

**SALISBURY TOWNSHIP**

**FINANCIAL REPORT**

**December 31, 2023**

**BUCKNO  
LISICKY**   
**& COMPANY**

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*A Professional Corporation*

**Certified Public Accountants | Business Consultants**

# **SALISBURY TOWNSHIP**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Supervisors of  
Salisbury Township

### **Opinions**

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

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

### **Basis for Opinions**

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

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

## **Required Supplementary Information**

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, 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. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

*Buckno Lisicky & Co PC*

Allentown, Pennsylvania  
May 29, 2024

## **BASIC FINANCIAL STATEMENTS**

**SALISBURY TOWNSHIP****Statement of Net Position****December 31, 2023**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,195,601	\$ 1,001,033	\$ 3,196,634
Investments	1,442,350	663,379	2,105,729
Taxes receivable	183,330	-	183,330
Accounts receivable, net	683,478	1,115,098	1,798,576
Internal balances	407,250	(407,250)	-
Prepaid expenses	135,001	21,077	156,078
Lease receivables	221,251	-	221,251
Capital assets, net	13,477,368	9,081,008	22,558,376
<b>TOTAL ASSETS</b>	<b>18,745,629</b>	<b>11,474,345</b>	<b>30,219,974</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows, pension (non-uniform)	2,799,749	-	2,799,749
Deferred outflows, pension (police)	627,286	-	627,286
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>3,427,035</b>	<b>-</b>	<b>3,427,035</b>
<b>LIABILITIES</b>			
Cash deficit	-	1,983,353	1,983,353
Accounts payable	150,507	675,423	825,930
Unearned revenues	11,434	-	11,434
Accrued wages	97,159	16,446	113,605
Net pension liability (non-uniform)	3,473,333	-	3,473,333
Net pension liability (police)	1,762,921	-	1,762,921
Compensated absences	340,419	32,226	372,645
Long-term debt	4,010,740	3,210,160	7,220,900
<b>TOTAL LIABILITIES</b>	<b>9,846,513</b>	<b>5,917,608</b>	<b>15,764,121</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows, pension (police)	268,240	-	268,240
Deferred inflows, leases	215,911	-	215,911
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>484,151</b>	<b>-</b>	<b>484,151</b>
<b>NET POSITION</b>			
Net investment in capital assets	9,466,628	9,081,008	18,547,636
Restricted	958,877	-	958,877
Unrestricted	1,416,495	(3,524,271)	(2,107,776)
<b>TOTAL NET POSITION</b>	<b>\$ 11,842,000</b>	<b>\$ 5,556,737</b>	<b>\$ 17,398,737</b>

See Notes to Financial Statements.

**SALISBURY TOWNSHIP**
**Statement of Activities**
**For the Year Ended December 31, 2023**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES						
General government	\$ 1,500,837	\$ 74,596	\$ -	\$ (1,426,241)	\$ -	\$ (1,426,241)
Public safety	5,118,544	526,858	165,317	(4,426,369)	-	(4,426,369)
Public works, highways and streets	3,349,045	-	890,684	(2,458,361)	-	(2,458,361)
Other public works enterprises	13,449	-	-	(13,449)	-	(13,449)
Culture and recreation	248,567	5,900	-	(242,667)	-	(242,667)
Community development	18,843	-	-	(18,843)	-	(18,843)
Interest on long-term debt	110,347	-	-	(110,347)	-	(110,347)
Insurance	273,030	-	-	(273,030)	-	(273,030)
Other operating expenditures	2,576	-	-	(2,576)	-	(2,576)
Refund of prior year revenues	19,796	-	-	(19,796)	-	(19,796)
TOTAL GOVERNMENTAL ACTIVITIES	10,655,034	607,354	1,056,001	(8,991,679)	-	(8,991,679)
BUSINESS-TYPE ACTIVITIES						
Sewer	2,103,674	2,190,834	-	-	87,160	87,160
Refuse	1,896,543	1,939,042	-	-	42,499	42,499
Water	2,455,858	2,297,401	-	-	(158,457)	(158,457)
TOTAL BUSINESS-TYPE ACTIVITIES	6,456,075	6,427,277	-	-	(28,798)	(28,798)
TOTAL	\$ 17,111,109	\$ 7,034,631	\$ 1,056,001	(8,991,679)	(28,798)	(9,020,477)
General Revenues:						
Taxes				8,232,076	-	8,232,076
Licenses and permits				216,532	-	216,532
Fines and forfeits				59,396	-	59,396
Federal and state revenue - unrestricted				638,408	-	638,408
Interest, rents and royalties				167,109	47,526	214,635
Contributions, donations and other				151,050	-	151,050
Miscellaneous income				243,561	17,649	261,210
Operating transfers				416,797	(416,797)	-
Gain on sale of capital assets				93,572	-	93,572
				10,218,501	(351,622)	9,866,879
INCREASE (DECREASE) IN NET POSITION				1,226,822	(380,420)	846,402
NET POSITION, BEGINNING, before restatement				10,895,389	5,937,157	16,832,546
Prior period adjustment				(280,211)	-	(280,211)
NET POSITION, BEGINNING, as restated				10,615,178	5,937,157	16,552,335
NET POSITION, ENDING				\$ 11,842,000	\$ 5,556,737	\$ 17,398,737



**SALISBURY TOWNSHIP****Balance Sheet****Governmental Funds****December 31, 2023**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,404,189	\$ 791,412	\$ -	\$ -	\$ 2,195,601
Investments	1,253,091	189,259	-	-	1,442,350
Taxes receivable	176,328	7,002	-	-	183,330
Accounts receivable	683,478	-	-	-	683,478
Due from other funds	557,250	-	-	-	557,250
Prepaid expenses	135,001	-	-	-	135,001
Lease receivable	221,251	-	-	-	221,251
<b>TOTAL ASSETS</b>	<b>\$ 4,430,588</b>	<b>\$ 987,673</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,418,261</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 115,982	\$ 28,796	\$ 5,729	\$ -	\$ 150,507
Accrued wages	97,159	-	-	-	97,159
Unearned revenues	11,434	-	-	-	11,434
Due to other funds	-	-	150,000	-	150,000
<b>TOTAL LIABILITIES</b>	<b>224,575</b>	<b>28,796</b>	<b>155,729</b>	<b>-</b>	<b>409,100</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred leases	215,911	-	-	-	215,911
Deferred taxes	93,715	-	-	-	93,715
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>309,626</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>309,626</b>
<b>FUND BALANCES</b>					
Nonspendable	135,001	-	-	-	135,001
Restricted for:					
Fire companies	-	424,493	-	-	424,493
Road and street improvements	-	157,425	-	-	157,425
Recreation improvements	-	314,610	-	-	314,610
Library	-	62,349	-	-	62,349
Unassigned (deficit)	3,761,386	-	(155,729)	-	3,605,657
<b>TOTAL FUND BALANCES</b>	<b>3,896,387</b>	<b>958,877</b>	<b>(155,729)</b>	<b>-</b>	<b>4,699,535</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 4,430,588</b>	<b>\$ 987,673</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,418,261</b>

**SALISBURY TOWNSHIP****Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
December 31, 2023**

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** **\$ 4,699,535**

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 as assets in governmental funds. The cost of assets and the accumulated depreciation are as follows:

Cost of assets	\$ 25,588,005	
Accumulated depreciation	<u>(12,110,637)</u>	
		13,477,368

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.

93,715

Deferred inflows and outflows of resources related to pensions are not reported in governmental funds

Deferred Outflows Related to Pensions - Non-uniform	2,799,749
Deferred Outflows Related to Pensions - Police	627,286
Deferred Inflows Related to Pensions - Police	(268,240)

Net pension liabilities are not recorded as a liability in the governmental funds; however, these items are reported as a liability in the government-wide financial statements

Net pension liability - Non-uniform	(3,473,333)	
Net pension liability - Police	<u>(1,762,921)</u>	
		(5,236,254)

Accrued vacation and other compensated absences not due within the next twelve months are recorded on the statement of net position

(340,419)

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds

(4,010,740)

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** **\$ 11,842,000**

**SALISBURY TOWNSHIP****Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds**  
**For the Year Ended December 31, 2023**

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Taxes	\$ 7,720,110	\$ 451,551	\$ -	\$ -	\$ 8,171,661
Licenses and permits	216,532	-	-	-	216,532
Fines and forfeits	59,395	-	-	-	59,395
Interest, rents and royalties	138,608	28,500	-	-	167,108
Intergovernmental	1,239,063	455,347	-	-	1,694,410
Charges for services	653,310	-	-	-	653,310
Miscellaneous	151,050	-	-	-	151,050
<b>TOTAL REVENUE</b>	<b>10,178,068</b>	<b>935,398</b>	<b>-</b>	<b>-</b>	<b>11,113,466</b>
<b>EXPENDITURES</b>					
General government	1,620,048	-	2,255,167	-	3,875,215
Public safety	4,647,529	254,582	341,542	-	5,243,653
Public works, highways and streets	2,772,862	665,485	656,013	-	4,094,360
Other public works enterprises	13,449	-	-	-	13,449
Culture and recreation	150,088	86,000	39,483	-	275,571
Community development	18,843	-	-	-	18,843
Debt service	-	-	-	293,067	293,067
Insurance	252,358	20,672	-	-	273,030
Other operating expenditures	2,042	534	-	-	2,576
<b>TOTAL EXPENDITURES</b>	<b>9,477,219</b>	<b>1,027,273</b>	<b>3,292,205</b>	<b>293,067</b>	<b>14,089,764</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>700,849</b>	<b>(91,875)</b>	<b>(3,292,205)</b>	<b>(293,067)</b>	<b>(2,976,298)</b>
<b>OTHER FINANCING SOURCES/(USES)</b>					
Operating transfers in	416,797	-	3,741,399	293,067	4,451,263
Operating transfers out	(3,640,963)	(100,436)	(293,067)	-	(4,034,466)
Proceeds from sale of capital assets	104,255	-	-	-	104,255
Refund of prior year revenues	(16,949)	(2,847)	-	-	(19,796)
Refund of prior year expenditures	197,607	-	-	-	197,607
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>(2,939,253)</b>	<b>(103,283)</b>	<b>3,448,332</b>	<b>293,067</b>	<b>698,863</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,238,404)</b>	<b>(195,158)</b>	<b>156,127</b>	<b>-</b>	<b>(2,277,435)</b>
FUND BALANCE, beginning, before restatement	6,164,988	1,154,035	(311,856)	-	7,007,167
Prior period adjustment	(30,197)	-	-	-	(30,197)
FUND BALANCE, beginning, restated	6,134,791	1,154,035	(311,856)	-	6,976,970
<b>FUND BALANCE, ending</b>	<b>\$ 3,896,387</b>	<b>\$ 958,877</b>	<b>\$ (155,729)</b>	<b>\$ -</b>	<b>\$ 4,699,535</b>

See Notes to Financial Statements.

**SALISBURY TOWNSHIP****Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund****Balance to Statement of Activities****For the Year Ended December 31, 2023****TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** **\$ (2,277,435)**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the period.

Depreciation expense	\$ (666,454)	
Disposals, net	(10,683)	
Capital outlays	<u>3,129,843</u>	2,452,706

Because some taxes and subsidies will not be collected for several months after after the District's fiscal year end, they are not considered as "available" revenues in the governmental funds. These taxes and subsidies increased by this amount this year. 60,414

Change in accrued vacation and other compensated absences not due within the next twelve months in the statement of activities. (54,463)

Repayment of bonds payable is an expenditure in the governmental funds, but the repayment reduced bonds payable in the statement of net position. 182,720

The difference between current year pension expense reported on the government activities column of the government-wide financial statements and the pension contributions made this past year reported as expenditures in the governmental funds.

Non-uniform pension	843,616	
Police pension	<u>19,264</u>	862,880

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 1,226,822**

**SALISBURY TOWNSHIP****Statement of Net Position****Proprietary Funds****December 31, 2023**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Refuse Fund</u>	<u>Total</u>
<b>ASSETS</b>				
CURRENT ASSETS				
Cash and cash equivalents	\$ 120,152	\$ 709,972	\$ 170,909	\$ 1,001,033
Investments	275,539	387,840	-	663,379
Accounts receivable, net	485,924	559,140	70,034	1,115,098
Prepaid expenses	9,925	9,925	1,227	21,077
TOTAL CURRENT ASSETS	<u>891,540</u>	<u>1,666,877</u>	<u>242,170</u>	<u>2,800,587</u>
CAPITAL ASSETS				
Utility collection system	7,736,746	11,350,484	-	19,087,230
Vehicles and equipment	606,481	674,913	-	1,281,394
	8,343,227	12,025,397	-	20,368,624
Less: accumulated depreciation	(2,684,851)	(8,602,765)	-	(11,287,616)
TOTAL CAPITAL ASSETS, NET	<u>5,658,376</u>	<u>3,422,632</u>	<u>-</u>	<u>9,081,008</u>
<b>TOTAL ASSETS</b>	<b><u>6,549,916</u></b>	<b><u>5,089,509</u></b>	<b><u>242,170</u></b>	<b><u>11,881,595</u></b>
<b>LIABILITIES</b>				
CURRENT LIABILITIES				
Cash deficit	1,983,353	-	-	1,983,353
Accounts payable	192,799	331,460	151,164	675,423
Accrued wages	7,875	7,875	696	16,446
Due to other funds	291,000	116,250	-	407,250
Current maturities of long-term debt	226,865	58,155	-	285,020
TOTAL CURRENT LIABILITIES	<u>2,701,892</u>	<u>513,740</u>	<u>151,860</u>	<u>3,367,492</u>
NONCURRENT LIABILITIES				
Compensated absences	14,603	14,603	3,020	32,226
Long-term debt, less current portion	2,370,230	554,910	-	2,925,140
TOTAL NONCURRENT LIABILITIES	<u>2,384,833</u>	<u>569,513</u>	<u>3,020</u>	<u>2,957,366</u>
<b>TOTAL LIABILITIES</b>	<b><u>5,086,725</u></b>	<b><u>1,083,253</u></b>	<b><u>154,880</u></b>	<b><u>6,324,858</u></b>
<b>NET POSITION</b>				
Net investment in capital assets	3,061,281	2,809,567	-	5,870,848
Unrestricted	(1,598,090)	1,196,689	87,290	(314,111)
<b>TOTAL NET POSITION</b>	<b><u>\$ 1,463,191</u></b>	<b><u>\$ 4,006,256</u></b>	<b><u>\$ 87,290</u></b>	<b><u>\$ 5,556,737</u></b>

See Notes to Financial Statements.

**SALISBURY TOWNSHIP****Statement of Revenues, Expenses, and Change in Net Position****Proprietary Funds****For the Year Ended December 31, 2023**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Refuse Fund</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services	\$ 2,295,681	\$ 2,190,834	\$ 1,939,042	\$ 6,425,557
Other operating revenue	1,720	-	-	1,720
TOTAL OPERATING REVENUE	<u>2,297,401</u>	<u>2,190,834</u>	<u>1,939,042</u>	<u>6,427,277</u>
OPERATING EXPENSES				
Administration	32,309	19,207	15,451	66,967
Salaries and wages	336,071	335,682	51,155	722,908
Employee benefits	262,758	262,735	17,900	543,393
Treatment expenses	1,407,169	1,057,246	-	2,464,415
Depreciation	162,573	212,215	-	374,788
Contracted services	40,229	79,416	1,792,924	1,912,569
Fuel and utilities	18,104	10,354	19	28,477
Repairs and maintenance	49,231	41,652	5,827	96,710
Insurance expense	10,354	46,689	13,267	70,310
Supplies expense	61,769	21,431	-	83,200
TOTAL OPERATING EXPENSES	<u>2,380,567</u>	<u>2,086,627</u>	<u>1,896,543</u>	<u>6,363,737</u>
<b>OPERATING INCOME (LOSS)</b>	<b><u>(83,166)</u></b>	<b><u>104,207</u></b>	<b><u>42,499</u></b>	<b><u>63,540</u></b>
NONOPERATING REVENUES (EXPENSES)				
Interest earnings	15,208	28,742	3,576	47,526
Tapping fees	10,699	6,950	-	17,649
Interest expense	(75,291)	(17,047)	-	(92,338)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(49,384)</u>	<u>18,645</u>	<u>3,576</u>	<u>(27,163)</u>
INCOME (LOSS) BEFORE TRANSFERS	(132,550)	122,852	46,075	36,377
OPERATING TRANSFERS OUT	<u>(162,165)</u>	<u>(162,165)</u>	<u>(92,467)</u>	<u>(416,797)</u>
<b>CHANGE IN NET POSITION</b>	<b><u>(294,715)</u></b>	<b><u>(39,313)</u></b>	<b><u>(46,392)</u></b>	<b><u>(380,420)</u></b>
NET POSITION, beginning	1,757,906	4,045,569	133,682	5,937,157
<b>NET POSITION, ending</b>	<b><u>\$ 1,463,191</u></b>	<b><u>\$ 4,006,256</u></b>	<b><u>\$ 87,290</u></b>	<b><u>\$ 5,556,737</u></b>

See Notes to Financial Statements.

**SALISBURY TOWNSHIP****Statement of Cash Flows****Proprietary Funds****For the Year Ended December 31, 2023**

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Refuse Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 2,175,760	\$ 2,118,643	\$ 1,958,545	\$ 6,252,948
Payments to employees	(594,207)	(593,795)	(70,755)	(1,258,757)
Payments to suppliers	(1,647,508)	(1,287,259)	(1,819,984)	(4,754,751)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(65,955)	237,589	67,806	239,440
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfer (to) from other funds	(162,165)	(162,165)	(92,467)	(416,797)
NET CASH PROVIDED USED IN NON-CAPITAL FINANCING ACTIVITIES	(162,165)	(162,165)	(92,467)	(416,797)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(247,266)	(176,649)	-	(423,915)
Tapping fees	10,699	6,950	-	17,649
Principal payments on long-term debt	(213,985)	(57,495)	-	(271,480)
Cash paid for interest	(75,291)	(17,047)	-	(92,338)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(525,843)	(244,241)	-	(770,084)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(12,966)	(18,251)	-	(31,217)
Proceeds from sale of investments	91,800	129,214	-	221,014
Earnings on investments	15,208	28,742	3,576	47,526
NET CASH PROVIDED BY INVESTING ACTIVITIES	94,042	139,705	3,576	237,323
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(659,921)</b>	<b>(29,112)</b>	<b>(21,085)</b>	<b>(710,118)</b>
<b>CASH AND CASH EQUIVALENTS</b>				
Beginning	(1,203,280)	739,084	191,994	(272,202)
Ending	<u>\$ (1,863,201)</u>	<u>\$ 709,972</u>	<u>\$ 170,909</u>	<u>\$ (982,320)</u>
<b>Reconciliation:</b>				
Cash and cash equivalents	\$ 120,152	\$ 709,972	\$ 170,909	\$ 1,001,033
Cash deficit	(1,983,353)	-	-	(1,983,353)
	<u>\$ (1,863,201)</u>	<u>\$ 709,972</u>	<u>\$ 170,909</u>	<u>\$ (982,320)</u>

See Notes to Financial Statements.

**SALISBURY TOWNSHIP****Statement of Cash Flows****Proprietary Funds****For the Year Ended December 31, 2023**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Refuse Fund</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ (83,166)	\$ 104,207	\$ 42,499	\$ 63,540
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	162,573	212,215	-	374,788
(Increase) decrease in assets:				
Accounts receivable	(121,641)	(72,191)	19,503	(174,329)
Prepaid expenses	6,050	(4,600)	(1,227)	223
Increase (decrease) in liabilities:				
Accounts payable	(34,393)	(6,664)	8,731	(32,326)
Accrued wages	1,982	1,982	(225)	3,739
Compensated absences	2,640	2,640	(1,475)	3,805
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (65,955)</u>	<u>\$ 237,589</u>	<u>\$ 67,806</u>	<u>\$ 239,440</u>



**SALISBURY TOWNSHIP****Statement of Fiduciary Net Position****Fiduciary Funds****December 31, 2023**

	<b>Pension Trust Fund</b>	<b>Escrow Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 212,487	\$ 212,487
Investments, at fair value	8,246,525	-	8,246,525
Accrued interest receivable	21,458	-	21,458
<b>TOTAL ASSETS</b>	<b>\$ 8,267,983</b>	<b>\$ 212,487</b>	<b>\$ 8,480,470</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>LIABILITIES</b>			
Escrow deposits	\$ -	\$ 207,069	\$ 207,069
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>207,069</b>	<b>207,069</b>
<b>NET POSITION</b>			
Non-refundable interest earnings	-	5,418	5,418
Held in trust for pension benefits	8,267,983	-	8,267,983
<b>TOTAL NET POSITION</b>	<b>\$ 8,267,983</b>	<b>\$ 5,418</b>	<b>\$ 8,273,401</b>

See Notes to Financial Statements.

**SALISBURY TOWNSHIP****Statement of Changes in Fiduciary Net Position****Fiduciary Funds****For the Year Ended December 31, 2023**

	<b>Pension Trust Fund</b>	<b>Escrow Fund</b>	<b>Total</b>
ADDITIONS:			
Contributions:			
State aid	\$ 221,460	\$ -	\$ 221,460
Employer contributions	256,685	-	256,685
Employee contributions	48,381	-	48,381
Investment income, net of fees	999,660	4,605	1,004,265
<b>TOTAL ADDITIONS</b>	<b>1,526,186</b>	<b>4,605</b>	<b>1,530,791</b>
DEDUCTIONS:			
Benefits paid	388,492	-	388,492
Administration expenses	6,751	-	6,751
<b>TOTAL DEDUCTIONS</b>	<b>395,243</b>	<b>-</b>	<b>395,243</b>
<b>CHANGE IN NET POSITION</b>	<b>1,130,943</b>	<b>4,605</b>	<b>1,135,548</b>
NET POSITION, beginning	7,137,040	813	7,137,853
<b>NET POSITION, ending</b>	<b>\$ 8,267,983</b>	<b>\$ 5,418</b>	<b>\$ 8,273,401</b>

See Notes to Financial Statements.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Salisbury Township (the Township), located in Pennsylvania, 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. The Township operates under the Second Class Township Code, providing services as authorized by the code: Public Safety (Police and Fire), Highway and Streets, Sanitation, Health and Social Services, Recreation, Public Improvements, Planning and Zoning and General Administrative Services.

**Financial Reporting Entity**

Financial accountability is defined in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*. The Township is financially accountable for legally separate organizations if it appoints a voting majority of the organization's board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Township. The Township also may be financially accountable if an organization is fiscally dependent on the Township regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board.

Based on the aforementioned criteria, the Township does not have any component units to report.

**Basis of Presentation**

**Government-wide Financial Statements**

The statement of net position and the statement of activities display information about the Township as a whole. These statements distinguish between activities that are governmental and those that are considered business-type. These statements exclude fiduciary activities such as Pension and Custodial Funds.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting as further defined under Proprietary Funds below. This is the same approach used in the preparation of the Proprietary Funds financial statements but differs from the manner in which Governmental Funds financial statements are prepared. Therefore, Governmental Funds financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the statements of Governmental Funds.

The government-wide statement of activities presents a comparison between expenses and program revenues for each different identifiable activity of the business-type activities of the Township and for each governmental program. Expenses are those that are specifically associated with a service or program, and therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods

or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues, which are not classified as program revenues, are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each function is self-financing or draws from the general revenues of the Township.

Internal activity is limited to interfund transfers, which are eliminated to avoid doubling up revenues and expenses. Net position is reported as restricted when constraints placed on net position 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. The net position restricted for other purposes results from Special Revenue Funds and the restrictions on their net position use.

### **Governmental Funds**

All Governmental Funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. Major Governmental Funds of the Township include the General Fund, the Special Revenue Fund, the Capital Projects Fund, and Debt Service Fund. Details of what makes up these governmental funds can be found in the supplementary section starting as referenced in the table of contents.

### **Revenue Recognition**

In applying the susceptible to accrual concept under the modified accrual basis, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers property and earned income tax revenue to be available if collected within 60 days of the end of the fiscal period.

Revenues for state and federally funded projects are recognized at the time all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Township must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Township on a reimbursement basis.

Property tax and earned income tax receivables collected after 60 days from year-end, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property and earned income tax receivables are recorded and deferred until they become available.

Other revenues, including certain other charges for services and miscellaneous revenues, are recorded as revenues when received in cash because they generally are not measurable until actually received.

### **Expenditure Recognition**

The measurement focus of Governmental Funds accounting relates to decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which has not matured, are recognized when paid. Further, as provided in GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, certain Governmental Funds liabilities and expenditures, such as compensated absences, are recognized to the extent the liabilities mature (come due for payment) each period. Allocations of costs, such as depreciation and amortization, are not recognized in the Governmental Funds.

### **Fund Financial Statements**

Fund financial statements report detailed information about the Township. The focus of Governmental and Enterprise Funds financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The three Governmental Funds are each presented in a single column on the Governmental Fund financial statements. Fiduciary Funds financial statements are presented by fund type.

The Township reports the following major Governmental Funds:

- The *General Fund* is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Special Revenue Fund* is used to account for the proceeds of specific revenue (other than special assessments or major capital projects) that are legally restricted to expenditures for specified purposes provided these revenue sources provide a "substantial" amount (defined as 50% or more) of the funding accounted for in the special revenue fund. The Township's special revenue fund includes the following:
  - The *Fire Protection Fund* is used to provide funding of firefighter's gratuity which is annually distributed to the Township's two volunteer fire companies.
  - The *Library Fund* is used to provide funding for the Township's Library.
  - The *Highway Aid Fund* is used to account for the revenues and expenditures funded by the Pennsylvania Department of Transportation to aid in certain costs associated with the Township's roadways.
  - The *Recreation Contribution Fund* is used account for contributions from developers that are to be used only for recreation improvements.

- The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and fiduciary funds). The Township's capital projects fund includes the following:
  - The *General Capital Fund* is used to account for financial resources to be used for the acquisition of capital equipment and improvements relating to the Township.
  - The *Fire Capital Fund* is used to help purchase fire equipment and vehicles for the Township's two volunteer fire companies.
- The *Debt Service Fund* is used to account for resource accumulation and payment of general long-term debt principal and interest.

### **Proprietary Funds**

Proprietary Funds are accounted for using the accrual basis of accounting. These funds account for operations financed primarily by user charges. The economic resource focus concerns determining costs as a means of maintaining capital investment and management control. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Allocations of certain costs, such as depreciation, are recorded in the Proprietary Funds.

These funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Proprietary Funds' principal ongoing operations. Operating expenses for the Township's Proprietary Funds include sewer disposal, water costs and testing, refuse and recycling collection and disposal, salaries, supplies and administrative costs and depreciation. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Township reports the following Proprietary Funds:

- The *Sewer Fund* accumulates resources necessary for the operation of the sewage collection system.
- The *Water Fund* accumulates resources necessary for the operation of the water system.
- The *Refuse Fund* accumulates resources necessary for the collection and disposal of refuse and recycling within the Township.

### **Fiduciary Funds**

#### **Trust and Custodial Funds**

Trust and Custodial Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments and other funds. The Township reports the following Trust and

Custodial funds:

- The *Pension Trust Fund* is used to account for financial resources restricted for retirement benefits of the Township sponsored police retirement pension plan. The Pension Trust Fund uses the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due in accordance with Act 205, as amended. Benefits are recognized when due and payable in accordance with the terms of the plan. The non-uniformed pension plan is not included in the Pension Trust Fund financial statements because the plan assets are maintained and held in the name of the Commonwealth of Pennsylvania.
- The *Escrow Fund* is a custodial fund and is used to account for financial resources held by the Township on a purely custodial basis. Assets in the Escrow Fund equal liabilities less non-refundable interest earnings.

**Budgets and Budgetary Accounting**

The Township is required by state law to adopt annual budgets for the General Fund. The budget is presented on the modified accrual basis of accounting, which is consistent with GAAP. All budget amounts included in the required supplementary information are as originally adopted or as amended by the Board of Commissioners. Appropriations not expended laps at the end of each fiscal year. The Township uses traditional, program and performance budgeting methods to develop the operating budget, which includes proposed expenditures and the means to finance them. Once adopted, the budget is not revised or amended.

**Cash and Cash Equivalents**

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.

**Investments**

With the exception of Pension Trust Funds, statutes authorize the Township to invest in: (1) U.S. Treasury Bills, (2) short-term obligations of the U.S. Government or its agencies or instrumentalities, (3) insured savings and checking accounts and certificates of deposit in bank, savings and loan associations, and credit unions, (4) general obligation bonds of the federal government, the Commonwealth of Pennsylvania or any state agency, or any Pennsylvania political subdivision, (5) shares of mutual funds, whose investments are restricted to the above categories.

Investments of pension trust funds are pursuant to the guidelines established by the Pension Board.

The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near-term and that such changes could materially affect the amounts reported in the statement of financial position.

### **Transactions Between Funds**

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

### **Use of Estimates**

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

### **Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Township defines capital assets as assets with an initial individual cost equal to or greater than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed, inclusive of ancillary costs.

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

	<b>Years</b>
Building and improvements	5-40
Infrastructure	20-40
Sewer and water systems	40
Vehicles	5
Machinery and equipment	5-25

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section



for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Township has one item that qualifies for reporting in this category. The deferred outflow of resources related to pensions is reported in the government-wide statement of net position and is the result of changes in plan assumptions, the net difference between projected and actual earnings on pension plan investments, the differences between expected and actual experience of the pension plan, and any contributions subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Township has two items that qualify for reporting in this category. The deferred inflow of resources related to pensions is the result of changes in plan assumptions, the net difference between projected and actual earnings on pension plan investments, and the differences between expected and actual experience of the pension plan. The deferred inflow of resources related to pensions is reported in the government-wide statement of net position. In addition, the deferred inflows of resources related to lease receivables is reported in the Governmental Funds balance sheet and the government-wide statement of net position and is the result of the adoption of GASB Statement No. 87, Leases.

### **Net Position Flow Assumption**

Sometimes the Township will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and Proprietary Fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

### **Internal Balances**

Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities (if any) columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.

### **Cash Deficit**

The Township's main operating bank account is utilized to record the activity of governmental and business-type activities and the cash and related activity is allocated to the proper fund. This is shown as cash deficit and has resulted in a negative cash balance for several funds

### **Fund Balances/Net Position**

This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the Township's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- **Nonspendable Fund Balances** - Amounts that are not in spendable form (such as inventory and prepaid expenses) or are required to be maintained intact.
- **Restricted Fund Balances** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government) through constitutional provisions or by enabling legislation.
- **Committed Fund Balances** - Amounts constrained to specific purposes by the Township itself, using its highest level of decision-making authority (the Township Board of Supervisors). To be reported as committed, amounts cannot be used for any other purpose unless the Township takes the same highest level action to remove or change the constraint.
- **Assigned Fund Balances** - Amounts the Township intends to use for a specific purpose. Intent can be expressed by Township Board of Supervisors or by an official or body to which the Township Board of Supervisors delegates the authority. The Board has not delegated the authority to assign fund balances as of December 31, 2023.
- **Unassigned Fund Balances** - Amounts available for any purpose. Positive amounts are reported only in the General Fund.

The Township Board of Supervisors establishes (modifies or rescinds) fund balance commitments by passage of a resolution. Assigned fund balances are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed.

The Township will typically use restricted fund balances first, followed by committed resources and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**Deficit Fund Balances** - The General Capital Fund and Fire Capital Fund in the Capital Projects Fund have a net deficit balance at December 31, 2023 and results from the Township not funding 100% of the operating deficits of these funds in the current or past years. These deficit funds will be funded in future by operating subsidy payments.

### **Leases**

Under GASB Statement No. 87, the Township is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Township's lease receivable is measured at the present value of lease payments expected to be received during the lease term.

## **SALISBURY TOWNSHIP**

### **Notes to the Financial Statements**

**December 31, 2023**

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A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

#### **NOTE 2. TAXES**

For 2023, tax was levied on the assessed value of real estate at a total of 2.92 mills.

The taxable assessed valuation of property as of January 1, 2023 was \$1,322,388,600.

The real estate tax collection calendar is as follows:

Initial billing	May 1
Discount period	May 1 to May 31
Face period	June 1 to July 31
Penalty period	August 1 to December 31
Lien date	January 1

Delinquent real estate taxes receivable at December 31, 2023 were approximately \$93,715. The Township has not set an allowance for doubtful accounts for delinquent taxes receivables.

Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within the fiscal year and are distributed within 60 days after the fiscal year-end. The amounts that are not received by the Township within 60 days is recorded as deferred revenue in the fund financial statements. The balance recorded as deferred revenue at December 31, 2023 related to real estate taxes is \$93,715. Also included in taxes receivable are property taxes and transfer taxes collected in December by the tax collector remitted in January.

#### **NOTE 3. DEPOSITS AND INVESTMENTS**

##### **Deposits**

##### **Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk on deposits. The Township is required by statute to deposit funds in depositories that are either banks, banking institutions or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral obligations of the United States, the Commonwealth of Pennsylvania or any political subdivision of the Commonwealth. Under Act 72 of 1971, as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit.

**SALISBURY TOWNSHIP****Notes to the Financial Statements****December 31, 2023**

At December 31, 2023, the carrying amount of the Township's deposits was \$1,425,769 and the bank balance was \$1,830,166. Of the bank balance, \$250,100 was covered by federal depository insurance, \$1,580,066 was collateralized under Act 72.

**Investments**

The Township holds excess operating cash in investment portfolios structured to secure adequate ongoing operating funds while optimizing earnings and minimizing risk on funds earmarked for long-term purposes.

The overall investment objective is to preserve principal cash balance, maintain appropriate liquidity for current use and conservatively optimize earnings on excess cash.

As of December 31, 2023, the Township had the following investments and maturities:

Investment Type	Investment Maturities (in Years)			
	Less Than 1 Year	1-5 Years	6-10 Years	Over 10 years
PNC Bank:				
Money Market	\$ 409,019	\$ -	\$ -	\$ -
Corporate Bond	49,755	-	-	-
Exchange-Traded Funds	2,635,395	-	-	-
Mutual Funds	5,152,357	-	-	-
M&T Bank:				
Government Bond Mutal Funds	2,105,729	-	-	-
	<u>\$ 10,352,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The corporate bond was rated Aa2 by Moody's.

The investments were reported in the following funds:

**SALISBURY TOWNSHIP****Notes to the Financial Statements  
December 31, 2023**

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Governmental Activities:	
General Fund	\$ 1,253,091
Special Revenue Funds	<u>189,260</u>
	<u>1,442,351</u>
Enterprise Funds:	
Water Fund	275,539
Sewer Fund	<u>387,840</u>
	<u>663,379</u>
Fiduciary Funds:	
Police Pension Trust Fund	<u>8,246,525</u>
	<u>8,246,525</u>
Total	<u>\$ 10,352,255</u>

**Fair Value Measurement**

Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the financial statement measurement date. The fair value hierarchy prioritizes the inputs valuation methods into three levels (Levels 1, 2 and 3).

Level 1 - Observable, quoted prices for identical assets or liabilities in active markets.

Level 2 - Quoted prices in inactive markets, whose values are based on models, but the inputs to those models are observable either directly or indirectly for the whole term of the asset or liability.

Level 3 - Valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs (Level 3). If the fair value of an asset or liability (Level 1) measured are categorized from different levels of the fair value hierarchy, the measurement is categorized in the lowest level input that is significant to the entire measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value:

All of the following were classified in Level 1 of the hierarchy as they are valued using prices quoted in active markets: Money market, exchange-traded and mutual funds.

Corporate bonds were classified as Level 2. There were no Level 3 investments as of December 31, 2023.

**SALISBURY TOWNSHIP****Notes to the Financial Statements****December 31, 2023**

The following tables summarize the Township's investments measured by the hierarchy levels as of December 31, 2023:

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
PNC Bank:				
Money Market	\$ 409,019	\$ 409,019	\$ -	\$ -
Corporate Bond	49,755	-	49,755	-
Exchange-Traded Funds	2,635,395	2,635,395	-	-
Mutual Funds	5,152,357	5,152,357	-	-
M&T Bank				
Government Bond Mutual Funds	2,105,729	2,105,729	-	-
	<u>\$ 10,352,255</u>	<u>\$ 10,302,500</u>	<u>\$ 49,755</u>	<u>\$ -</u>

**Interest Rate Risk**

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The Township's investment policy does not further limit its investment choices.

**NOTE 4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The balance of short-term interfund receivables and payables at December 31, 2023 are as follows:

**SALISBURY TOWNSHIP****Notes to the Financial Statements  
December 31, 2023**

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 557,250	\$ -
Capital Project Fund:		
Fire Capital Fund	-	150,000
Enterprise Funds:		
Water Fund	-	291,000
Sewer Fund	-	116,250
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 557,250</u>	<u>\$ 557,250</u>

Interfund balances between the General and other funds arise when expenses are paid from the General Fund and are not reimbursed from the other funds prior to year-end. Interfund transfers at December 31, 2023, are as follows:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ 416,797	\$ 3,640,963
Special Revenue Fund:		
Fire Protection Fund	-	100,436
Capital Project Fund:		
General Capital Fund	3,640,963	293,067
Fire Capital Fund	100,436	-
Enterprise Funds:		
Water Fund	-	162,165
Sewer Fund	-	162,165
Refuse Fund	-	92,467
Debt Service Fund	293,067	-
	<u>                    </u>	<u>                    </u>
	<u>\$ 4,451,263</u>	<u>\$ 4,451,263</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts to pay for general obligations in general activities and (3) use unrestricted revenues collected in the Sewer, Water and Refuse Funds to finance various programs/reimburse expenses accounted for in the General Fund in accordance with budgetary authorizations.

**NOTE 5. CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2023 was as follows:

**SALISBURY TOWNSHIP****Notes to the Financial Statements  
December 31, 2023**

	Balance Jan 1, 2023	Additions	Transfers/ Deletions	Balance Dec 31, 2023
<b>Government Activities</b>				
Capital assets, non-depreciable:				
Land	\$ 6,529,601	\$ 1,970,223	\$ -	\$ 8,499,824
Construction in progress	247,990	151,061	(278,106)	120,945
	<u>6,777,591</u>	<u>2,121,284</u>	<u>(278,106)</u>	<u>8,620,769</u>
Capital assets, depreciable:				
Land improvements	1,516,670	70,600	-	1,587,270
Buildings and improvements	9,218,269	276,878	-	9,495,147
Machinery, equipment and vehicles	5,166,219	939,187	(220,587)	5,884,819
	<u>15,901,158</u>	<u>1,286,665</u>	<u>(220,587)</u>	<u>16,967,236</u>
Less accumulated depreciation:				
Land improvements	(553,127)	(32,311)		(585,438)
Buildings and improvements	(7,421,072)	(74,001)	-	(7,495,073)
Machinery, equipment and vehicles	(3,679,888)	(560,142)	209,904	(4,030,126)
	<u>(11,654,087)</u>	<u>(666,454)</u>	<u>209,904</u>	<u>(12,110,637)</u>
Governmental activities capital assets, net	<u>\$ 11,024,662</u>	<u>\$ 2,741,495</u>	<u>\$ (288,789)</u>	<u>\$ 13,477,368</u>

	Balance Jan 1, 2023	Additions	Transfers/ Deletions	Balance Dec 31, 2023
<b>Business-Type Activities</b>				
Capital assets, depreciable:				
Water collection system	\$ 7,577,335	\$ 159,411	\$ -	\$ 7,736,746
Sewer collection system	11,261,691	88,793	-	11,350,484
Vehicles and equipment	1,105,684	175,710	-	1,281,394
	<u>19,944,710</u>	<u>423,914</u>	<u>-</u>	<u>20,368,624</u>
Less accumulated depreciation:				
Water collection system	(2,195,378)	(114,037)	-	(2,309,415)
Sewer collection system	(7,998,230)	(159,735)	-	(8,157,965)
Vehicles and equipment	(719,220)	(101,016)	-	(820,236)
	<u>(10,912,828)</u>	<u>(374,788)</u>	<u>-</u>	<u>(11,287,616)</u>
Business-type activities capital assets, net	<u>\$ 9,031,882</u>	<u>\$ 49,126</u>	<u>\$ -</u>	<u>\$ 9,081,008</u>

Depreciation expense was charged to governmental functions as follows:

**Governmental activities:**

General government	\$ 24,459
Public safety	141,285
Public works, highways and streets	494,539
Culture and recreation	<u>6,171</u>

Total depreciation expense, governmental activities \$ 666,454



**SALISBURY TOWNSHIP****Notes to the Financial Statements****December 31, 2023****Business-type activities:**

Water fund	\$ 162,573
Sewer fund	<u>212,215</u>

Total depreciation expense, business-type activities \$ 374,788

**NOTE 6. LONG-TERM LIABILITIES**

The changes in long-term liabilities during the year ended December 31, 2023 are as follows:

	Balance 01/01/23	Additions	Retirements	Balance 12/31/23	Due within one year
<b>Governmental Activities</b>					
Notes payable:					
Series 2021	\$ 2,352,460	\$ -	\$ 182,720	\$ 2,169,740	\$ 192,080
Series 2022	<u>1,841,000</u>	<u>-</u>	<u>-</u>	<u>1,841,000</u>	<u>77,000</u>
	<u>\$ 4,193,460</u>	<u>\$ -</u>	<u>\$ 182,720</u>	<u>\$ 4,010,740</u>	<u>\$ 269,080</u>
<b>Business-Type Activities</b>					
Sewer Fund:					
Notes payable	\$ 670,560	\$ -	\$ 57,495	\$ 613,065	\$ 58,155
	<u>670,560</u>	<u>-</u>	<u>57,495</u>	<u>613,065</u>	<u>58,155</u>
Water Fund:					
Notes payable	<u>2,811,080</u>	<u>-</u>	<u>213,985</u>	<u>2,597,095</u>	<u>226,865</u>
	<u>2,811,080</u>	<u>-</u>	<u>213,985</u>	<u>2,597,095</u>	<u>226,865</u>
	<u>\$ 3,481,640</u>	<u>\$ -</u>	<u>\$ 271,480</u>	<u>\$ 3,210,160</u>	<u>\$ 285,020</u>

**Governmental Activities****Notes Payable**

Notes payable as of December 31, 2023 consists of the following:

General obligation note series of 2021, principal payable annually and interest payable semi-annually at 1.75% through December 2036.

The note is payable from the general revenue of the Township \$ 2,169,740

General obligation note series of 2022, principal payable annually and interest payable semi-annually at 3.35% through December 2029 when the interest rate resets to a variable rate 65% of the Wall Street Journal Prime Rate through maturity in December 2042. At no point will the variable rate exceed 4.50% through the variable rate period. The note is payable from the general revenue of the Township.

1,841,000

**SALISBURY TOWNSHIP****Notes to the Financial Statements****December 31, 2023**\$ 4,010,740

Principal and interest due on the outstanding notes are as follows:

Year Ended Dec 31	Principal	Interest	Total
2024	\$ 269,080	\$ 100,444	\$ 369,524
2025	275,440	93,703	369,143
2026	282,900	87,619	370,519
2027	288,320	81,356	369,676
2028	295,740	74,951	370,691
2029-2033	1,233,380	339,236	1,572,616
2034-2038	869,880	193,045	1,062,925
2039-2042	496,000	57,014	553,014
	<u>\$ 4,010,740</u>	<u>\$ 1,027,368</u>	<u>\$ 5,038,108</u>

**Business- Activities****Notes Payable**

Notes payable as of December 31, 2023 consists of the following:

Water note payable - general obligation note series of 2021,  
Principal payable annually and interest payable semi-annually  
at 1.75% through December 2036. The note is payable from the  
water revenues of the Township.

\$ 2,597,095

Sewer note payable - general obligation note series of 2021,  
Principal payable annually and interest payable semi-annually  
at 1.75% through December 2036. The note is payable from the  
sewer revenues of the Township.

613,065\$ 3,210,160

Principal and interest due on the outstanding notes are as follows:

**SALISBURY TOWNSHIP****Notes to the Financial Statements****December 31, 2023**

Year Ended Dec 31	Sewer		Water		Total
	Principal	Interest	Principal	Interest	
2024	\$ 58,155	\$ 11,029	\$ 226,865	\$ 46,349	\$ 342,398
2025	59,565	9,711	231,995	41,479	342,750
2026	60,975	8,669	237,225	37,419	344,288
2027	61,620	7,601	240,060	33,268	342,549
2028	63,015	6,523	245,245	29,067	343,850
2029-2033	224,805	18,447	970,515	87,725	1,301,492
2034-2036	84,930	2,240	445,190	13,422	545,782
	<u>\$ 613,065</u>	<u>\$ 64,220</u>	<u>\$ 2,597,095</u>	<u>\$ 288,729</u>	<u>\$ 3,563,109</u>

**NOTE 7. DEFINED BENEFIT PENSION PLAN (NONUNIFORMED EMPLOYEES' PENSION PLAN)****Summary of Significant Accounting Policies**

Financial information of the Township's Pension Plan (the Plan) is presented on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due as required by Act 600 and Act 205 of the Commonwealth of Pennsylvania. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments are reported at fair value. The plan's assets with Pennsylvania Municipal Retirement System (PMRS) are pooled for investment purposes, and therefore, do not represent specific identifiable investment securities. Disclosures are required by GASB for aggregate PMRS investments are included in PMRS's separately issued Comprehensive Annual Financial Report.

**Plan Description**

The Township provides non-uniform personnel pension benefits with a single employer cash balance pension plan through participation in the Pennsylvania Municipal Retirement System (PMRS). The plan is controlled by the provisions of Ordinance No. 2022-04 adopted pursuant to Act of 1974. PMRS administers pension plans on a contracted basis for any municipality or institution supported and maintained by the municipality within Pennsylvania. This agent multiple-employer public employee retirement system maintains each municipality's account separately with that municipality's contributions and related employee's contributions, and earnings segregated into separate accounts. PMRS issues a separate Comprehensive Annual Financial Report, which can be obtained by contacting the PMRS accounting office or on the PMRS website.

**Plan Membership** – At January 1, 2023, plan membership consisted of the following:

Inactive members or beneficiaries currently receiving benefits	36
Inactive members entitled to but not yet receiving benefits	5
Active members	<u>26</u>
	<u>67</u>

### Benefits Provided

The Plan provides retirement, disability and death benefits to plan members and their beneficiaries. Cost-of-living allowances are provided at the discretion of the Plan.

**Investment Policy** – The PMRS System’s long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future nominal rates of return (net of investment expenses) are developed for each asset class. These returns are combined to produce the System’s Long-Term Expected Real Rate of Return by calculating the weighted average return for each asset class using each respective target asset allocation percentage and multiplying by the expected future nominal rate of return, while also factoring in covariance across asset classes, then deducting expected inflation (2.5%). Best estimates of geometric real rates of return for each utilized asset class are included in the pension plan’s target asset allocation as of December 31, 2022 and summarized in the table below:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Domestic equities (large capitalized firms)	24.5%	5.00%
Domestic equities (small capitalized firms)	8.0%	5.70%
International equities (international developed markets)	14.5%	5.10%
International equities (emerging markets)	3.0%	5.51%
Global equities	5%	4.53%
Real estate	10%	4.92%
Timber	5%	4.00%
Fixed income (Core Investment Grade)	24%	2.10%
Fixed income (Opportunistic Credit)	5%	5.50%
Cash	<u>1%</u>	-0.30%
	<u>100%</u>	

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

In addition to determining the System’s Long-Term Nominal Expected Rate of Return, the PMRS Board, under the laws of the Commonwealth of Pennsylvania (Act 15 of 1974), is obligated to develop and apply the Regular Interest Rate to each of the individual participating municipalities’ actuarial asset accounts held by PMRS. The rationale for the difference between the System’s Long-Term Nominal Expected Rate of Return and the individual participating municipalities’ Regular Interest Rate is described

## SALISBURY TOWNSHIP

### Notes to the Financial Statements

December 31, 2023

in the following section "Discount Rate." As of December 31, 2022, this rate equals 5.25%.

#### Net Pension Liability of the Township

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

Total pension liability	\$ 21,202,677
Plan fiduciary net position	<u>(17,729,344)</u>
Net pension liability	<u>\$ 3,473,333</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>84%</u>

**Actuarial Assumptions** - The total pension liability was determined by an actuarial valuation as of January 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method:	Entry Age
Amortization method:	Level Dollar based upon the amortization periods in Act 205
Asset valuation method:	Based upon the municipal reserves
Discount rate:	5.25%
Inflation:	2.80%
Salary increases:	Age related scale with merit and inflation component
COLA increases:	2.8% for those eligible for a COLA
Pre-retirement mortality:	Males - RP 2000 non-annuitant male table projected 15 years with scale AA Females - RP 2000 non-annuitant female table projected 15 years with scale AA, setback 5 years
Post-retirement mortality:	Males - RP 2000 annuitant male table projected 5 years with scale AA Females - RP 2000 annuitant female table projected 10 years with scale AA

The actuarial assumptions used in the January 1, 2022, valuation were based on the PMRS Experience Study completed in 2020, as well as subsequent Board approved changes, including the decrease in regular interest rate to 5.25% for the January 1, 2017 valuation.

**Discount Rate** - While it is often common practice to establish an actuarial Discount Rate that is equal to the Long-Term Expected Rate of Return, PMRS is required by law (Act 15 of 1974) to establish a Discount Rate equal to the Regular Interest Rate. The PMRS Board establishes the Regular Interest Rate on the basis of expected stable and consistent earnings on investments to be applied to the accounts of the individual participating municipalities and includes the accounts of plan participants, municipalities

**SALISBURY TOWNSHIP****Notes to the Financial Statements****December 31, 2023**

and plan retirees each year. The Board considers the following five quantitative factors in establishing the Regular Interest Rate:

- i. Retiree Plan liability as a percentage of total Plan liability,
- ii. Active Plan participant liability as a percentage of total Plan liability,
- iii. Smoothed Pension Benefit Guarantee Corporation (PBGC) annuity rates,
- iv. PMRS System Long-Term Expected Nominal Rate of Return, and
- v. PMRS administrative expenses.

**Changes in Net Position Liability** - The table below shows the changes in the Total Pension Liability, the Plan Fiduciary Net Position (i.e., fair value of Plan assets), and the Net Pension Liability as of the measurement date:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A-B)
Balances, December 31, 2021	\$ 19,664,365	\$ 20,627,262	\$ (962,897)
Changes for the year:			
Service cost	354,486	-	354,486
Interest	1,021,978	-	1,021,978
Differences between expected and actual experience	1,281,388	-	1,281,388
Contributions, employer	-	738,759	(738,759)
Contributions, PMRS assessment	-	1,440	(1,440)
Contributions, employee	-	53,001	(53,001)
PMRS investment income	-	909,344	(909,344)
Market value investment income	-	(3,431,435)	3,431,435
PMRS administrative expense	-	(1,440)	1,440
Additional administrative expense	-	(48,047)	48,047
Benefit payments	(1,119,540)	(1,119,540)	-
Net changes	1,538,312	(2,897,918)	4,436,230
Balances at December 31, 2022	\$ 21,202,677	\$ 17,729,344	\$ 3,473,333

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the Township, calculated using the discount rate of 5.25%, as well as what the Township's net pension would be if it were calculated using a discount rate that is one percentage point lower (4.25%) or one percentage point

**SALISBURY TOWNSHIP****Notes to the Financial Statements****December 31, 2023**

higher (6.25%) than the current rate:

	1% Decrease 4.25%	Current Discount Rate 5.25%	1% Increase 6.25%
Net Pension Liability	\$ 5,958,635	\$ 3,473,333	\$ 1,365,114

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - For the year ended December 31, 2023, the Township recognized pension expense of \$968,863 for the Nonuniformed Employees' Pension Plan. At December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,037,660
Change of assumptions	-	88,067
Net difference between projected and actual earnings on pension plan investments	-	830,406
Contributions subsequent to the measurement date	-	843,616
	<u>\$ -</u>	<u>\$ 2,799,749</u>

\$843,616 reported as deferred outflows of resources related to pensions resulting from Township contributions made subsequent to the measurement date will be recognized as a reduction of the pension liability in the year ended December 31, 2024.

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

Measurement Year Year Ended December 31	
2023	\$ 36,905
2024	371,696
2025	604,969
2026	942,563
	<u>\$ 1,956,133</u>

**NOTE 8. DEFINED BENEFIT PENSION PLAN (POLICE PENSION PLAN)****Summary of Significant Accounting Policies**

Method Used to Value Investments – Nonuniformed Employees' Pension Plan investments are carried at fair value as reported by the investment managers. Short-term investments are reported at cost, which approximates fair value.

**Plan Description**

The Salisbury Township Police Pension Plan (the "Plan") is a single-employer defined benefit pension plan covering the full-time police officers. The Plan is governed by the Board of Township Commissioners. The Board of Township Commissioners has delegated the authority to manage Plan assets to PNC Institutional Asset Management.

**Plan Membership**

Membership of the Plan consisted of the following at January 1, 2023:

Active employees	18
Retirees and beneficiaries currently receiving benefits	11
Terminated employees entitled to benefits but not yet receiving them	1
	<hr/>
	30

**Benefits Provided**

The following is a summary of the Plan benefit provisions:

**1. Eligibility Requirements**

- a. All full-time policemen working at least forty (40) hours per week at a definite salary.
- b. Normal retirement date – A participant may retire upon the attainment of age fifty (50) and completion of twenty-five (25) years of service.
- c. Disability retirement date – The existence of a permanent and total disability from performing police work provided the police officer was honorably discharged as a result of a disability.

**2. Retirement Benefit**

- a. Normal retirement benefit – Fifty percent (50%) of the participant's average monthly salary during the last thirty-six (36) months of employment. Effective 01/02/2007, a service increment equal to one hundred dollars (\$100) per month for each full year of service in excess of twenty-five (25) years shall be added to the normal retirement benefit. The maximum service increment shall be five hundred dollars (\$500) per month.



- b. Disability retirement benefit – In the event of a permanent service-related injury, the benefit shall be equal to 75% of the average monthly salary during the last thirty-six (36) months of employment or if greater, 50% of the participant's monthly salary at the time of disability. The benefit would be payable as if the date of disability had been his normal retirement date. This benefit is reduced by any benefits or payments received by such participant under the Social Security Administration for the same injury.

**3. Survivor Benefit**

- a. Pre-retirement – The widow of a participant who was vested or was still employed after having met the age and service requirements shall receive 50% of the pension the participant would have received had he been retired at the time of his death.
- b. Post-retirement survivors benefit – The widow of a participant who has attained eligibility for retirement, or a participant who retired on pension, shall receive during the spouse's lifetime, fifty percent (50%) of the pension the participant was receiving or would have been receiving had he been retired at the time of his death.
- c. If not such widow survives, or the spouse survives and subsequently dies or remarries, then the children under the age of eighteen (18) [or are attending college and have not yet attained age twenty three (23)], shall be entitled to the same benefit described above.

**4. Member Contributions**

- a. Each participant shall contribute to the fund not less than five percent (5%) or more than eight percent (8%). The Township may, on an annual basis, reduce or eliminate participant contributions to the fund. These contributions will be made in accordance with IRC Section 414(h)(2).

**Contributions**

Act 205 requires that annual contributions to the plan be based upon the plan's Minimum Municipal Obligation (MMO), which is based on the plan's biennial actuarial valuation. In accordance with the plan's governing document, employees are required to contribute 3.04% of compensation to the plan. The plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the municipality in accordance with Act 205.

Investment expenses, including investment manager and custodial services, are funded through investment earnings. Administrative expenses, including actuarial and consultant services, are funded through investment earnings and/or contributions.

**Investments**

- 1. Valuation of Investments – The pension plan's assets are valued at fair market value.

**SALISBURY TOWNSHIP****Notes to the Financial Statements****December 31, 2023**

2. Investment Policy – The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the Pension Board. The investment policy of the Plan is to maximize the total rate of return over the long term, subject to preservation of capital, by diversifying the allocation of capital among various investments in domestic equity securities, international equity securities, domestic fixed income instruments and other asset classes as may be deemed prudent. The plan’s investment policy establishes that the portfolio may be invested in the following asset classes with the following target asset allocation and long-term expected real rate of return:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity:		
Large Cap	38.0%	6.20%
Mid Cap	10.0%	7.25%
Small Cap	5.0%	7.25%
International Equity	13.0%	6.91%
Fixed Income	29.0%	3.51%
Real Estate	0.0%	5.01%
Cash	5.0%	0.76%

**Rate of Return** - For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.88 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability of the Township**

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

Total pension liability	\$ 10,030,904
Plan fiduciary net position	<u>(8,267,983)</u>
Net pension liability	<u>\$ 1,762,921</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>82.4%</u>

**Actuarial Assumptions** - The total pension liability was determined by an actuarial valuation as of January 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

**SALISBURY TOWNSHIP****Notes to the Financial Statements****December 31, 2023**

Actuarial valuation date	January 1, 2023
Interest rate	7.00%
Mortality	
Pre-Retirement	None
Post-Retirement	PubS-2010 Healthy Retiree Mortality projected 5 years past the valuation date using the most recent projection scale (currently Scale MP-2021).
Beneficiary	PubS-2010 Contingent Survivor Mortality projected 5 years past the valuation date using the most recent projection scale (currently Scale MP-2021).
Disabled	PubS-2010 Disabled Mortality projected 5 years past the valuation date using the most recent projection scale (currently Scale MP-2021).
Retirement age	Normal retirement age or age on the valuation date if greater.
Salary increases	5% increase each year until retirement
Marital status	80% of Members are assumed to be married.
Spouse's age	Males are assumed to be three years older than females.
Form of annuity	Joint & 50% Survivor Annuity.
Funding method	Entry Age Normal Cost Method.

**Discount Rate** - The discount rate used to measure the total pension liability was 7%. 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 Fund'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.

**Net Pension Liability Sensitivity** - The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 7% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	<u>\$ 3,045,261</u>	<u>\$ 1,762,921</u>	<u>\$ 689,760</u>

**Changes in Net Pension Liability** – The following table shows the changes in net pension

**SALISBURY TOWNSHIP****Notes to the Financial Statements****December 31, 2023**

liability recognized over the measurement period:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A-B)
Balances, December 31, 2022	<u>\$ 9,338,587</u>	<u>\$ 7,137,040</u>	<u>\$ 2,201,547</u>
Changes for the year:			
Service cost	347,481	-	347,481
Interest	668,935	-	668,935
Differences between expected and actual experience	64,393	-	64,393
Contributions, employer	-	256,685	(256,685)
Contributions, state aid	-	221,460	(221,460)
Contributions, member	-	48,381	(48,381)
Net investment income	-	999,659	(999,659)
Benefit payments	(388,492)	(388,492)	-
Administrative expense	<u>-</u>	<u>(6,750)</u>	<u>6,750</u>
Net changes	<u>692,317</u>	<u>1,130,943</u>	<u>(438,626)</u>
Balances at December 31, 2023	<u>\$ 10,030,904</u>	<u>\$ 8,267,983</u>	<u>\$ 1,762,921</u>

**Deferred Outflows and Inflows of Resources** - For the year ended December 31, 2023, the municipality recognized a pension expense of \$458,879. At December 31, 2023, the municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 268,240
Changes in assumptions	197,908	-
Net difference between projected and actual investment earnings on pension plan investments	<u>429,378</u>	<u>-</u>
	<u>\$ 627,286</u>	<u>\$ 268,240</u>

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

**SALISBURY TOWNSHIP****Notes to the Financial Statements  
December 31, 2023**

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Measurement Year Ended December 31	
2024	\$ 76,968
2025	109,390
2026	251,756
2027	(122,605)
2028	22,162
Thereafter	21,375
	<u>\$ 359,046</u>

**NOTE 9. RISK MANAGEMENT**

The Township is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Township's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Township.

The Township participates in state and county assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Township is potentially liable for any expenditures, which may be disallowed pursuant to the terms of these, grant programs. Management is not aware of any material items of noncompliance, which would result in the disallowance of program expenditures.

**NOTE 10. LEASE RECEIVABLES**

The Township entered into a lease agreement with a cell phone company, effective January 1, 2011, for the rental of a parcel of land for a cell tower. The lease has a term of five years and includes an option to renew for four additional terms. The total monthly rental revenue for 2023 was \$2,794. The lease agreement stipulates an annual increase of approximately 0.78% until its expiration in 2031. Rental income related to this in the fund financial statements was \$33,526 for the year ended December 31, 2023.

In accordance with GASB Statement No. 87, "Leases," the Township evaluated the lease contract and the renewal option and determined that the lessee will more than likely renew the lease. This assessment was based on factors such as the strategic value of the leased assets to the lessee, existing market conditions, and the cost and significance of leasehold improvements made by the lessees.

For this lease, the lease term has been extended to include the renewal periods, impacting the measurement of lease receivables and deferred inflows of resources. The lease receivables are measured at the present value of the expected lease payments to be received over the extended lease term, using the rate charged by the lessor at the commencement of the lease.

**SALISBURY TOWNSHIP****Notes to the Financial Statements****December 31, 2023**

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Future principal and interest expected to maturity as of December 31, 2023 is as follows:

<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 22,317	\$ 11,457	\$ 33,774
2025	23,838	10,190	34,028
2026	25,453	8,838	34,291
2027	30,294	7,302	37,596
2028	32,289	5,585	37,874
2029 - 2031	<u>87,060</u>	<u>5,706</u>	<u>92,766</u>
	<u>\$ 221,251</u>	<u>\$ 49,078</u>	<u>\$ 270,329</u>

**NOTE 11. SUBSEQUENT EVENTS**

The Township has evaluated subsequent events and transactions for potential recognition and disclosure through May 29, 2024, which is the date the financial statements were available to be issued.

**NOTE 12. PRIOR PERIOD ADJUSTMENTS**General Fund

The Township's general fund had a prior period adjustment to include the lease receivable and deferred inflows from the lease on the balance sheet of the governmental funds. The net adjustment was \$(30,197). The adjustment decreased beginning unassigned fund balance in the general fund from \$6,164,988 to \$6,134,791.

Governmental Activities

The Township's governmental activities had a prior period adjustment of \$(280,211) to properly account for previously reported unearned revenues, allowance for doubtful accounts and capitalized bond issuance costs, net of amortization. The prior period adjustment decreased the beginning net position of \$10,895,389 to \$10,615,178.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**SALISBURY TOWNSHIP****Required Supplementary Information****Budgetary Comparison Schedule - General Fund****For the Year Ended December 31, 2023**

	<b>Original and Final Budget (Unaudited)</b>	<b>Actual Amounts</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	\$ 7,600,000	\$ 7,720,110	\$ 120,110
Licenses and permits	239,800	216,532	(23,268)
Fines and forfeits	59,000	59,395	395
Interest, rents and royalties	53,927	138,608	84,681
Intergovernmental	573,984	1,239,063	665,079
Charges for services	478,022	653,310	175,288
Miscellaneous	160,000	151,050	(8,950)
	<u>9,164,733</u>	<u>10,178,068</u>	<u>1,013,335</u>
<b>EXPENDITURES</b>			
General government	1,392,723	1,620,048	(227,325)
Public safety	4,312,159	4,647,529	(335,370)
Public works, highways and streets	2,865,214	2,772,862	92,352
Other public works enterprises	-	13,449	(13,449)
Culture and recreation	146,722	150,088	(3,366)
Community development	23,400	18,843	4,557
Insurance	214,000	252,358	(38,358)
Other operating expenditures	-	2,042	(2,042)
	<u>8,954,218</u>	<u>9,477,219</u>	<u>(523,001)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>210,515</u>	<u>700,849</u>	<u>490,334</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	408,760	416,797	8,037
Operating transfers out	(835,230)	(3,640,963)	(2,805,733)
Proceeds from sale of capital assets	40,000	104,255	64,255
Refund of prior year revenue	-	(16,949)	(16,949)
Refund of prior year expenditures	175,955	197,607	21,652
	<u>(210,515)</u>	<u>(2,939,253)</u>	<u>(2,728,738)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>(2,238,404)</b>	<b>(2,238,404)</b>
<b>FUND BALANCE, BEGINNING</b>	<u>6,164,988</u>	<u>6,164,988</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u><b>\$ 6,164,988</b></u>	<u><b>\$ 3,926,584</b></u>	<u><b>\$ (2,238,404)</b></u>



**SALISBURY TOWNSHIP**
**Required Supplementary Information**
**Schedule of Changes in the Nonuniformed Employees' Pension Plan Net Pension Liability and Related Ratios  
Last Nine Fiscal Years**

	Measurement Year								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>TOTAL PENSION LIABILITY</b>									
Service cost	\$ 354,486	\$ 372,242	\$ 398,946	\$ 392,266	\$ 410,952	\$ 375,947	\$ 317,511	\$ 326,459	\$ 309,455
Interest	1,021,978	1,007,062	970,891	950,884	867,205	842,578	806,791	768,776	737,497
Changes of benefits	-	-	-	-	-	-	-	-	-
Differences between expected and actual experiences	1,281,388	-	50,203	-	1,168,669	-	473,976	(1,232)	142,072
Changes of assumptions	-	-	352,271	-	-	-	416,583	208,095	-
Transfers	-	-	-	-	-	-	54,954	-	-
Benefit payments	(1,119,540)	(1,036,400)	(1,076,346)	(863,895)	(805,344)	(764,071)	(678,566)	(583,305)	(687,496)
NET CHANGE IN TOTAL PENSION LIABILITY	1,538,312	342,904	695,965	479,255	1,641,482	454,454	1,391,249	718,793	501,528
TOTAL PENSION LIABILITY, BEGINNING	19,664,365	19,321,461	18,625,496	18,146,241	16,504,759	16,050,305	14,659,056	13,940,263	13,438,735
<b>TOTAL PENSION LIABILITY, ENDING</b>	<b>\$ 21,202,677</b>	<b>\$ 19,664,365</b>	<b>\$ 19,321,461</b>	<b>\$ 18,625,496</b>	<b>\$ 18,146,241</b>	<b>\$ 16,504,759</b>	<b>\$ 16,050,305</b>	<b>\$ 14,659,056</b>	<b>\$ 13,940,263</b>
<b>PLAN FIDUCIARY NET POSITION</b>									
Contributions, employer	738,759	821,757	668,355	692,908	505,948	486,159	407,248	391,296	264,342
Contributions, PMRS assessment	1,440	1,460	1,480	1,480	1,480	1,500	1,460	1,400	-
Contributions, member	53,001	44,525	37,179	24,226	-	-	-	-	-
PMRS investment income	909,344	874,164	807,490	773,180	717,729	686,956	696,996	690,377	696,043
Market value investment income (loss)	(3,431,435)	1,687,976	1,166,366	2,177,045	(1,173,093)	1,515,206	(24,004)	(610,438)	(49,673)
Transfers	-	-	-	-	-	-	54,954	-	-
Benefit payments, including refunds	(1,119,540)	(1,036,400)	(1,076,346)	(863,895)	(805,344)	(764,071)	(678,566)	(583,305)	(687,496)
PMRS administrative expense	(1,440)	(1,460)	(1,480)	(1,480)	(1,460)	(1,420)	(1,380)	(1,400)	(1,240)
Additional administrative expense	(48,047)	(49,511)	(35,182)	(26,726)	(32,029)	(31,592)	(34,147)	(28,780)	(26,693)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(2,897,918)	2,342,511	1,567,862	2,776,738	(786,769)	1,892,738	422,561	(140,850)	195,283
PLAN FIDUCIARY NET POSITION, BEGINNING	20,627,262	18,284,751	16,716,889	13,940,151	14,726,920	12,834,182	12,411,621	12,552,471	12,357,188
<b>PLAN FIDUCIARY NET POSITION, ENDING</b>	<b>\$ 17,729,344</b>	<b>\$ 20,627,262</b>	<b>\$ 18,284,751</b>	<b>\$ 16,716,889</b>	<b>\$ 13,940,151</b>	<b>\$ 14,726,920</b>	<b>\$ 12,834,182</b>	<b>\$ 12,411,621</b>	<b>\$ 12,552,471</b>
<b>NET PENSION LIABILITY, ENDING</b>	<b>\$ 3,473,333</b>	<b>\$ (962,897)</b>	<b>\$ 1,036,710</b>	<b>\$ 1,908,607</b>	<b>\$ 4,206,090</b>	<b>\$ 1,777,839</b>	<b>\$ 3,216,123</b>	<b>\$ 2,247,435</b>	<b>\$ 1,387,792</b>
Plan fiduciary net position as a percentage of total pension liability	83.62%	104.90%	94.63%	89.75%	76.82%	89.23%	79.96%	84.67%	90.04%
<b>COVERED EMPLOYEE PAYROLL</b>	<b>\$ 2,120,060</b>	<b>\$ 2,226,254</b>	<b>\$ 2,478,644</b>	<b>\$ 2,437,143</b>	<b>\$ 2,584,504</b>	<b>\$ 2,364,361</b>	<b>\$ 2,220,762</b>	<b>\$ 2,111,508</b>	<b>\$ 1,966,279</b>
Net pension liability as a percentage of covered employee payroll	163.83%	-43.25%	41.83%	78.31%	162.74%	75.19%	144.82%	106.44%	70.58%

Note: GASB Statement No. 67 requires this information to be presented for the last ten fiscal years, or shorter period for which the information is available.

**SALISBURY TOWNSHIP****Required Supplementary Information****Schedule of Nonuniformed Employees' Pension Plan Contributions****Last Nine Fiscal Years**

<b>Measurement Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions from Employer</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Employee Payroll</b>	<b>Contributions Recognized by Plan as a % of Covered Employee Payroll</b>
2014	\$ 264,322	\$ 264,342	\$ (20)	\$ 1,966,279	13.44%
2015	392,556	392,696	(140)	2,111,508	18.60%
2016	408,628	408,708	(80)	2,220,762	18.40%
2017	487,579	487,659	(80)	2,364,361	20.63%
2018	507,408	507,428	(20)	2,584,504	19.63%
2019	694,388	694,388	-	2,437,143	28.49%
2020	669,835	669,835	-	2,478,644	27.02%
2021	823,217	823,217	-	2,226,254	36.98%
2022	740,199	740,199	-	2,120,060	34.91%

Note: GASB Statement No. 67 requires this information to be presented for the last ten fiscal years, or shorter period for which the information is available.

**SALISBURY TOWNSHIP****Schedule of Nonuniformed Employees' Pension Plan Investment Returns (Unaudited)****Last Nine Fiscal Years**

	Measurement Year							
	2022	2021	2020	2019	2018	2017	2016	2015
Annual money weighted rate of return, net of investment expense	<u>7.43%</u>	<u>7.42%</u>	<u>7.80%</u>	<u>6.70%</u>	<u>7.00%</u>	<u>17.84%</u>	<u>8.26%</u>	<u>-0.27%</u>

Note: GASB Statement No. 67 requires this information to be presented for the last ten fiscal years, or shorter period for which the information is available.

## **SALISBURY TOWNSHIP**

### **Schedule of Nonuniformed Employees' Pension Plan Contributions**

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#### **Notes to Schedule**

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry Age
Amortization method:	Level Dollar based upon the amortization periods in Act 205
Asset valuation method:	Based upon the municipal reserves
Discount rate:	5.25%
Inflation:	2.80%
Salary increases:	Age related scale with merit and inflation component
COLA increases:	2.8% for those eligible for a COLA
Pre-retirement mortality:	Males - RP 2000 non-annuitant male table projected 15 years with scale AA Females - RP 2000 non-annuitant female table projected 15 years with scale AA, setback 5 years
Post-retirement mortality:	Males - RP 2000 annuitant male table projected 5 years with scale AA Females - RP 2000 annuitant female table projected 10 years with scale AA
Changes in benefit terms	None since 1/1/2021

#### Historical changes in assumptions

12/31/2020:	Assumptions based on the PMRS Experience Study for the period covering January 1, 2014 through December 31, 2018 issued by the actuary in September 2020.
12/31/2016:	Investment Return Assumption for municipal assets decreased from 5.50% to 5.25%.
12/31/2015:	Assumptions based on the PMRS Experience Study for the period covering January 1, 2009 through December 31, 2013 issued by the actuary in July 2015.

**SALISBURY TOWNSHIP**
**Schedule of Changes in Police Pension Plan Net Pension Liability and Related Ratios (Unaudited)  
Last Nine Fiscal Years**

	Measurement Year *								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>TOTAL PENSION LIABILITY</b>									
Service cost	\$ 347,481	\$ 347,261	\$ 330,725	\$ 322,713	\$ 307,346	\$ 272,466	\$ 259,491	\$ 257,073	\$ 244,831
Interest	668,935	621,134	576,919	525,359	487,760	481,760	448,639	428,582	401,553
Difference between expected and actual experience	64,393	-	(143,205)	-	(450,360)	-	(162,888)	-	-
Change of assumptions	-	-	304,873	-	-	-	19,604	-	-
Benefit payments	(388,492)	(311,786)	(273,281)	(289,084)	(257,603)	(248,457)	(247,440)	(269,072)	(275,931)
<b>NET CHANGE IN TOTAL PENSION LIABILITY</b>	692,317	656,609	796,031	558,988	87,143	505,769	317,406	416,583	370,453
<b>TOTAL PENSION LIABILITY, BEGINNING</b>	<u>9,338,587</u>	<u>8,681,978</u>	<u>7,885,947</u>	<u>7,326,959</u>	<u>7,239,816</u>	<u>6,734,047</u>	<u>6,416,641</u>	<u>6,000,058</u>	<u>5,629,605</u>
<b>TOTAL PENSION LIABILITY, ENDING</b>	<b>\$ 10,030,904</b>	<b>\$ 9,338,587</b>	<b>\$ 8,681,978</b>	<b>\$ 7,885,947</b>	<b>\$ 7,326,959</b>	<b>\$ 7,239,816</b>	<b>\$ 6,734,047</b>	<b>\$ 6,416,641</b>	<b>\$ 6,000,058</b>
<b>PLAN FIDUCIARY NET POSITION</b>									
Contributors:									
Employer	\$ 256,685	\$ 235,850	\$ 223,351	\$ 194,892	\$ 200,184	\$ 203,489	\$ 175,330	\$ 182,209	\$ 166,980
State Aid	221,460	186,496	182,297	196,953	184,338	175,633	156,001	139,989	133,308
Member	48,381	62,565	71,792	54,937	40,181	50,664	48,520	44,578	31,519
Net investment income (loss)	999,659	(1,294,986)	1,146,554	560,387	847,447	(362,364)	522,646	301,548	13,984
Benefit payments, including refunds of member contributions	(388,492)	(311,786)	(273,281)	(289,084)	(257,603)	(248,457)	(247,440)	(269,072)	(275,931)
Administrative expense	(6,750)	(1,050)	(6,100)	(750)	(6,025)	(925)	(6,115)	(750)	(5,875)
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	1,130,943	(1,122,911)	1,344,613	717,335	1,008,522	(181,960)	648,942	398,502	63,985
<b>PLAN FIDUCIARY NET POSITION, BEGINNING</b>	<u>7,137,040</u>	<u>8,259,951</u>	<u>6,915,338</u>	<u>6,198,003</u>	<u>5,189,481</u>	<u>5,371,441</u>	<u>4,722,499</u>	<u>4,323,997</u>	<u>4,260,012</u>
<b>PLAN FIDUCIARY NET POSITION, ENDING</b>	<b>\$ 8,267,983</b>	<b>\$ 7,137,040</b>	<b>\$ 8,259,951</b>	<b>\$ 6,915,338</b>	<b>\$ 6,198,003</b>	<b>\$ 5,189,481</b>	<b>\$ 5,371,441</b>	<b>\$ 4,722,499</b>	<b>\$ 4,323,997</b>
<b>NET PENSION LIABILITY (ASSET), ENDING</b>	<b>\$ 1,762,921</b>	<b>\$ 2,201,547</b>	<b>\$ 422,027</b>	<b>\$ 970,609</b>	<b>\$ 1,128,956</b>	<b>\$ 2,050,335</b>	<b>\$ 1,362,606</b>	<b>\$ 1,694,142</b>	<b>\$ 1,676,061</b>
Plan fiduciary net position as a percentage of total pension liability (asset)	82.43%	76.43%	95.14%	87.69%	84.59%	71.68%	79.77%	73.60%	72.07%
<b>COVERED EMPLOYEE PAYROLL</b>	<u>\$ 2,045,000</u>	<u>\$ 1,674,000</u>	<u>\$ 1,910,000</u>	<u>\$ 1,806,000</u>	<u>\$ 1,675,000</u>	<u>\$ 1,637,000</u>	<u>\$ 1,483,000</u>	<u>\$ 1,418,269</u>	<u>\$ 1,418,760</u>
Net pension liability (asset) as a percentage of covered employee payroll	86.21%	131.51%	22.10%	53.74%	67.40%	125.25%	91.88%	119.45%	118.14%

Note: GASB Statement No. 67 requires this information to be presented for the last ten fiscal years, or shorter period for which the information is available.

**SALISBURY TOWNSHIP****Schedule of Police Pension Plan Contributions****Last Ten Fiscal Years**

<b>Measurement Year</b>						<b>Contributions Recognized by Plan as a % of</b>
	<b>Actuarially Determined Contribution</b>	<b>Contributions Recognized by the Plan</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Employee Payroll</b>	<b>Covered Employee Payroll</b>	
2014	\$ 295,572	\$ 295,572	\$ -	\$ 1,338,311	22.09%	
2015	300,288	300,288	-	1,418,760	21.17%	
2016	322,198	322,198	-	1,418,269	22.72%	
2017	331,331	331,331	-	1,483,000	22.34%	
2018	379,122	379,122	-	1,637,000	23.16%	
2019	384,522	384,522	-	1,675,000	22.96%	
2020	391,845	391,845	-	1,806,000	21.70%	
2021	405,648	405,648	-	1,910,000	21.24%	
2022	422,346	422,346	-	1,674,000	25.23%	
2023	478,145	478,145	-	2,045,000	23.38%	

**SALISBURY TOWNSHIP****Schedule of Police Pension Plan Investment Returns  
Last Nine Fiscal Years**

	Measurement Year *								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money weighted rate of return, net of investment expense	13.88%	-15.52%	16.35%	8.93%	16.08%	-6.63%	10.92%	6.92%	0.37%

\* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

## **SALISBURY TOWNSHIP**

### **Schedule of Police Pension Plan Contributions**

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#### **Notes to Schedule**

Actuarial valuation date	January 1, 2022
Interest rate	7.00%
Mortality:	
Pre-Retirement	None
Post-Retirement	PubS-2010 Healthy Retiree Mortality projected 5 years past the valuation date using the most recent projection scale (currently Scale MP-2021).
Beneficiary	PubS-2010 Contingent Survivor Mortality projected 5 years past the valuation date using the most recent projection scale (currently Scale MP-2021).
Disabled	PubS-2010 Disabled Mortality projected 5 years past the valuation date using the most recent projection scale (currently Scale MP-2021).
Retirement age	Normal retirement age or age on the valuation date if greater.
Salary increases	5% increase each year until retirement
Marital status	80% of Members are assumed to be married.
Spouse's age	Males are assumed to be three years older than females.
Form of annuity	Joint & 50% Survivor Annuity.
Funding method	Entry Age Normal Cost Method.

#### Significant Plan Changes:

None

#### Significant Assumption Changes:

Assumption Changes - In 2017, the mortality assumption was changed from the Blue Collar RP-2000 Table projected to 2015 using Scale AA to the Blue Collar RP-2000 Table projected to 2017 using Scale AA. In 2021, the mortality assumption was changed from the Blue Collar RP-2000 Table projected to 2017 using Scale AA to the PubS-2010 projected 5 years past the valuation date using most recent MP Scale.

#### Benefit Changes

None



## **OTHER SUPPLEMENTARY INFORMATION**

**SALISBURY TOWNSHIP****Combining Balance Sheet - Special Revenue Funds**

December 31, 2023

	<b>Fire Protection Fund</b>	<b>Highway Aid Fund</b>	<b>Recreation Contribution Fund</b>	<b>Library Fund</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 245,289	\$ 170,364	\$ 314,610	\$ 61,149	\$ 791,412
Investments	189,259	-	-	-	189,259
Taxes receivable	5,802	-	-	1,200	7,002
<b>TOTAL ASSETS</b>	<b>\$ 440,350</b>	<b>\$ 170,364</b>	<b>\$ 314,610</b>	<b>\$ 62,349</b>	<b>\$ 987,673</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 15,857	\$ 12,939	\$ -	\$ -	\$ 28,796
<b>TOTAL LIABILITIES</b>	<b>15,857</b>	<b>12,939</b>	<b>-</b>	<b>-</b>	<b>28,796</b>
<b>FUND BALANCES</b>					
Restricted for:					
Fire companies	424,493	-	-	-	424,493
Road and street improvements	-	157,425	-	-	157,425
Recreation improvements	-	-	314,610	-	314,610
Library	-	-	-	62,349	62,349
<b>TOTAL FUND BALANCES</b>	<b>424,493</b>	<b>157,425</b>	<b>314,610</b>	<b>62,349</b>	<b>958,877</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 440,350</b>	<b>\$ 170,364</b>	<b>\$ 314,610</b>	<b>\$ 62,349</b>	<b>\$ 987,673</b>

**SALISBURY TOWNSHIP****Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Special Revenue Funds****For the Year Ended December 31, 2023**

	<b>Fire Protection Fund</b>	<b>Highway Aid Fund</b>	<b>Recreation Contribution Fund</b>	<b>Library Fund</b>	<b>Total</b>
<b>REVENUES</b>					
Taxes	\$ 374,085	\$ -	\$ -	\$ 77,466	\$ 451,551
Interest, rents and royalties	12,323	9,137	5,675	1,365	28,500
Intergovernmental	-	455,347	-	-	455,347
<b>TOTAL REVENUE</b>	<b>386,408</b>	<b>464,484</b>	<b>5,675</b>	<b>78,831</b>	<b>935,398</b>
<b>EXPENSES</b>					
Public safety	254,582	-	-	-	254,582
Public works, highways and streets	-	665,485	-	-	665,485
Culture and recreation	-	-	-	86,000	86,000
Insurance	20,672	-	-	-	20,672
Other operating expenditures	458	-	-	76	534
<b>TOTAL EXPENSES</b>	<b>275,712</b>	<b>665,485</b>	<b>-</b>	<b>86,076</b>	<b>1,027,273</b>
<b>OTHER FINANCING SOURCES/(USES)</b>					
Operating transfers out	(100,436)	-	-	-	(100,436)
Refund of prior year revenues	(2,359)	-	-	(488)	(2,847)
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>(102,795)</b>	<b>-</b>	<b>-</b>	<b>(488)</b>	<b>(103,283)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>7,901</b>	<b>(201,001)</b>	<b>5,675</b>	<b>(7,733)</b>	<b>(195,158)</b>
<b>FUND BALANCE, BEGINNING</b>	<b>416,592</b>	<b>358,426</b>	<b>308,935</b>	<b>70,082</b>	<b>1,154,035</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 424,493</b>	<b>\$ 157,425</b>	<b>\$ 314,610</b>	<b>\$ 62,349</b>	<b>\$ 958,877</b>

**SALISBURY TOWNSHIP****Combining Balance Sheet - Capital Project Funds****December 31, 2023**

	<b>General Capital Fund</b>	<b>Fire Capital Fund</b>	<b>Total</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 5,729	\$ -	\$ 5,729
Due to other funds	<u>-</u>	<u>150,000</u>	<u>150,000</u>
TOTAL LIABILITIES	<u>5,729</u>	<u>150,000</u>	<u>155,729</u>
<b>FUND BALANCES</b>			
Unassigned (deficit)	<u>(5,729)</u>	<u>(150,000)</u>	<u>(155,729)</u>
TOTAL FUND BALANCES	<u>(5,729)</u>	<u>(150,000)</u>	<u>(155,729)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**SALISBURY TOWNSHIP****Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Capital Projects Funds  
For the Year Ended December 31, 2023**

	<b>General Capital Fund</b>	<b>Fire Capital Fund</b>	<b>Total</b>
EXPENSES			
General government	\$ 2,255,167	\$ -	\$ 2,255,167
Public safety	258,411	83,131	341,542
Public works, highways and streets	656,013	-	656,013
Culture and recreation	39,483	-	39,483
TOTAL EXPENSES	<u>3,209,074</u>	<u>83,131</u>	<u>3,292,205</u>
OTHER FINANCING SOURCES/(USES)			
Operating transfers in	3,640,963	100,436	3,741,399
Operating transfers out	<u>(293,067)</u>	<u>-</u>	<u>(293,067)</u>
TOTAL OTHER FINANCING SOURCES/(USES)	<u>3,347,896</u>	<u>100,436</u>	<u>3,448,332</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>138,822</b>	<b>17,305</b>	<b>156,127</b>
FUND BALANCE, BEGINNING	<u>(144,551)</u>	<u>(167,305)</u>	<u>(311,856)</u>
<b>FUND BALANCE, ENDING</b>	<b><u>\$ (5,729)</u></b>	<b><u>\$ (150,000)</u></b>	<b><u>\$ (155,729)</u></b>