 1,209,138	\$ 1,372,020	\$ 1,417,199	\$ 1,954,027	\$ 1,856,874	\$ 1,864,272	\$ 1,832,804	\$ 1,847,086
Contribution as a Percentage of Covered Payroll	12.52%	16.04%	9.69%	11.08%	4.49%	5.06%	5.25%	8.11%	7.17%

Notes to Schedule

Valuation Date January 1, 2021

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

Methods and Assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	3 years
Asset Valuation Method	Smoothed value with a corridor of 80% to 120% of market value.
Inflation	3.0%
Salary Increases	3.75%
Investment Rate of Return	6.75%
Retirement Age	Normal Retirement Age
Mortality	PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2018 to reflect mortality improvement.

Notes to Schedule

This schedule is intended to show information for ten years; all available information is displayed. Additional information will be displayed as it becomes available.

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	-12.65%	12.22%	9.96%	16.80%	-4.41%	17.16%	8.11%	0.10%	7.70%

This schedule is intended to show information for ten years; all available information is displayed. Additional information will be displayed as it becomes available.

WARRINGTON TOWNSHIP
SCHEDULE OF CHANGES IN THE NET OPEB PLAN LIABILITY
LAST 10 FISCAL YEARS*
DECEMBER 31, 2022

	2022	2021	2020	2019	2018
Service Cost	337,886	229,129	203,432	\$ 261,328	\$ 226,824
Interest	95,592	120,305	119,037	130,716	137,531
Difference between Projected and Actual Experience	-	(30,934)	-	(995,658)	-
Change of Benefit Terms	-	667,037			
Changes of Assumptions	(121,664)	250,073	122,981	(129,663)	143,279
Benefit Payments	(109,043)	(49,464)	(52,964)	(101,377)	(125,829)
Net Change in Total OPEB Liability	202,771	1,186,146	392,486	(834,654)	381,805
Total OPEB Liability, Beginning of Year	4,674,147	3,488,001	3,095,515	3,930,169	3,548,364
Total OPEB Liability, End of Year	<u>\$ 4,876,918</u>	<u>\$ 4,674,147</u>	<u>\$ 3,488,001</u>	<u>\$ 3,095,515</u>	<u>\$ 3,930,169</u>
Covered-Employee Payroll	\$ 4,225,162	\$ 4,225,162	\$ 3,554,595	\$ 3,554,595	\$ 3,259,351
Total OPEB liability as a percentage of covered payroll	115.43%	110.63%	98.13%	87.08%	120.58%

Notes to Schedule:

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate from 1.93% in 2021 to 2.25% in 2022.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statements No. 75.

The Township adopted GASB 75 on a prospective basis in 2018; therefore only five years are presented in the above schedule.

WARRINGTON TOWNSHIP
SCHEDULE OF OPEB PLAN CONTRIBUTIONS
LAST 10 FISCAL YEARS*
DECEMBER 31, 2022

	2022	2021	2020	2019	2018
Contractually required contribution	\$ 109,043	\$ 49,464	\$ 52,964	\$ 101,377	\$ 125,829
Contributions in relation to the contractually required contribution	109,043	49,464	52,964	101,377	125,829
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Township's covered payroll	\$ 4,225,162	\$ 4,225,162	\$ 3,554,595	\$ 3,554,595	\$ 3,259,351
Contributions as a percentage of covered payroll	2.58%	1.17%	1.49%	2.85%	3.86%

*Schedule is intended to show information for ten years. Additional years will be disclosed as they become available in future years.

OTHER SUPPLEMENTARY INFORMATION

WARRINGTON TOWNSHIP
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Capital Project Funds			Special Revenue Fund	Total Other Governmental Funds
	Capital Reserve Fund	2016 Capital Projects Fund	2019 Capital Projects Fund	General Capital Fund	Open Space Fund
Assets					
Cash and Cash Equivalents	\$ 1,979,761	\$ 1,551,982	\$ 429,531	\$ 192,881	\$ 1,908,741
Accounts Receivable	-	11,627	78,721	-	3,333
Taxes Receivable	-	-	-	-	-
Due from Other Governments	-	-	25,000	-	-
Due from Other Funds	398,208	148	1,022,918	532,504	334,408
Total Assets	\$ 2,377,969	\$ 1,563,757	\$ 1,556,170	\$ 725,385	\$ 2,246,482
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	58,622	-	-	-	16,373
Due to Other Funds	2,188,726	1,082,569	1,530,881	256,962	1,757,925
Total Liabilities	2,247,348	1,082,569	1,530,881	256,962	1,774,298
Fund Balances					
Restricted					
Capital Improvements	130,621	481,188	25,289	468,423	-
Parks and Recreation	-	-	-	-	472,184
Total Fund Balances	130,621	481,188	25,289	468,423	472,184
Total Liabilities and Fund Balances	\$ 2,377,969	\$ 1,563,757	\$ 1,556,170	\$ 725,385	\$ 2,246,482

WARRINGTON TOWNSHIP
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2022

	Capital Project Funds			Special Revenue Fund	Total Other Governmental Funds
	Capital Reserve Fund	2016 Capital Projects Fund	2019 Capital Projects Fund	General Capital Fund	Open Space Fund
Revenues					
Intergovernmental	\$ -	-	25,000	-	320,000
Miscellaneous	442,000	-	-	-	21,332
Investment Income and Rent	4,332	15,540	1,417	333	6,679
Total Revenues	446,332	15,540	26,417	333	348,011
Expenditures					
Current					
General Government	-	-	-	-	-
Public Safety	200,382	-	-	-	200,382
Highways and Roads	35,698	-	(560)	-	38,951
Culture and Recreation	28,400	-	-	85,865	705,317
Debt Service					
Principal	158,292	-	-	-	158,292
Interest and Other Charges	6,730	-	-	-	6,730
Total Expenditures	429,502	-	(560)	85,865	709,130
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,830	15,540	26,977	(85,532)	(361,119)
Proceeds from Sale of Capital Assets	84,049	-	-	-	84,049
Transfers In	-	-	-	174,954	100,000
Transfers Out	-	-	-	(100,000)	-
Total Other Financing Sources (Uses)	84,049	-	-	74,954	100,000
Net Change in Fund Balances	100,879	15,540	26,977	(10,578)	(261,119)
Fund Balances at Beginning of Year	29,742	465,648	(1,688)	479,001	733,303
Fund Balances at End of Year	\$ 130,621	\$ 481,188	\$ 25,289	\$ 468,423	\$ 472,184

\$ 1,577,705

WARRINGTON TOWNSHIP
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 YEAR ENDED DECEMBER 31, 2022

	Component Units		
	Pension Trust Funds		
	Police Pension Fund	Non-Uniform Employees Pension Fund	Total Pension Trust Funds
Assets			
Cash and Cash Equivalents	\$ 472,906	\$ 95,836	\$ 568,742
Investments	21,927,166	6,795,061	28,722,227
Due from Fiduciary Funds	-	127,887	127,887
Due from Members	-	10,909	10,909
Total Assets	<u>22,400,072</u>	<u>7,029,693</u>	<u>29,429,765</u>
Liabilities			
Due to Fiduciary Funds	<u>127,887</u>	<u>-</u>	<u>127,887</u>
Total Liabilities	<u>127,887</u>	<u>-</u>	<u>127,887</u>
Net Position			
Held in Trust for Benefits and Other Purposes	<u>22,272,185</u>	<u>7,029,693</u>	<u>29,301,878</u>
Total Net Position	<u>\$ 22,272,185</u>	<u>\$ 7,029,693</u>	<u>\$ 29,301,878</u>

WARRINGTON TOWNSHIP
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
 PENSION TRUST FUNDS
 YEAR ENDED DECEMBER 31, 2022

	Component Units		
	Pension Trust Funds		
	Police Pension Fund	Non-Uniform Employees Pension Fund	Total Pension Trust Funds
Additions			
Contributions:			
Employer	\$ 1,254,503	\$ 162,705	\$ 1,417,208
Plan Members	241,899	26,703	268,602
Total Contributions	1,496,402	189,408	1,685,810
Investment Earnings			
Net Increase in Fair Value of Investments	(3,215,834)	(1,025,436)	(4,241,270)
Dividends	367,933	116,601	484,534
Investment Earnings, Net	(2,847,901)	(908,835)	(3,756,736)
Total Additions	(1,351,499)	(719,427)	(2,070,926)
Deductions			
Benefits Paid	853,206	320,112	1,173,318
Administrative	9,650	10,075	19,725
Total Deductions	862,856	330,187	1,193,043
Change in Net Position	(2,214,355)	(1,049,614)	(3,263,969)
Net Position, Beginning of Year	24,486,540	8,079,307	32,565,847
Net Position, End of Year	\$ 22,272,185	\$ 7,029,693	\$ 29,301,878