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**SCHUYLKILL TOWNSHIP**

**BASIC FINANCIAL STATEMENTS WITH  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2024**

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SCHUYLKILL TOWNSHIP

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SCHUYLKILL TOWNSHIP

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## INDEPENDENT AUDITOR'S REPORT

September 2, 2025

To the Board of Supervisors  
Schuylkill Township  
Phoenixville, 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 Schuylkill Township ("the Township"), Phoenixville, Pennsylvania, as of and for the year ended December 31, 2024, and the related notes to the financial statements which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Schuylkill Township, Phoenixville, Pennsylvania, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Schuylkill Township, Phoenixville, Pennsylvania, 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.

To the Board of Supervisors  
Schuylkill Township

### Responsibilities of Management for the Financial Statements

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

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

### 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 and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, 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 Schuylkill 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 Schuylkill Township's ability to continue as a going concern for a reasonable period of time.

To the Board of Supervisors  
Schuylkill Township

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11; schedules of changes in the net pension liability (asset), related ratios, and investment returns on pages 47 and 48; and schedules of employer contributions and notes to required supplementary information on pages 49 through 50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2025, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

  
BARBACANE, THORNTON & COMPANY LLP

**SCHUYLKILL TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED**  
**DECEMBER 31, 2024**

This discussion and analysis of Schuylkill Township ("the Township"), Phoenixville, Pennsylvania, provides an overview of the Township's financial performance for the year ended December 31, 2024. Please read it in conjunction with the Township's financial statements, which begin on page 12.

**FINANCIAL HIGHLIGHTS**

- **Net Position** – The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$30,163,477 (representing its net position).
- **Cash and Investments** – Total Township assets (excluding assets held in fiduciary funds) included \$18,141,532 in cash and cash equivalents.
- **Governmental Fund Balances** – As of December 31, 2024, the Township's governmental funds combined ending fund balances of \$18,044,767. Of this total, \$5,848,782 is unassigned (available for spending at the Township's discretion) in the General Fund.

**Reporting the Township as a Whole**

**Statement of Net Position and Statement of Activities**

The analysis of the Township as a whole begins on pages 12 and 13 with the Statement of Net Position and the Statement of Activities.

These statements provide information that will help the reader to determine if the Township is financially better or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid. The reader can think of the Township's net position as one way to measure the Township's financial health or financial position. Over time, increases or decreases in the Township's net position are one indicator of whether its financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors, however, such as changes in the Township's property base and employment and the condition of the Township's assets, to assess the overall health of the Township.

In the Statement of Net Position and the Statement of Activities, the Township has the following:

- **Governmental Activities** – Most of the Township's basic services are reported here, including the police, general administration, public works, parks, and recreation. Earned income taxes, local services taxes, property taxes, intergovernmental revenues, and permit fees finance most of these activities.

**SCHUYLKILL TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**  
**DECEMBER 31, 2024**

**Reporting the Township's Most Significant Funds**

**Fund Financial Statements**

Our analysis of the Township's major funds provides detailed information about the most significant funds – not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for money designated for special use (e.g., Capital Projects Fund). The Township has two kinds of funds – **governmental and fiduciary** – which are further described below.

**Governmental Funds** – Most of the Township's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Township's general governmental operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in reconciliations which follow the fund financial statements.

**The Township as Trustee**

**Reporting the Township's Fiduciary Responsibilities**

The Township is the trustee, or fiduciary, responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiaries. All of the Township's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. These activities are excluded from the Township's other financial statements because the Township cannot use these assets to finance its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**THE TOWNSHIP AS A WHOLE**

**Entity-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets and deferred outflows of resources totaling \$41,476,376 exceeded liabilities and deferred outflows of resources by \$30,163,477 at the close of 2024, as reflected in the Statement of Net Position.



**SCHUYLKILL TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**  
**DECEMBER 31, 2024**

Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the Township's governmental activities.

**Table 1**  
**STATEMENTS OF NET POSITION**  
**DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Current and other assets	\$ 18,285,818	\$ 22,539,192
Capital and noncurrent assets	<u>22,320,580</u>	<u>4,209,066</u>
Total Assets	40,606,398	26,748,258
Deferred outflows of resources	<u>869,978</u>	<u>266,583</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>\$ 41,476,376</b></u>	<u><b>\$ 27,014,841</b></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>		
Liabilities:		
Current liabilities	\$ 473,652	\$ 537,973
Non-current liabilities	<u>10,189,023</u>	<u>71,648</u>
Total Liabilities	10,662,675	609,621
Deferred inflows of resources	<u>650,224</u>	<u>459,269</u>
Net Position:		
Net investment in capital assets	11,149,580	3,629,479
Restricted	12,195,985	16,572,747
Unrestricted	<u>6,817,912</u>	<u>5,743,725</u>
Total Net Position	30,163,477	25,945,951
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u><b>\$ 41,476,376</b></u>	<u><b>\$ 27,014,841</b></u>

Township capital assets include land, buildings and improvements, equipment and vehicles, and right-to-use lease assets. Total liabilities include \$9,994,871 in outstanding debt. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Township's unrestricted governmental activities net position of \$6,817,912 may be used to meet the Township's ongoing obligations to citizens and creditors.

**SCHUYLKILL TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**  
**DECEMBER 31, 2024**

At the end of the current fiscal year, the Township is able to report positive balances in net position.

**Governmental Activities**

As reported in Table 2, the increase in net position totaled \$4,217,526 for the year ending December 31, 2024.

**Table 2**  
**STATEMENTS OF CHANGES IN NET POSTION**  
**FOR THE YEAR ENDING DECEMBER 31, 2024**

	2024	2023
REVENUES		
Program revenues:		
Charges for services	\$ 512,223	\$ 412,613
Operating and capital grants and contributions	1,192,209	1,004,714
General revenues:		
Earned income taxes	4,668,371	4,605,988
Real estate taxes	2,239,158	2,161,332
Real estate transfer taxes	506,592	407,741
Local service tax	154,930	148,649
Franchise fees	160,604	170,578
Investment earnings	699,661	645,163
Other	132,641	134,555
TOTAL REVENUES	<u>10,266,389</u>	<u>9,691,333</u>
EXPENSES		
General government	2,008,370	2,122,438
Public safety	2,788,149	3,086,951
Public works	1,038,506	1,647,387
Health and welfare	555	8,776
Culture and parks	171,044	29,283
Interest expense	42,239	38,211
TOTAL EXPENSES	<u>6,048,863</u>	<u>6,933,046</u>
INCREASE IN NET POSITION	4,217,526	2,758,287
NET POSITION, BEGINNING OF YEAR	<u>25,945,951</u>	<u>23,187,664</u>
NET POSITION, END OF YEAR	<u><u>\$ 30,163,477</u></u>	<u><u>\$ 25,945,951</u></u>

**SCHUYLKILL TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**  
**DECEMBER 31, 2024**

The cost of all governmental activities in 2024 was \$6,048,863, including \$257,360 in depreciation/amortization expense. This cost was funded primarily by tax revenues of \$7,569,051, including earned income taxes, real estate taxes, local service taxes, and real estate transfer taxes. Charges for services, including permits, accounted for an additional \$512,223 in revenue, and intergovernmental revenue accounted for another \$1,192,209.

As indicated above, public safety programs account for \$2,788,149, or approximately forty-six percent (46%) of the total expenses of the Township's governmental activities. Public safety includes the police department and contributions to the local fire departments which provide services to the Township. General administration and highways and streets services account for approximately thirty-three percent (33%) and seventeen percent (17%), respectively, of the total governmental activities expenses for 2024.

Real estate taxes, earned income taxes, and other general revenues not designated for specific programs provide the major revenue sources for governmental activities. The earned income tax is the largest revenue source for governmental activities and accounted for \$4,668,371, or forty-five percent (45%) of all governmental activity revenue in 2024. Intergovernmental grants, real estate taxes, and real estate transfer taxes provided twelve percent (12%), twenty-two percent (22%), and five percent (5%), respectively, of total governmental activity revenue.

**FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS**

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

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

As shown on page 14 on the Balance Sheet – Governmental Funds, as of December 31, 2024, the Township's governmental funds reported combined ending fund balances of \$18,044,767.

Approximately thirty-two percent (32%), or \$5,848,782, is an unassigned fund balance in the General Fund, which means that it is available for spending at the Township's discretion. The remainder of the fund balance is restricted, which means that it is not available for new spending because it has been restricted for capital improvements, park development, or other special purposes.

Major funds maintained by the Township include the following:

The **General Fund** is the chief operating fund of the Township. As of December 31, 2024, the total fund balance of the General Fund was \$5,848,782.

**SCHUYLKILL TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**  
**DECEMBER 31, 2024**

The **Municipal Complex Fund** is a capital fund that provides funding for capital improvements or other unique expenditures which are not normal operating or maintenance-type expenditures reportable within the General Fund or other governmental funds. The total fund balance as of December 31, 2024 was \$2,489,715.

Historically, the major revenue and other financing sources for the Capital Projects Fund usually are transfers from the General Fund, interest earnings, and contributions from developers for specific infrastructure improvements. The General Fund also may transfer monies to the Capital Projects Fund to reserve for capital expenditures associated with the general operation of the Township.

The **Liquid Fuels Fund** is a special revenue fund used to account for highway-related projects in the Township. The total fund balance as of December 31, 2024 was \$681,354.

The **Open Space Fund** is a special revenue fund used for land acquisitions and maintenance of the Township's land. The total fund balance as of December 31, 2024 was \$6,611,992.

The **Highway Capital Fund** is a special revenue fund used to account for highway-related projects in the Township. The total fund balance as of December 31, 2024 was \$2,412,924.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The statement comparing the Township's General Fund budget and actual results can be found on page 18 of the financial statements.

The conservative 2024 budget for the General Fund, which includes the Valley Forge Volunteer Fire Company Capital Fund Budget, anticipated that revenues and other financing sources would be exceeded by expenditures and other financing uses by \$250,000; however, the Township ended the year with actual revenues and other financing sources exceeding expenditures and other financing uses by \$481,846, or \$731,846 better than the original budget.

This positive budget variance was due primarily to:

- Tax revenues were \$667,399 higher than budget.
- Charges for services and intergovernmental revenues were \$280,762 and \$198,102 higher than budget.
- Public safety expenditures were \$391,740 lower than budget.
- Public works expenditures were \$360,512 lower than budget.
- Employee benefit expenditures were \$214,327 lower than budget.

**SCHUYLKILL TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**  
**DECEMBER 31, 2024**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of December 31, 2024, the Township's investment in capital assets for its governmental activities, as shown on page 12 on the Statement of Net Position, amounted to \$21,144,451, net of accumulated depreciation/amortization. This investment in capital assets includes land, buildings and improvements, equipment and vehicles, and right-to-use lease assets.

Additional information about the Township's capital assets can be found in Note 3 to the financial statements.

**Long-term Debt**

The Township issued \$9,995,000 of general obligation bonds in 2024. The proceeds were used to acquire a property for open space preservation. The carrying amount of the debt, including unamortized discounts, is \$9,956,793 at December 31, 2024. Additionally, the carrying amount of lease is \$38,074 at December 31, 2024.

Additional information about the Township's current long-term debt can be found in Note 3 to the financial statements.

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

- Because of favorable demographics – the level of education, median household income, and advantageous location (proximity to employment centers such as Philadelphia, King of Prussia, and Wilmington), the Township continues to rely on the earned income tax (EIT) for a large portion (45% in 2024) of its revenue in the General Fund. The Township has a total EIT rate of 0.75% with 0.25% designated to the Open Space Fund.
- The Township real estate tax rate of 3.00 mills is relatively low compared to neighboring municipalities. The rate has not been increased since 2020.
- Township real estate transfer tax revenues increased during 2024, and they are expected to exceed the budget of \$225,000 in 2025.
- The Township maintains approximately \$18,141,532 in (insured or collateralized) cash accounts.
- The Township adopted a 2025 General Fund budget in which revenues are expected to be exceeded by expenditures and other financing uses by \$491,000. The Township ended 2024 in a strong position, with revenues exceeding expenditures by \$731,846 and a General Fund balance of over \$5.8 million. The 2025 budget includes a total budget transfer of \$480,000 from the General Fund to the Capital Municipal Complex and Capital Roads Funds.

**SCHUYLKILL TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**  
**DECEMBER 31, 2024**

This financial report is designed to provide a general overview of Schuylkill Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Township Manager, Schuylkill Township, 111 Valley Park Road, Phoenixville, PA 19460.

General information relating to the Township can be found on its website, <https://schuylkilltwp.org>.

**SCHUYLKILL TOWNSHIP  
STATEMENT OF NET POSITION  
DECEMBER 31, 2024**

	<u>Governmental Activities</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	
<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents	\$ 18,141,532
Accounts and other receivables	7,343
Taxes receivable	136,943
Total Current Assets	<u>18,285,818</u>
Noncurrent Assets:	
Land	17,870,343
Depreciable capital assets, net	3,227,518
Right-to-use lease assets, net	46,590
Net pension asset	1,176,129
Total Noncurrent Assets	<u>22,320,580</u>
<b>TOTAL ASSETS</b>	<u>40,606,398</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred pension outflows	<u>869,978</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 41,476,376</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	
Current Liabilities:	
Accounts payable and other current liabilities	\$ 107,988
Accrued payroll	87,649
Accrued interest payable	39,948
General obligation bonds payable, net	203,464
Lease liability	34,603
Total Current Liabilities	<u>473,652</u>
Noncurrent Liabilities:	
General obligation bonds payable, net	9,753,329
Lease liability	3,475
Compensated absences	432,219
Total Noncurrent Liabilities	<u>10,189,023</u>
<b>TOTAL LIABILITIES</b>	<u>10,662,675</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred pension inflows	<u>650,224</u>
<b>NET POSITION:</b>	
Net investment in capital assets	11,149,580
Restricted	12,195,985
Unrestricted	6,817,912
<b>TOTAL NET POSITION</b>	<u><u>30,163,477</u></u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u><u>\$ 41,476,376</u></u>

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

**SCHUYLKILL TOWNSHIP  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

		Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
GOVERNMENTAL ACTIVITIES					
General government	\$ 2,008,370	\$ 453,187	\$ 399,025	\$ -	\$ (1,156,158)
Public safety	2,788,149	59,036	79,551	-	(2,649,562)
Public works	1,038,506	-	301,944	411,689	(324,873)
Health and welfare	555	-	-	-	(555)
Culture and parks	171,044	-	-	-	(171,044)
Interest expense	42,239	-	-	-	(42,239)
TOTAL GOVERNMENTAL ACTIVITIES	<u>6,048,863</u>	<u>512,223</u>	<u>780,520</u>	<u>411,689</u>	<u>(4,344,431)</u>
GENERAL REVENUES					
Taxes:					
					2,239,158
					506,592
					4,668,371
					154,930
					160,604
					14,393
					699,661
					7,950
					110,298
					<u>8,561,957</u>
TOTAL GENERAL REVENUES					
CHANGE IN NET POSITION					4,217,526
NET POSITION, BEGINNING OF YEAR					<u>25,945,951</u>
NET POSITION, END OF YEAR					<u>\$ 30,163,477</u>

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



**SCHUYLKILL TOWNSHIP**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2024**

	General Fund	Liquid Fuels Fund	Open Space Fund	Highway Capital Fund	Municipal Complex Fund	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 5,804,735	\$ 701,137	\$ 6,604,317	\$ 2,534,378	\$ 2,496,965	\$ 18,141,532
Accounts receivable	7,343	-	-	-	-	7,343
Taxes receivable	130,681	-	6,262	-	-	136,943
Due from other funds	121,454	-	5,720	-	-	127,174
<b>TOTAL ASSETS</b>	<u><u>\$ 6,064,213</u></u>	<u><u>\$ 701,137</u></u>	<u><u>\$ 6,616,299</u></u>	<u><u>\$ 2,534,378</u></u>	<u><u>\$ 2,496,965</u></u>	<u><u>\$ 18,412,992</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 76,648	\$ 19,783	\$ 4,307	\$ -	\$ 7,250	\$ 107,988
Accrued payroll	87,649	-	-	-	-	87,649
Due to other funds	5,720	-	-	121,454	-	127,174
<b>TOTAL LIABILITIES</b>	<u>170,017</u>	<u>19,783</u>	<u>4,307</u>	<u>121,454</u>	<u>7,250</u>	<u>322,811</u>
 <b>DEFERRED INFLOWS OF RESOURCES:</b>						
Unavailable revenue - property taxes	45,414	-	-	-	-	45,414
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>45,414</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,414</u>
 <b>FUND BALANCES</b>						
Restricted for:						
Highways and streets	-	681,354	-	2,412,924	-	3,094,278
Open space	-	-	6,611,992	-	-	6,611,992
Capital projects	-	-	-	-	2,489,715	2,489,715
Unassigned	5,848,782	-	-	-	-	5,848,782
<b>TOTAL FUND BALANCES</b>	<u>5,848,782</u>	<u>681,354</u>	<u>6,611,992</u>	<u>2,412,924</u>	<u>2,489,715</u>	<u>18,044,767</u>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 6,064,213</u></u>	<u><u>\$ 701,137</u></u>	<u><u>\$ 6,616,299</u></u>	<u><u>\$ 2,534,378</u></u>	<u><u>\$ 2,496,965</u></u>	<u><u>\$ 18,412,992</u></u>

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

**SCHUYLKILL TOWNSHIP  
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO  
STATEMENT OF NET POSITION  
DECEMBER 31, 2024**

TOTAL GOVERNMENTAL FUND BALANCES	\$ 18,044,767
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,144,451
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Some of the Township's revenues will be collected after year end but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds.	45,414
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Some assets and liabilities are not due, receivable, or payable in the current period and, therefore, are not reported in the funds. Those items consist of:

Interest payable	\$ (39,948)	
Lease liability	(38,078)	
Compensated absences	(432,219)	
General obligation bonds payable, net	(9,956,793)	
Net pension asset	1,176,129	
Deferred pension outflows	869,978	
Deferred pension inflows	(650,224)	
	(9,071,155)	(9,071,155)

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 30,163,477
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The accompanying notes are an integral part of these financial statements.

**SCHUYLKILL TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	General Fund	Liquid Fuels Fund	Open Space Fund	Highway Capital Fund	Municipal Complex Fund	Total
<b>REVENUES</b>						
Taxes	\$ 6,095,399	\$ -	\$ 1,489,774	\$ -	\$ -	\$ 7,585,173
Licenses and permits	219,640	-	-	-	-	219,640
Fines and forfeits	14,393	-	-	-	-	14,393
Interest, rents, and royalties	94,278	2,678	492,887	48,982	60,836	699,661
Intergovernmental revenues	911,102	289,057	-	-	-	1,200,159
Charges for services	453,187	-	-	-	-	453,187
Miscellaneous revenue/other	33,727	-	-	-	-	33,727
<b>TOTAL REVENUES</b>	<b>7,821,726</b>	<b>291,735</b>	<b>1,982,661</b>	<b>48,982</b>	<b>60,836</b>	<b>10,205,940</b>
<b>EXPENDITURES</b>						
Current:						
General government	1,720,973	-	46,856	10,019	30,530	1,808,378
Public safety	2,553,566	-	-	-	-	2,553,566
Health	555	-	-	-	-	555
Public works - sanitation	17,044	-	-	-	-	17,044
Public works - highways and streets	718,023	317,694	-	307,709	-	1,343,426
Public works - other	120	-	-	-	-	120
Culture and recreation	19,432	-	224	-	-	19,656
Community development	-	-	17,148,802	-	-	17,148,802
Employee benefits	1,066,853	-	-	-	-	1,066,853
Miscellaneous expenditures	3,217	92	1,037	-	-	4,346
Debt service:						
Principal	1,668	-	-	31,902	-	33,570
Interest	-	-	-	2,099	-	2,099
<b>TOTAL EXPENDITURES</b>	<b>6,101,451</b>	<b>317,786</b>	<b>17,196,919</b>	<b>351,729</b>	<b>30,530</b>	<b>23,998,415</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,720,275</b>	<b>(26,051)</b>	<b>(15,214,258)</b>	<b>(302,747)</b>	<b>30,306</b>	<b>(13,792,475)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sale of assets	76,571	-	-	-	-	76,571
Proceeds from bond issuance	-	-	9,995,000	-	-	9,995,000
Debt issuance costs	-	-	(135,613)	-	-	(135,613)
Discount on bond issuance	-	-	(38,399)	-	-	(38,399)
Transfers in	-	-	-	685,000	630,000	1,315,000
Transfers out	(1,315,000)	-	-	-	-	(1,315,000)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>(1,238,429)</b>	<b>-</b>	<b>9,820,988</b>	<b>685,000</b>	<b>630,000</b>	<b>9,897,559</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>481,846</b>	<b>(26,051)</b>	<b>(5,393,270)</b>	<b>382,253</b>	<b>660,306</b>	<b>(3,894,916)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>5,366,936</b>	<b>707,405</b>	<b>12,005,262</b>	<b>2,030,671</b>	<b>1,829,409</b>	<b>21,939,683</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 5,848,782</b>	<b>\$ 681,354</b>	<b>\$ 6,611,992</b>	<b>\$ 2,412,924</b>	<b>\$ 2,489,715</b>	<b>\$ 18,044,767</b>

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

**SCHUYLKILL TOWNSHIP**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES - GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (3,894,916)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays 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 effect of these differences:

Capital outlays	\$ 17,700,684	
Depreciation expense	<u>(257,360)</u>	17,443,324

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(16,122)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		(9,923,223)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated absences	(19,779)	
Accrued interest payable	<u>(39,948)</u>	(59,727)

Pension expenses in the statement of activities differ from the amount reported in the governmental funds because pension expenses are recognized on the statement of activities based on the changes in the actuarially determined net pension liability, whereas pension expenditures are recognized in the governmental funds when a requirement to remit contributions to the plan exists.		<u>668,190</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 4,217,526</u></u>
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The accompanying notes are an integral part of these financial statements.

**SCHUYLKILL TOWNSHIP**  
**BUDGETARY COMPARISON STATEMENT - GENERAL FUND - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 5,428,000	\$ 6,095,399	\$ 667,399
Licenses and permits	393,000	219,640	(173,360)
Fines and forfeits	17,500	14,393	(3,107)
Interest, rents, and royalties	78,000	94,278	16,278
Intergovernmental revenues	713,000	911,102	198,102
Charges for services	172,425	453,187	280,762
Miscellaneous revenue/other	42,500	33,727	(8,773)
<b>TOTAL REVENUES</b>	<u>6,844,425</u>	<u>7,821,726</u>	<u>977,301</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,345,840	1,720,973	(375,133)
Public safety	2,945,306	2,553,566	391,740
Health	33,200	555	32,645
Public works - sanitation	19,000	17,044	1,956
Public works - highways and streets	1,076,699	718,023	358,676
Public works - other	-	120	(120)
Culture and recreation	10,000	19,432	(9,432)
Employee benefits	1,281,180	1,066,853	214,327
Miscellaneous expenditures	3,200	3,217	(17)
Debt service:			
Principal	-	1,668	(1,668)
<b>TOTAL EXPENDITURES</b>	<u>6,714,425</u>	<u>6,101,451</u>	<u>612,974</u>
<b>EXCESS (DEFICIENCY) OF REVEUES OVER (UNDER) EXPENDITURES</b>	<u>130,000</u>	<u>1,720,275</u>	<u>1,590,275</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of assets	-	76,571	76,571
Transfers in (out)	(380,000)	(1,315,000)	(935,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(380,000)</u>	<u>(1,238,429)</u>	<u>(858,429)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(250,000)	481,846	731,846
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>5,366,936</u>	<u>5,366,936</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 5,116,936</u>	<u>\$ 5,848,782</u>	<u>\$ 731,846</u>

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

**SCHUYLKILL TOWNSHIP  
BUDGETARY COMPARISON STATEMENT - LIQUID FUELS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
REVENUES			
Interest, rents, and royalties	\$ 1,500	\$ 2,678	\$ 1,178
Intergovernmental revenues	286,201	289,057	2,856
TOTAL REVENUES	<u>287,701</u>	<u>291,735</u>	<u>4,034</u>
EXPENDITURES			
Current:			
Public works - highways and streets	625,000	317,694	307,306
Miscellaneous expenditures	100	92	8
TOTAL EXPENDITURES	<u>625,100</u>	<u>317,786</u>	<u>307,314</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(337,399)</u>	<u>(26,051)</u>	<u>311,348</u>
NET CHANGE IN FUND BALANCE	(337,399)	(26,051)	311,348
FUND BALANCE, BEGINNING OF YEAR	<u>707,405</u>	<u>707,405</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 370,006</u></u>	<u><u>\$ 681,354</u></u>	<u><u>\$ 311,348</u></u>

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

**SCHUYLKILL TOWNSHIP  
BUDGETARY COMPARISON STATEMENT - OPEN SPACE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
REVENUES			
Taxes	\$ 1,175,000	\$ 1,489,774	\$ 314,774
Interest, rents, and royalties	180,000	492,887	312,887
TOTAL REVENUES	<u>1,355,000</u>	<u>1,982,661</u>	<u>627,661</u>
EXPENDITURES			
Current:			
General government	351,500	46,856	304,644
Culture and recreation	-	224	(224)
Community development	8,355,000	17,148,802	(8,793,802)
Miscellaneous expenditures	265	1,037	(772)
TOTAL EXPENDITURES	<u>8,706,765</u>	<u>17,196,919</u>	<u>(8,490,154)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,351,765)</u>	<u>(15,214,258)</u>	<u>(7,862,493)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from bond issuance	-	9,995,000	9,995,000
Discount on bond issuance	-	(38,399)	(38,399)
Debt issuance costs	-	(135,613)	(135,613)
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>9,820,988</u>	<u>9,820,988</u>
NET CHANGE IN FUND BALANCE	(7,351,765)	(5,393,270)	1,958,495
FUND BALANCE, BEGINNING OF YEAR	<u>12,005,262</u>	<u>12,005,262</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 4,653,497</u></u>	<u><u>\$ 6,611,992</u></u>	<u><u>\$ 1,958,495</u></u>

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

**SCHUYLKILL TOWNSHIP  
STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
DECEMBER 31, 2024**

	<u>Police Pension</u>	<u>Non-Uniformed Pension</u>	<u>Total Pension Trust Funds</u>
ASSETS			
Cash and cash equivalents	\$ 442,899	\$ 132,937	\$ 575,836
Investments, at fair value:			
Mutual funds	<u>11,599,308</u>	<u>3,559,778</u>	<u>15,159,086</u>
<b>TOTAL ASSETS</b>	<u>12,042,207</u>	<u>3,692,715</u>	<u>15,734,922</u>
NET POSITION			
Net position - restricted for pension benefits	<u><u>\$ 12,042,207</u></u>	<u><u>\$ 3,692,715</u></u>	<u><u>\$ 15,734,922</u></u>

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



**SCHUYLKILL TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION -**  
**PENSION TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Police Pension</u>	<u>Non-Uniformed Pension</u>	<u>Total Pension Trust Funds</u>
CONTRIBUTIONS AND INVESTMENT GAIN (LOSS)			
Contributions:			
Municipal contributions	\$ 13,082	\$ 76,348	\$ 89,430
Employee contributions	80,451	41,459	121,910
State contributions	201,330	-	201,330
Total Contributions	<u>294,863</u>	<u>117,807</u>	<u>412,670</u>
Investment Gains:			
Net increase in fair value of investments	1,024,471	313,167	1,337,638
Interest and dividends	286,494	87,818	374,312
Total Investment Gains	<u>1,310,965</u>	<u>400,985</u>	<u>1,711,950</u>
TOTAL CONTRIBUTIONS AND INVESTMENT GAINS	<u>1,605,828</u>	<u>518,792</u>	<u>2,124,620</u>
DEDUCTIONS			
Benefits paid	248,764	97,739	346,503
Administrative expenses	52,847	19,501	72,348
TOTAL DEDUCTIONS	<u>301,611</u>	<u>117,240</u>	<u>418,851</u>
CHANGE IN NET POSITION	1,304,217	401,552	1,705,769
NET POSITION, BEGINNING OF YEAR	<u>10,737,990</u>	<u>3,291,163</u>	<u>14,029,153</u>
NET POSITION, END OF YEAR	<u><u>\$ 12,042,207</u></u>	<u><u>\$ 3,692,715</u></u>	<u><u>\$ 15,734,922</u></u>

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

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Schuylkill Township ("the Township") complies with accounting principles generally accepted in the United States of America ("GAAP"). GAAP includes all relevant Governmental Accounting Standards Board ("GASB") pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, and the ability to significantly influence operations and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the Township is considered to be an independent reporting entity.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is a term used to describe "how" transactions are recorded within various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

The entity-wide financial statements report net position in one of three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of borrowing attributable to acquiring, constructing, or improving those assets. Net position is reported as restricted when constraints placed on their use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Those restrictions affect net position arising from special revenue and capital funds. Unrestricted net position consists of accumulated resources that do not meet the definition of "net investment in capital assets" or "restricted."

Entity-wide and Fiduciary Fund Financial Statements

The entity-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The entity-wide and fiduciary fund statements are reported using

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items (nonexchange transactions) are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

With limited exceptions, the effects of interfund activity have been eliminated from the entity-wide financial statements. Exceptions include charges by one government function to another where services have been provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

When both restricted and unrestricted resources are available for use in certain programs, it is the Township's policy to apply cost-reimbursement grant resources first to those programs, followed by general revenues as they are needed.

Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For governmental fund types, the Township considers all revenues to be available if they are collected within 60 days after fiscal year end. Revenues considered susceptible to accrual include property taxes, income taxes, franchise taxes, licenses, investment income, and grants associated with the current fiscal year. Only the portion of the special assessments receivable due within the current fiscal year is considered to be susceptible to accrual and recognized as revenues in the current fiscal year. All other revenue items are considered measurable and available only when cash is received by the Township.

Expenditures are recorded when the related fund liability is incurred (upon receipt of goods or services), except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

*Financial Statement Presentation*

The Township reports the following governmental funds:

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

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- The *Liquid Fuels Fund* is a special revenue fund used to account for highway-related projects in the Township. The primary revenue stream is grant revenue.
- The *Municipal Complex Fund* is a capital fund used primarily for the maintenance of the Township's building.
- The *Open Space Fund* is a special revenue used for land acquisitions and maintenance of the Township's land.
- The *Highway Capital Fund* is a special revenue fund used to account for highway-related projects in the Township.

The Township reports the following fiduciary fund types:

- The *Pension Trust Funds* account for the activities of the Police and Non-Uniformed Pension plans, which accumulate resources for pension benefit payments to qualified employees.

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

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

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

Use of Estimates

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

Assets, Liabilities, and Net Position or 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.

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

The law provides that the government's pension trust funds may invest in any form or type of investment, financial instrument, or financial transaction if determined by the government to be prudent. The Township is authorized by Township's Board of Supervisors to invest in accordance with the laws of the Commonwealth of Pennsylvania and the approved investment policy statement.

*Due From and Due To Other Funds*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

*Property Taxes*

Property taxes are levied as of January 1 on property values assessed as of the same date.

Taxes are billed February 1 and payable under the following terms: a 2% discount February 1 through March 31; face amount April 1 through May 31; and a 10% penalty after June 1. Any unpaid bills at December 31 are subject to lien, and penalties and interest are assessed.

*Method Used to Value Investments*

Investments are reported at fair value.

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

In establishing the fair value of investments, the Township uses the following hierarchy. The lowest level of valuation available is used for all investments.

*Level 1* – Valuations based on quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access.

*Level 2* – Valuations based on quoted prices of similar products in active markets or identical products in markets that are not active or for which all significant inputs are observable, directly or indirectly.

*Level 3* – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

*Long-term Obligations*

In the entity-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

In the fund financial statements, governmental fund types, the face amount of debt issued is reported as other financing sources.

*Net Position*

In the government-wide financial statements, net position is classified in the following categories:

- Net investment in Capital Assets – This category represents the Township's investment in capital assets plus any unspent funding from debt borrowings, reduced by accumulated depreciation/amortization and any outstanding debt related to the acquisition, construction, or improvement of those assets.
- Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This category represents net position of the entity, not restricted for any project or other purpose.

*Fund Balance*

Fund balances of the governmental funds are classified, if applicable, as follows:

*Nonspendable* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributions, or the laws or regulations of other governments.

*Committed* – amounts that can be used only for specific purposes determined by formal action of the Board of Township Supervisors. The Board is the highest level of decision-making authority for the Township. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board has designated the Township Manager the authority to assign amounts for specific purposes.

*Unassigned* – represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned. In all cases, encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment and vehicles, and right-to-use lease assets, are reported in the governmental activities in the entity-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the Township are depreciated/amortized using the straight-line method over the following estimated useful lives:

Buildings and improvements	10 - 39 years
Equipment and vehicles	5 - 10 years
Right-to-use lease assets	Lease term

Implementation of New Accounting Pronouncements

During the year ended December 31, 2024, the Township implemented Governmental Accounting Standards Board ("GASB") Statement No. 101, "Compensated Absences." The purpose of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 2     STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America for all funds. All appropriations lapse at year end unless the Township Board of Supervisors approves a carry-over of an unused budget line item.

Beginning at least 30 days prior to the adoption of the budget, a proposed budget is prepared in a manner designated by the Board of Supervisors. Notice that the proposed budget is available for inspection is published by the Township Secretary in a newspaper of general circulation. The budget is then made available for a 20-day period. The Board of Supervisors must adopt the budget through a motion by December 31. It is also the duty of the Board of Supervisors to adopt an ordinance levying taxes as allowed by Township Code. All budget revisions require the approval of the Township's Board of Supervisors. Budgets lapse at year-end.

Excess of Expenditures Over Appropriations

For the year ended December 31, 2024, the General Fund expenditures exceeded appropriations in the categories of general government (\$375,133), public works - other (\$120), culture and recreation (\$9,432), miscellaneous expenditures (\$17), and debt service principal (\$1,668). The Liquid Fuels Fund had no expenditures that exceeded appropriations. For the Open Space Fund, expenditures exceeded appropriations in the categories of culture and recreation (\$224), community development (\$8,793,802), and miscellaneous expenditures (\$772). These expenditures were funded by reduction of expenditures in other areas within the general fund and the issue of debt in the open space fund.

NOTE 3     DETAILED NOTES ON FINANCIAL ACTIVITIES

Deposits and Investments

*Custodial Credit Risk – Deposits*

In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. Any balances exceeding federal depository insurance are exposed to custodial credit risk because it is uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Township's name. The risks of default are eliminated due to the constraints imposed upon allowable investment instruments by the Township's investment policy and through state limitations.

As of December 31, 2024, the Township's carrying amount of deposits was \$18,717,368, and the bank balance was \$18,745,099, the difference being outstanding checks and deposits. Of the bank balance, \$1,000,000 is covered by federal depository insurance. Of the remaining \$17,745,100, \$13,278,878 was collateralized by pooled securities in accordance with Act 72. The deposits collateralized in accordance with Act 72 were exposed to custodial credit risk.



SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 3     DETAILED NOTES ON FINANCIAL ACTIVITIES (cont'd)

because they were uninsured, and the collateral held by the depository's agent was not in the Township's name. The remaining \$4,466,221 is held in accounts with the Pennsylvania Local Government Investment Trust (PLGIT). Although not registered with the Securities Exchange Commission and not subject to regulatory oversight, PLGIT acts like money market mutual funds in that its objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized statistical rating organization, and is subject to an independent annual audit.

*Custodial Credit Risk – Investments*

For an investment, this is the risk that, in the event of a failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

As of December 31, 2024, the Township had the following investments:

<u>Fiduciary Funds</u>	<u>Fair Value</u>	<u>Level 1</u>
Exchange traded funds - fixed income	\$ 4,212,671	\$ 4,212,671
Exchange traded funds - equity	7,781,287	7,781,287
Exchange traded funds - international equity	3,165,128	3,165,128
Total Fiduciary Funds	<u>\$15,159,086</u>	<u>\$15,159,086</u>

Investments in external investment pools, such as mutual funds, are disclosed but not subject to interest rate, custodial, credit, or concentration risks because they are not evidenced by securities that exist in physical or book entry form.

Interfund Transfers

Transfers Out:

General Fund	<u>\$ 1,315,000</u>
Total	<u>\$ 1,315,000</u>

Transfers In:

Highway Capital Fund	\$ 685,000
Municipal Complex Fund	<u>630,000</u>
Total	<u>\$ 1,315,000</u>

Interfund Loans

Due From Other Funds:

General Fund	\$ 121,454
Open Space	<u>5,720</u>
Total	<u>\$ 127,174</u>

Due To Other Funds:

General Fund	\$ 5,720
Highway Capital Fund	<u>121,454</u>
Total	<u>\$ 127,174</u>

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 3     DETAILED NOTES ON FINANCIAL ACTIVITIES (cont'd)

Interfund balances reflect funds paid by the General Fund and Open Space Fund that were expenses incurred by the Highway Capital Fund and General fund.

Leases

The Township has entered into two lease agreements as a lessee for financing the acquisition of a dump truck and skid steer used within the Township.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2024, were as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2025	\$ 35,669
2026	1,668
2027	1,668
2028	139
Total Minimum Lease Payments	39,144
Less: amount representing interest	(1,066)
Present value of minimum lease payments	<u>\$ 38,078</u>

A schedule of changes in debt is as follows:

	<u>Beginning Balance 1/1/24</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 12/31/24</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Leases	\$ 71,648	\$ -	\$ 33,570	\$ 38,078	\$ 34,603
Compensated absences	412,440	19,779	-	432,219	-
Bonds payable, net of discount	-	9,956,793	-	9,956,793	203,464
Total Governmental Activities	<u>\$ 484,088</u>	<u>\$ 9,976,572</u>	<u>\$ 33,570</u>	<u>\$10,427,090</u>	<u>\$ 238,067</u>

For the year ended December 31, 2024, interest expense for the governmental activities was \$42,239.

Long-term Debt

General Obligation Bonds

The Township issued \$9,995,000 of General Obligation Bonds dated October 24, 2024. The bonds mature on December 1, 2049, with interest payable semi-annually on June 1 and

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 3     DETAILED NOTES ON FINANCIAL ACTIVITIES (cont'd)

December 1 and at rates ranging from 4% to 5%. The bonds were issued to acquire and improve real estate for Township purposes.

The schedule of future principal maturities and annual interest at December 31, 2024 is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Maturities</u>
2025	\$ 205,000	\$ 458,696	\$ 663,696
2026	235,000	427,763	662,763
2027	245,000	416,013	661,013
2028	255,000	403,763	658,763
2029	270,000	391,013	661,013
2030 - 2034	1,570,000	1,738,063	3,308,063
2035 - 2039	1,945,000	1,362,713	3,307,713
2040 - 2044	2,360,000	936,244	3,296,244
2045 - 2049	2,910,000	392,872	3,302,872
	<u>\$ 9,995,000</u>	<u>\$ 6,527,140</u>	<u>\$16,522,140</u>

Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated/amortized:				
Land	\$ 732,970	\$17,137,373	\$ -	\$17,870,343
Total capital assets not being depreciated/amortized	<u>732,970</u>	<u>17,137,373</u>	<u>-</u>	<u>17,870,343</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	4,072,315	438,375	-	4,510,690
Equipment and vehicles	2,903,714	124,936	-	3,028,650
Right-to-use lease assets	168,013	-	-	168,013
Total capital assets being depreciated/amortized	<u>7,144,042</u>	<u>563,311</u>	<u>-</u>	<u>7,707,353</u>

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 3     DETAILED NOTES ON FINANCIAL ACTIVITIES (cont'd)

<u>Governmental Activities:</u> (cont'd)	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Accumulated depreciation/ amortization:				
Buildings and improvements	1,511,684	87,965	-	1,599,649
Equipment and vehicles	2,542,778	127,809	-	2,670,587
Right-to-use lease assets	121,423	41,586	-	163,009
Total accumulated depreciation/ amortization	<u>4,175,885</u>	<u>257,360</u>	<u>-</u>	<u>4,433,245</u>
Total capital assets being depreciated/amortized, net	<u>2,968,157</u>	<u>305,951</u>	<u>-</u>	<u>3,274,108</u>
Governmental Activities, Net	<u>\$ 3,701,127</u>	<u>\$17,443,324</u>	<u>\$ -</u>	<u>\$21,144,451</u>

Fund Balance

As of December 31, 2024, fund balances are composed of the following:

	<u>General Fund</u>	<u>Liquid Fuels Fund</u>	<u>Open Space Fund</u>	<u>Highway Capital Fund</u>	<u>Municipal Complex Fund</u>	<u>Total Governmental Funds</u>
Restricted:						
Capital projects	\$ -	\$ -	\$ -	\$ -	\$2,489,715	\$ 2,489,715
Highways and streets	-	681,354	-	2,412,924	-	3,094,278
Open space	-	-	6,611,992	-	-	6,611,992
Unassigned	<u>5,848,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,848,782</u>
Total Fund Balances	<u>\$5,848,782</u>	<u>\$ 681,354</u>	<u>\$6,611,992</u>	<u>\$2,412,924</u>	<u>\$2,489,715</u>	<u>\$18,044,767</u>

NOTE 4     POLICE PENSION PLAN

Plan Administration

The Schuylkill Township Police Pension Plan ("the Plan") is a single employer defined benefit pension plan covering the full-time police officers. The Plan was established effective January 1, 1967 and was restated by Ordinance dated April 4, 2001, as amended. The Plan is governed by the Board of Township Supervisors. The Board of Township Supervisors has delegated the authority to manage Plan assets to CBIZ InR Advisory Services, LLC.

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 4     POLICE PENSION PLAN (cont'd)

Plan Membership

Plan membership as of December 31, 2024 consisted of the following:

Active plan members	12
Inactive plan members currently receiving benefits	<u>4</u>
Total	<u>16</u>

Eligibility Requirements and Benefit Provisions

Actuarial Valuation Report Form 205, filed with the Public Employee Retirement Study Commission and dated as of January 1, 2023, disclosed that the plan benefit provisions are as follows:

Members are eligible for normal retirement at age 50 with 25 years of service and are entitled to a monthly pension equal to 50% of the member's final 36 months of average compensation plus a service increment of an additional \$100 per month for the completion of 26 or more years of service up to a maximum of \$500 per month. A member becomes 100% vested in the benefit accrued after 12 or more years of service. Payments continue after the member's death to the surviving spouse, or eligible child, equal to 50% of the normal retirement benefit payable to the member at the time of death.

Members are eligible for early retirement after 20 years of service. The monthly early retirement pension benefit is equal to the actuarial equivalent of the benefit accrued to the early retirement date.

If a member continues working after the normal retirement date, the pension benefit does not start until the employee actually retires. The monthly late retirement pension benefit is equal to the actuarial equivalent of the benefit accrued to the late retirement date.

If a member is eligible for retirement at the time of death, a monthly death benefit is payable to his surviving spouse, or eligible child, equal to 50% of the monthly pension benefit the member would have been receiving had he been retired at the time of death.

An active member is eligible for a monthly disability benefit if the member is disabled in the line of duty. The disability pension is equal to the greater of 50% of last 36 months average applicable compensation or 50% of salary both offset by social security paid for the same injury.

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan pension payments and member/employer contributions are recognized in the period in which they are

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 4     POLICE PENSION PLAN (cont'd)

due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

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

Expenses

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

Contributions

Act 205 requires that annual contributions be based upon the minimum municipal obligation ("MMO"). The MMO is based upon the Plan's biennial actuarial valuation. In 2024, employees contributed 5% of eligible compensation into the Plan. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds the state contribution must be funded by the employer in accordance with Act 205.

***Deposits***

Custodial Credit Risk

The Plan does not have a formal deposit policy that addresses custodial credit risk or foreign currency risk; however, the Plan held no deposits that were exposed to custodial credit risk or foreign currency risk. As of December 31, 2024, the carrying amount of the Plan's bank balance was \$198,806, with the remaining \$244,093 of cash equivalents being held in money market funds.

***Investments***

The Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the Township Board of Supervisors and Pension Board. The objective of the investment strategy is to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due. The Plan's formal Investment Policy Statement which is revised periodically provides more comprehensive details on investment strategy and authorized investments.

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 4     POLICE PENSION PLAN (cont'd)

The long-term expected rate of return on the Plan's investments was determined using an asset allocation study conducted by the Plan's investment management consultant in December 2024 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best-estimates or arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2024 are listed in the table below.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equities	49.0%	5.60%
International equities	21.0%	5.60%
Fixed income	27.0%	2.60%
Cash	3.0%	<u>0.60%</u>
Total Net Blended Return		4.54%*
Long-term expected rate of return (including inflation)		6.94%

\* - Excludes 2.40% inflation assumption.

At December 31, 2024, the Plan had the following investments:

<u>Investment Type</u>	
Exchange-traded funds:	
Fixed income	\$ 3,223,030
International equity	2,419,257
Equity	<u>5,957,021</u>
Total Investments	<u><u>\$11,599,308</u></u>

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of December 31, 2024:

	<u>Total</u>	<u>Level 1</u>
Exchange-traded funds	<u>\$11,599,308</u>	<u>\$11,599,308</u>
	<u>\$11,599,308</u>	<u>\$11,599,308</u>

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 4 POLICE PENSION PLAN (cont'd)

Level 1 investments are valued based on unadjusted, quoted prices for identical assets in an active market.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan does not have a formal investment policy that addresses credit risk. The credit risk of a debt instrument as measured by a Nationally Recognized Statistical Rating Organization (Morningstar for bond mutual funds or Moody's for bonds and mortgages) is as follows:

<u>Fund Name</u>	<u>Balance</u>	<u>Quality</u>
Exchange traded bond fund	\$ 2,907,393	AA
Exchange traded bond fund	156,607	BBB
Exchange traded bond fund	159,030	B
Money market fund	<u>244,093</u>	Not Rated
 TOTAL	 <u><u>\$ 3,467,123</u></u>	

Money-weighted Rate of Return

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.81%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The net pension liability was measured as of December 31, 2024, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2023.

The components of net pension liability at December 31, 2024, were as follows:

Total pension liability	\$11,174,632
Plan fiduciary net position	<u>12,042,207</u>
 Net pension liability (asset)	 <u>\$ (867,575)</u>
Plan fiduciary net position as a percentage of the total pension liability	 107.8%



SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 4 POLICE PENSION PLAN (cont'd)

The changes in the net pension liability (asset) are as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2023	\$10,377,403	\$10,737,990	\$ (360,587)
Service cost	429,617	-	429,617
Interest	616,376	-	616,376
Contributions – Township and state aid	-	214,412	(214,412)
Contributions – member	-	80,451	(80,451)
Net investment gain	-	1,310,965	(1,310,965)
Benefit payments	(248,764)	(248,764)	-
Administrative expenses	-	(52,847)	52,847
Net Changes	797,229	1,304,217	(504,186)
Balance at December 31, 2024	\$11,174,632	\$12,042,207	\$ (867,575)

Discount Rate

The discount rate used to measure the total pension liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of 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 6.0%, 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 or one percentage point higher than the current rate:

	1% Decrease (5.0%)	Current Discount Rate (6.0%)	1% Increase (7.0%)
Plan's net pension liability (asset)	\$ 661,050	\$ (867,575)	\$ (2,127,134)

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 4 POLICE PENSION PLAN (cont'd)

Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2024, the Township recognized a pension expense of \$236,170. At December 31, 2024, the Township reported deferred outflows and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 7,152	\$ 556,917
Changes in assumptions	625,526	-
Difference between actual and projected investment returns	38,484	-
Total Deferred Outflows and Inflows	<u>\$ 671,162</u>	<u>\$ 556,917</u>

The deferred amounts related to the pension will be recognized in pension expense as follows:

Year Ended December 31,

2025	\$ (127,987)
2026	(241,606)
2027	329,304
2028	152,150
2029	1,192
Thereafter	1,192
	<u>\$ 114,245</u>

Actuarial Methods and Assumptions

An actuarial valuation of the total pension liability is performed biennially. The total pension liability was determined as part of an actuarial valuation at January 1, 2023. Update procedures were used to roll forward to the Plan's fiscal year ended December 31, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar
Remaining Amortization Period	N/A
Asset Valuation Method	5 year smoothing

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 4     POLICE PENSION PLAN (cont'd)

Assumptions:

Inflation	2.25%
Salary increases	5.50%
Investment rate of return	6.00%, net of pension plan investment expense, including inflation
Retirement Age	50

Mortality rates were based on the PUBS-2010 Mortality Tables projected to 2026 using Scale MP-2020.

NOTE 5     NON-UNIFORMED PENSION PLAN

Plan description and provisions

The Schuylkill Township Non-Uniformed Pension Plan ("the Plan") is a single employer defined benefit pension plan covering the full-time non-uniformed employees. The Plan was established by resolution effective January 1, 1981, as amended. The Plan is governed by the Board of Township Supervisors. The Board of Township Supervisors has delegated the authority to manage Plan assets to CBIZ-InR Advisory Services, LLC.

Plan Membership

Plan membership as of December 31, 2024 consisted of the following:

Active plan members	10
Inactive plan members currently receiving benefits	5
Inactive plan members entitled to but not yet receiving	<u>3</u>
Total	<u>18</u>

Eligibility Requirements and Benefit Provisions

Actuarial Valuation Report Form 205, filed with the Public Employee Retirement Study Commission and dated as of January 1, 2023, disclosed that the pension plan benefit provisions are as follows:

Members are eligible for normal retirement at age 62 with 10 years of service and are entitled to a monthly pension equal to 1.625% of the member's final average monthly compensation during the last three years of calendar years of employment plus a service increment of an

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 5     NON-UNIFORMED PENSION PLAN (cont'd)

additional \$100 per month for the completion of 26 or more years of service up to a maximum of \$500 per month. A member becomes 100% vested in the benefit accrued upon immediate participation.

Upon the death of an active vested member who is eligible for retirement on the date of death, but who is not retired, the surviving spouse or children under the age of 18 will be entitled to 50% of the accrued retirement benefit which the member would have been receiving at the time of death.

Members are not eligible for early retirement, and there is no disability benefit service.

Annual cost of living increases are limited to a maximum of 4% per year. The aggregate of the cost of living increase shall not exceed 30% of the initial benefit. Members' contributions are equal to 5%.

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan pension payments and member/employer contributions are recognized in the period in which they are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

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

Expenses

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

Contributions

Act 205 requires that annual contributions be based upon the minimum municipal obligation ("MMO"). The MMO is based upon the Plan's biennial actuarial valuation. In 2024, non-uniformed employees contributed 5% to the Plan. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds the state contribution must be funded by the employer in accordance with Act 205.

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 5     NON-UNIFORMED PENSION PLAN (cont'd)

***Deposits***

Custodial Credit Risk

The Plan does not have a formal deposit policy that addresses custodial credit risk or foreign currency risk; however, the Plan held no deposits that were exposed to custodial credit risk or foreign currency. As of December 31, 2024, the carrying amount of the Plan's bank balance was \$58,448, with the remaining \$74,489 of cash equivalents being held in money market funds.

***Investments***

The Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the Township Board of Supervisors and Pension Board. The objective of the investment strategy is to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due. The Plan's formal Investment Policy Statement, which is revised periodically, provides more comprehensive details on investment strategy and authorized investments.

The long-term expected rate of return on the Plan's investments was determined using an asset allocation study conducted by the Plan's investment management consultant in December 2024 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best-estimates or arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2024 are listed in the table below.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Domestic equities	49.0%	5.60%
International equities	21.0%	5.60%
Fixed income	27.0%	2.60%
Cash	3.0%	<u>0.60%</u>
Total net blended return		4.54%*
Long-term expected rate of return (including inflation)		6.94%

\* - Excludes 2.40% inflation assumption.

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 5     NON-UNIFORMED PENSION PLAN (cont'd)

As of December 31, 2024, the Plan had the following investments:

Investment Type

Exchange-traded funds:	
Fixed income	\$   989,641
International equity	745,871
Equity	<u>1,824,266</u>
 Total Investments	 <u><u>\$ 3,559,778</u></u>

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of December 31, 2024:

	<u>Total</u>	<u>Level 1</u>
Exchange-traded funds	<u>\$ 3,559,778</u>	<u>\$ 3,559,778</u>
	<u><u>\$ 3,559,778</u></u>	<u><u>\$ 3,559,778</u></u>

Level 1 investments are valued based on unadjusted, quoted prices for identical assets in an active market.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan does not have a formal investment policy that addresses credit risk. The credit risk of a debt instrument as measured by a Nationally Recognized Statistical Rating Organization (Morningstar for bond mutual funds or Moody's for bonds and mortgages) is as follows:

<u>Fund Name</u>	<u>Balance</u>	<u>Quality</u>
Exchange trade bond fund	\$   893,194	AA
Exchange trade bond fund	47,841	BBB
Exchange trade bond fund	48,606	B
Money market fund	<u>74,489</u>	Not Rated
 TOTAL	 <u><u>\$ 1,064,130</u></u>	

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 5     NON-UNIFORMED PENSION PLAN (cont'd)

Money-weighted Rate of Return

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.79%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The net pension liability was measured as of December 31, 2024, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2023.

The components of net pension liability at December 31, 2024, were as follows:

Total pension liability	\$ 3,384,161
Plan fiduciary net position	<u>3,692,715</u>
Net pension liability (asset)	<u>\$ (308,554)</u>
Plan fiduciary net position as a percentage of the total pension liability	109.1%

The changes in the net pension liability (asset) are as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2023	\$ 3,148,841	\$ 3,291,163	\$ (142,322)
Service cost	146,600	-	146,600
Interest	186,459	-	186,459
Contributions – state aid	-	76,348	(76,348)
Contributions – member	-	41,459	(41,459)
Net investment income	-	400,985	(400,985)
Benefit payments, including refunds of member contributions	(97,739)	(97,739)	-
Administrative expenses	-	(19,501)	19,501
Net Changes	<u>235,320</u>	<u>401,552</u>	<u>(166,232)</u>
Balance at December 31, 2024	<u>\$ 3,384,161</u>	<u>\$ 3,692,715</u>	<u>\$ (308,554)</u>

SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 5     NON-UNIFORMED PENSION PLAN (cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of 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 6.0%, 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 or one percentage point higher than the current rate:

	1% Decrease (5.0%)	Current Discount Rate (6.0%)	1% Increase (7.0%)
Net pension liability (asset)	\$ 92,784	\$ (308,554)	\$ (647,824)

Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2024, the Township recognized a pension expense of \$105,971. At December 31, 2024, the Township reported deferred outflows and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ 93,307
Changes in assumptions	189,317	-
Difference between actual and projected investment returns	9,499	-
Total Deferred Outflows and Inflows	<u>\$ 198,816</u>	<u>\$ 93,307</u>



SCHUYLKILL TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 5     NON-UNIFORMED PENSION PLAN (cont'd)

The deferred amounts related to the pension will be recognized in pension expense as follows:

Year Ended December 31,

2025	\$ (15,768)
2026	(51,642)
2027	115,946
2028	61,609
2029	(2,320)
Thereafter	<u>(2,316)</u>
	<u>\$ 105,509</u>

Actuarial Assumptions

An actuarial valuation of the total pension liability is performed biennially. The total pension liability as of December 31, 2024 was determined as part of an actuarial valuation at January 1, 2023. Update procedures were used to roll forward January 1, 2023 liabilities to the Plan's fiscal plan year ended December 31, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry age
Amortization Method	Level dollar
Remaining Amortization Period	N/A
Asset Valuation Method	5 year smoothing
Assumptions:	
Inflation	2.25%
Salary increases	5.50%
Investment rate of return	6.00%, net of pension plan investment expense, including inflation
Retirement Age	62

Mortality rates were based on the PUBS-2010 Mortality Table projected to 2026 using Scale MP-2020.

NOTE 6     SUBSEQUENT EVENTS

The Township has evaluated all subsequent events through September 2, 2025, the date the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**SCHUYLKILL TOWNSHIP**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET), RELATED RATIOS, AND INVESTMENT RETURNS -**  
**POLICE PENSION PLAN**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>TOTAL PENSION LIABILITY</b>										
Service cost	\$ 429,617	\$ 407,220	\$ 347,897	\$ 311,095	\$ 257,966	\$ 244,518	\$ 234,369	\$ 222,151	\$ 202,770	\$ 192,199
Interest on total pension liability	616,376	571,881	539,400	526,039	535,826	491,927	485,707	448,315	425,793	376,140
Differences between expected and actual experience	-	9,536	-	(863,130)	-	(501,409)	-	(192,473)	-	(217,028)
Changes of assumptions	-	-	-	1,251,053	-	-	-	17,844	-	123,701
Benefit payments	(248,764)	(226,944)	(484,035)	(122,667)	(121,693)	(123,853)	(156,072)	(140,949)	(162,179)	(175,356)
Net change in total pension liability	797,229	761,693	403,262	1,102,390	672,099	111,183	564,004	354,888	466,384	299,656
Total pension liability, beginning	10,377,403	9,615,710	9,212,448	8,110,058	7,437,959	7,326,776	6,762,772	6,407,884	5,941,500	5,641,844
Total pension liability, ending (a)	<u>\$ 11,174,632</u>	<u>\$ 10,377,403</u>	<u>\$ 9,615,710</u>	<u>\$ 9,212,448</u>	<u>\$ 8,110,058</u>	<u>\$ 7,437,959</u>	<u>\$ 7,326,776</u>	<u>\$ 6,762,772</u>	<u>\$ 6,407,884</u>	<u>\$ 5,941,500</u>
<b>FIDUCIARY NET POSITION</b>										
Contributions - employer	\$ 214,412	\$ 143,180	\$ 112,941	\$ 203,533	\$ 233,687	\$ 293,354	\$ 278,772	\$ 245,448	\$ 234,772	\$ 234,992
Contributions - member	80,451	79,571	72,761	63,199	61,756	57,188	64,948	63,274	58,763	67,150
Investment (loss) income net of investment expenses	1,310,965	1,532,775	(1,750,399)	1,261,094	1,280,935	1,421,654	(460,765)	980,270	431,540	(84,284)
Benefit payments	(248,764)	(226,944)	(484,035)	(122,667)	(121,693)	(123,853)	(156,072)	(140,949)	(162,179)	(175,356)
Administrative expenses	(52,847)	(11,200)	(5,000)	(8,400)	(4,700)	(8,300)	(4,400)	(7,800)	(4,400)	(7,400)
Net change in fiduciary net position	1,304,217	1,517,382	(2,053,732)	1,396,759	1,449,985	1,640,043	(277,517)	1,140,243	558,496	35,102
Fiduciary net position, beginning	10,737,990	9,220,608	11,274,340	9,877,581	8,427,596	6,787,553	7,065,070	5,924,827	5,366,331	5,331,229
Fiduciary net position, ending (b)	<u>\$ 12,042,207</u>	<u>\$ 10,737,990</u>	<u>\$ 9,220,608</u>	<u>\$ 11,274,340</u>	<u>\$ 9,877,581</u>	<u>\$ 8,427,596</u>	<u>\$ 6,787,553</u>	<u>\$ 7,065,070</u>	<u>\$ 5,924,827</u>	<u>\$ 5,366,331</u>
Net pension liability (asset) [(a) - (b)]	<u>\$ (867,575)</u>	<u>\$ (360,587)</u>	<u>\$ 395,102</u>	<u>\$ (2,061,892)</u>	<u>\$ (1,767,523)</u>	<u>\$ (989,637)</u>	<u>\$ 539,223</u>	<u>\$ (302,298)</u>	<u>\$ 483,057</u>	<u>\$ 575,169</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	107.8%	103.5%	95.9%	122.4%	121.8%	113.3%	92.6%	104.5%	92.5%	90.3%
Covered payroll	\$ 1,580,000	\$ 1,400,000	\$ 1,150,000	\$ 1,190,000	\$ 1,158,510	\$ 1,259,004	\$ 1,154,018	\$ 1,191,348	\$ 1,106,712	\$ 991,430
Net pension liability (asset) as a percentage of covered payroll	-54.9%	-25.8%	34.4%	-173.3%	-152.6%	-78.6%	46.7%	-25.4%	43.6%	58.0%
Annual money-weighted return, net of investment expenses	11.81%	16.70%	-15.97%	12.95%	15.34%	21.01%	-6.55%	16.46%	8.04%	-1.22%

**SCHUYLKILL TOWNSHIP**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET), RELATED RATIOS, AND INVESTMENT RETURNS -**  
**NON-UNIFORMED PENSION PLAN**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>TOTAL PENSION LIABILITY</b>										
Service cost	\$ 146,600	\$ 138,958	\$ 125,624	\$ 112,335	\$ 93,641	\$ 88,759	\$ 92,448	\$ 87,628	\$ 76,106	\$ 72,138
Interest on total pension liability	186,459	173,540	164,073	159,593	151,794	137,962	130,838	118,120	115,779	97,277
Differences between expected and actual experience	-	(18,559)	-	(116,825)	-	(83,900)	-	(148,578)	-	(10,097)
Changes of assumptions	-	-	-	378,634	-	-	-	6,020	-	44,083
Benefit payments, including refunds of member contributions	(97,739)	(96,838)	(129,845)	(40,007)	(29,093)	(38,916)	(28,914)	(28,874)	(25,941)	(23,865)
Net change in total pension liability	235,320	197,101	159,852	493,730	216,342	103,905	194,372	34,316	165,944	179,536
Total pension liability, beginning	3,148,841	2,951,740	2,791,888	2,298,158	2,081,816	1,977,911	1,783,539	1,749,223	1,583,279	1,403,743
Total pension liability, ending (a)	<u>\$ 3,384,161</u>	<u>\$ 3,148,841</u>	<u>\$ 2,951,740</u>	<u>\$ 2,791,888</u>	<u>\$ 2,298,158</u>	<u>\$ 2,081,816</u>	<u>\$ 1,977,911</u>	<u>\$ 1,783,539</u>	<u>\$ 1,749,223</u>	<u>\$ 1,583,279</u>
<b>FIDUCIARY NET POSITION</b>										
Contributions - employer	\$ 76,348	\$ 38,620	\$ 42,472	\$ 47,678	\$ 41,043	\$ 33,346	\$ 41,472	\$ 45,883	\$ 32,088	\$ 33,681
Contributions - member	41,459	34,778	35,278	38,013	35,612	32,205	30,808	33,840	30,012	17,016
Investment (loss) income net of investment expenses	400,985	472,026	(543,151)	391,686	392,025	442,587	(145,657)	309,846	137,768	(20,118)
Benefit payments, including refunds of member contributions	(97,739)	(96,838)	(129,845)	(40,007)	(29,093)	(38,916)	(28,914)	(28,874)	(25,941)	(23,865)
Administrative expenses	(19,501)	(9,600)	(4,900)	(8,300)	(4,600)	(8,200)	(5,800)	(7,700)	(4,300)	(7,300)
Net change in fiduciary net position	401,552	438,986	(600,146)	429,070	434,987	461,022	(108,091)	352,995	169,627	(586)
Fiduciary net position, beginning	3,291,163	2,852,177	3,452,323	3,023,253	2,588,266	2,127,244	2,235,335	1,882,340	1,712,713	1,713,299
Fiduciary net position, ending (b)	<u>\$ 3,692,715</u>	<u>\$ 3,291,163</u>	<u>\$ 2,852,177</u>	<u>\$ 3,452,323</u>	<u>\$ 3,023,253</u>	<u>\$ 2,588,266</u>	<u>\$ 2,127,244</u>	<u>\$ 2,235,335</u>	<u>\$ 1,882,340</u>	<u>\$ 1,712,713</u>
Net pension liability (asset) [(a) - (b)]	<u>\$ (308,554)</u>	<u>\$ (142,322)</u>	<u>\$ 99,563</u>	<u>\$ (660,435)</u>	<u>\$ (725,095)</u>	<u>\$ (506,450)</u>	<u>\$ (149,333)</u>	<u>\$ (451,796)</u>	<u>\$ (133,117)</u>	<u>\$ (129,434)</u>
Plan fiduciary net position as a percentage of the total pension liability	109.1%	104.5%	96.6%	123.7%	131.6%	124.3%	107.6%	125.3%	107.6%	108.2%
Covered payroll	\$ 700,000	\$ 730,000	\$ 700,000	\$ 720,000	\$ 645,608	\$ 574,342	\$ 658,986	\$ 619,034	\$ 499,958	\$ 430,332
Net pension liability (asset) as a percentage of covered payroll	-44.1%	-19.5%	14.2%	-91.7%	-112.3%	-88.2%	-22.7%	-73.0%	-26.6%	-30.1%
Annual money-weighted return, net of investment expenses	11.79%	-16.70%	-15.98%	12.87%	15.04%	20.88%	-6.52%	16.45%	8.07%	-1.21%

**SCHUYLKILL TOWNSHIP**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS - POLICE PENSION PLAN**

<u>Fiscal Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
2024	\$ 214,412	\$ 214,412	\$ -	\$ 1,580,000	13.57%
2023	143,180	143,180	-	1,400,000	10.23%
2022	94,105	112,941	(18,836)	1,150,000	9.82%
2021	203,533	203,533	-	1,190,000	17.10%
2020	233,327	233,687	(360)	1,158,510	20.17%
2019	293,354	293,354	-	1,259,004	23.30%
2018	278,772	278,772	-	1,154,018	24.16%
2017	245,448	245,448	-	1,191,348	20.60%
2016	234,772	234,772	-	1,106,712	21.21%
2015	234,992	234,992	-	991,430	23.70%

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**Actuarial Methods and Significant Assumptions**

Valuation date	January 1, 2023
Actuarial cost method	Entry Age
Amortization method	Level Dollar
Remaining amortization period	N/A
Asset valuation method	5 year smoothing
Actuarial assumptions:	
Investment rate of return	6.00%
Discount rate	6.00%
Salary increases	5.50%
Inflation	2.25%
Mortality	PUBS-2010 Mortality Tables projected to 2026 using Scale MP-2020

**SCHUYLKILL TOWNSHIP**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS - NON-UNIFORMED PENSION PLAN**

<u>Fiscal Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
2024	\$ 76,348	\$ 76,348	\$ -	\$ 700,000	10.91%
2023	38,620	38,620	-	730,000	5.29%
2022	35,389	42,472	(7,083)	700,000	6.07%
2021	47,678	47,678	-	720,000	6.62%
2020	41,043	41,043	-	645,608	6.36%
2019	33,346	33,346	-	574,342	5.81%
2018	41,472	41,472	-	658,986	6.29%
2017	45,079	45,883	(804)	619,034	7.41%
2016	32,088	32,088	-	499,958	6.42%
2015	33,681	33,681	-	430,332	7.83%

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**Actuarial Methods and Significant Assumptions**

Valuation date	January 1, 2023
Actuarial cost method	Entry Age
Amortization method	Level Dollar
Remaining amortization period	N/A
Asset valuation method	5 year smoothing
Actuarial assumptions:	
Investment rate of return	6.00%
Discount rate	6.00%
Salary increases	5.50%
Inflation	2.25%
Mortality	PUBS-2010 Mortality Tables projected to 2026 using scale MP-2020

## OTHER REPORT



INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

September 2, 2025

To the Board of Supervisors  
Schuylkill Township  
Phoenixville, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Schuylkill Township, Phoenixville, Pennsylvania ("the Township"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated September 2, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting ("internal control") as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



To the Board of Supervisors  
Schuylkill Township

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
BARBACANE, THORNTON & COMPANY LLP