

SKIPPACK TOWNSHIP

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Year Ended December 31, 2024

INTRODUCTORY SECTION

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SKIPPACK TOWNSHIP

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FINANCIAL SECTION

Independent Auditors' Report

To the Members of the Board of Supervisors
Skeppack Township
Skeppack, Pennsylvania

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Skeppack Township as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Skeppack Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Skeppack Township, as of December 31, 2024, 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 Skeppack 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

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

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

To the Members of the Board of Supervisors
Skipack Township
Skipack, Pennsylvania

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.

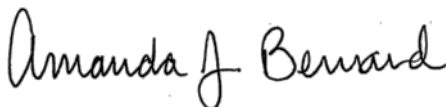
In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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.
- Obtaining 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 Skipack 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Skipack Township's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11 and budgetary comparison information on pages 38 through 41 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.



Limerick, Pennsylvania
July 11, 2025

SKIPPACK TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) YEAR ENDED DECEMBER 31, 2024

Our discussion and analysis of Skippack Township's financial performance provides an overview of the Township's financial activities for the year ended December 31, 2024. Please read it in conjunction with the Township's financial statements that begin on page 12.

FINANCIAL HIGHLIGHTS

- The Township's Governmental Funds revenues exceeded total expenses, on the modified accrual basis of accounting, by \$2,043,729 for the year.

USING THIS ANNUAL REPORT

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34.

Report Components

This annual report consists of four parts as follows:

Government-Wide Financial Statements: The statement of net position and the statement of activities (on pages 12 and 13) provide information about the activities of the Township government-wide (or "as a whole") and present a longer-term view of the Township's finances.

Fund Financial Statements: Fund financial statements (starting on page 14) focus on the individual parts of the Township government. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's most significant ("major") funds. For *governmental activities*, these statements tell how these services were financed in the short term, as well as what remains for future spending. For *proprietary activities*, these statements offer short-term and long-term financial information about the activities the Township operates like businesses, such as the water, sewer and sanitation services.

Notes to the Financial Statements: The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Required Supplementary Information: This management's discussion and analysis and the General Fund, Open Space/Park Fund and State Liquid Fuels Highway Aid Fund budgetary comparison schedules (pages 38 through 40) represent financial information required by GASB to be presented. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements and notes (referred to as "the basic financial statements").

SKIPPACK TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2024

REPORTING THE TOWNSHIP AS A WHOLE

The Township's Reporting Entity Presentation

This annual report includes all activities for which the Skippack Township Board of Supervisors is fiscally responsible. These activities, defined as the Township's reporting entity, are operated within separate entities that make up the primary government.

The Government-Wide Statement of Net Position and the Statement of Activities

Our financial analysis of the Township as a whole begins on page 12. The government-wide financial statements are presented on pages 12 and 13. One of the most important questions asked about the Township's finances is, "Is the Township as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the Township as a whole and about its activities in a way that helps answer this question. These statements include all of the Township's assets and liabilities resulting from the use of the accrual basis of accounting.

These two statements report the Township's net position and changes in it. You can think of the Township's net position--the difference between assets/deferred outflows and liabilities/deferred inflows--as one way to measure the Township's financial health or financial position. Over time, increases or decreases in the Township's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Township's tax base and the condition of the Township's roads, to assess the overall health of the Township.

In the statement of net position and the statement of activities, we divide the Township into two kinds of activities:

- **Governmental Activities** - Most of the Township's basic services are reported here, including general administration, streets and parks. Taxes, fees, fines and grants finance most of these activities.
- **Business-Type Activities** - The Township charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Township's sewer system is reported here.

Reporting the Township's Most Significant Funds

The fund financial statements begin on page 14 and provide detailed information about the most significant funds--not the Township as a whole. Some funds are required to be established by law and by bond covenants. However, the Township Board of Supervisors establishes certain other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The Township's three kinds of funds--*Governmental, Proprietary and Fiduciary*--use different accounting approaches.

SKIPPACK TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2024

Governmental Funds - Most of the Township's basic services are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. The Governmental Funds statements provide a detailed short-term view of the Township's general government operations and the basic services it provides. Governmental Funds information helps you determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and Governmental Funds in reconciliations on pages 15 and 17. The Township considers the General Fund, the Open Space/Park Fund and the State Liquid Fuels Highway Aid Fund to be its significant or major Governmental Funds. The Traffic Impact Fund, although not considered to be a significant fund, is also presented as a major fund since it is the only remaining fund.

Proprietary Fund - When the Township charges customers for the services it provides, these services are generally reported in the Proprietary Fund. The Proprietary Fund is reported in the same way that all activities are reported in the statement of net position and the statement of activities. For example, Proprietary Fund capital assets are capitalized and depreciated, and principal payments on long-term debt are recorded as a reduction to the liability. In fact, the Township's Proprietary (Enterprise) Fund financial statements are essentially the same as the business-type activities we report in the government-wide statements, but the fund statements provide more detail and additional information, such as cash flows. The Township only has one Enterprise Fund--the Sewer Revenue Fund.

Fiduciary Funds - The Township currently has two Fiduciary Funds. The *Fiduciary Funds* are often used to account for assets that are held in a trustee or fiduciary capacity, such as assets held per trust agreements.

SKIPPACK TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2024

A FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net Position

The Township's combined net position was approximately \$92.3 million and \$86.4 million at December 31, 2024 and 2023, respectively. Looking at the changes in net position of governmental and business-type activities separately, governmental activities had a larger increase than business-type activities.

Statements of Net Position December 31, 2024 and 2023

	2024		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current and other assets	\$ 42,798,497	\$ 18,668,668	\$ 61,467,165
Capital assets	27,444,096	4,008,412	31,452,508
TOTAL ASSETS	<u>70,242,593</u>	<u>22,677,080</u>	<u>92,919,673</u>
LIABILITIES			
Current and other liabilities	521,084	88,362	609,446
Long-term debt	7,189	-	7,189
TOTAL LIABILITIES	<u>528,273</u>	<u>88,362</u>	<u>616,635</u>
NET POSITION			
Net investment in capital assets	27,795,016	5,428,805	33,223,821
Restricted	12,668,659	-	12,668,659
Unrestricted	<u>29,250,645</u>	<u>17,159,913</u>	<u>46,410,558</u>
TOTAL NET POSITION	<u>\$ 69,714,320</u>	<u>\$ 22,588,718</u>	<u>\$ 92,303,038</u>

2023		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
\$ 41,429,669	\$ 23,037,474	\$ 64,467,143
26,044,830	4,160,505	30,205,335
<u>67,474,499</u>	<u>27,197,979</u>	<u>94,672,478</u>
1,192,426	272,118	1,464,544
1,307,416	5,519,782	6,827,198
<u>2,499,842</u>	<u>5,791,900</u>	<u>8,291,742</u>
26,288,542	5,448,905	31,737,447
11,927,878	-	11,927,878
<u>26,758,237</u>	<u>15,957,174</u>	<u>42,715,411</u>
\$ <u>64,974,657</u>	\$ <u>21,406,079</u>	\$ <u>86,380,736</u>

SKIPPACK TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2024

Changes in Net Position

For the years ended December 31, 2024 and 2023, net position of the primary government changed as follows:

Statements of Changes in Net Position Years Ended December 31, 2024 and 2023

	2024		
	Governmental Activities	Business-Type Activities	Totals
REVENUES			
Program revenues			
Charges for services	\$ 59,888	\$ 2,624,899	\$ 2,684,787
Operating grants and contributions	823,610	-	823,610
Capital grants and contributions	405,036	-	405,036
General revenues			
Taxes	5,708,124	-	5,708,124
Licenses and permits	428,585	-	428,585
Fines and forfeits	5,680	-	5,680
Investment income (loss)	1,260,645	461,557	1,722,202
Miscellaneous	73,943	-	73,943
TOTAL REVENUES	8,765,511	3,086,456	11,851,967
EXPENSES			
General government	1,558,994	-	1,558,994
Public safety	553,830	-	553,830
Public works and streets	1,370,506	-	1,370,506
Culture and recreation	448,436	-	448,436
Debt service	-	-	-
Sewer	-	1,903,817	1,903,817
Miscellaneous	94,082	-	94,082
TOTAL EXPENSES	4,025,848	1,903,817	5,929,665
CHANGE IN NET POSITION	\$ 4,739,663	\$ 1,182,639	\$ 5,922,302

2023		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
\$ 46,962	\$ 2,463,965	\$ 2,510,927
906,279	-	906,279
407,760	-	407,760
5,570,176	-	5,570,176
369,062	-	369,062
1,108	-	1,108
743,685	501,171	1,244,856
37,566	-	37,566
<u>8,082,598</u>	<u>2,965,136</u>	<u>11,047,734</u>
1,633,374	-	1,633,374
456,009	-	456,009
1,053,177	-	1,053,177
388,332	-	388,332
47,135	-	47,135
-	1,696,766	1,696,766
29,662	-	29,662
<u>3,607,689</u>	<u>1,696,766</u>	<u>5,304,455</u>
<u>\$ 4,474,909</u>	<u>\$ 1,268,370</u>	<u>\$ 5,743,279</u>

SKIPPACK TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2024

Governmental Activities

To aid in understanding the statement of activities, some additional explanation is given. Of particular interest is the format that is significantly different from a typical statement of revenues, expenses and changes in fund balance. You will notice that expenses are listed in the first column, with revenues from that particular program reported to the right. The result is a net (expense)/revenue. This type of format highlights the relative financial burden of each of the functions on the Township's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue, even if restricted for a specific purpose.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Township's Board of Supervisors did not revise the General Fund budget. For the years ended December 31, 2024 and 2023, General Fund expenditures were above final appropriations by \$565,785 and below final appropriations by \$71,640, respectively, while actual resources available for appropriation were \$909,307 and \$1,888,373, respectively, above the final budgeted amount. The overage on the expenditure side for 2024 was largely due to the Township using cash to defease its outstanding long term debt.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024
GOVERNMENTAL ACTIVITIES				
Streets and roads	\$ 12,764,798	\$ 1,506,148	\$ -	\$ 14,270,946
Street lights and signs	740,162	6,029	-	746,191
Land and land improvements	12,923,096	-	-	12,923,096
Buildings and building improvements	4,389,477	-	-	4,389,477
Machinery and equipment	1,610,943	449,327	-	2,060,270
	32,428,476	1,961,504	-	34,389,980
Accumulated depreciation	(6,383,646)	(562,238)	-	(6,945,884)
	<u>\$ 26,044,830</u>	<u>\$ 1,399,266</u>	<u>\$ -</u>	<u>\$ 27,444,096</u>
BUSINESS-TYPE ACTIVITIES				
Sewer system	\$ 10,560,884	\$ 38,943	\$ -	\$ 10,599,827
Machinery and equipment	149,943	-	-	149,943
Accumulated depreciation	(6,550,322)	(191,036)	-	(6,741,358)
	<u>\$ 4,160,505</u>	<u>\$ (152,093)</u>	<u>\$ -</u>	<u>\$ 4,008,412</u>

SKIPPACK TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED DECEMBER 31, 2024

Long-Term Debt

At December 31, 2024, the Township had \$0 in long-term debt compared to \$6,610,000 at December 31, 2023. At December 31, 2023, \$1,270,000 of the debt was related to governmental activities and \$5,340,000 was related to business-type activities. The Township used cash to defease its remaining outstanding debt during 2024, resulting in a 100% decrease in outstanding long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

For 2024, the Board of Supervisors has once again adopted a budget without a tax increase. Skippack Township maintains financial stability without a police department and pension liabilities.

The Board of Supervisors have taken action to defease the long-term debt discussed in the Long-Term Debt section of this document. The defeasance will save the Township significant dollars and leaves an excess which will be used for the Sewer Project. The balance of the sewer project will be funded by funds already held by the Township.

In 2025, Toll Brothers will start the Mill Run development on the site of the old airport. Palmer's Corner, a townhouse community of 6 townhomes will be started in 2025.

In 2024, the Township has hired Pennoni Associates to update the Township's Comprehensive Plan with completion due in 2025.

The Township continues to look for opportunities to acquire open space using the funds collected from Earned Income Tax. The Township continues to maintain miles of trails and open space. The replacement/upgrade of playground equipment in several parks will take place in 2024 and 2025.

In 2025, the Township will use \$403,000 in Liquid Fuels funds towards this year's paving projects.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Township's office at 4089 Heckler Road, Skippack, Pennsylvania, or telephone at 610-454-0909.

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

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and cash equivalents	\$ 28,769,577	\$ 12,755,700	\$ 41,525,277
Restricted cash and cash equivalents	350,920	1,420,393	1,771,313
Investments	13,611,322	4,229,539	17,840,861
Accounts receivable	-	100,967	100,967
Taxes receivable	75,760	-	75,760
Due from other governmental units	-	152,307	152,307
Internal balances	(9,762)	9,762	-
Due from fiduciary funds	680	-	680
Capital assets			
Streets and roads	14,270,946	-	14,270,946
Street lights and signs	746,191	-	746,191
Sewage system	-	10,599,827	10,599,827
Land and land improvements	12,923,096	-	12,923,096
Buildings and building improvements	4,389,477	-	4,389,477
Machinery and equipment	2,060,270	149,943	2,210,213
Accumulated depreciation	(6,945,884)	(6,741,358)	(13,687,242)
TOTAL ASSETS	<u>70,242,593</u>	<u>22,677,080</u>	<u>92,919,673</u>
LIABILITIES			
Accounts payable and accrued expenses	160,299	88,362	248,661
Unearned grant revenue	85,919	-	85,919
Due to developers	222,773	-	222,773
Compensated absences			
Portion due or payable within one year	52,093	-	52,093
Portion due or payable after one year	7,189	-	7,189
TOTAL LIABILITIES	<u>528,273</u>	<u>88,362</u>	<u>616,635</u>
NET POSITION			
Net investment in capital assets	27,795,016	5,428,805	33,223,821
Restricted	12,668,659	-	12,668,659
Unrestricted	<u>29,250,645</u>	<u>17,159,913</u>	<u>46,410,558</u>
TOTAL NET POSITION	<u>\$ 69,714,320</u>	<u>\$ 22,588,718</u>	<u>\$ 92,303,038</u>

See accompanying notes to the basic financial statements.

SKIPPACK TOWNSHIP
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 1,558,994	\$ 20,710	\$ 717,480	\$ -
Public safety	553,830	-	106,130	-
Public works				
Highways and streets	1,370,506	-	-	405,036
Culture and recreation	448,436	39,178	-	-
Miscellaneous	94,082	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	4,025,848	59,888	823,610	405,036
BUSINESS-TYPE ACTIVITIES				
Sewer Revenue Fund	1,903,817	2,624,899	-	-
TOTAL TOWNSHIP ACTIVITIES	\$ 5,929,665	\$ 2,684,787	\$ 823,610	\$ 405,036

GENERAL REVENUES

Taxes

Real estate taxes

Real estate transfer taxes

Earned income tax

Amusement tax

Licenses and permits

Fines and forfeits

Investment income

Miscellaneous

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION AT BEGINNING OF YEAR

NET POSITION AT END OF YEAR

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Totals
\$ (820,804)	\$ -	\$ (820,804)
(447,700)	-	(447,700)
(965,470)	-	(965,470)
(409,258)	-	(409,258)
(94,082)	-	(94,082)
(2,737,314)	-	(2,737,314)
-	721,082	721,082
(2,737,314)	721,082	(2,016,232)
249,057	-	249,057
560,409	-	560,409
4,836,999	-	4,836,999
61,659	-	61,659
428,585	-	428,585
5,680	-	5,680
1,260,645	461,557	1,722,202
73,943	-	73,943
7,476,977	461,557	7,938,534
4,739,663	1,182,639	5,922,302
64,974,657	21,406,079	86,380,736
\$ 69,714,320	\$ 22,588,718	\$ 92,303,038

SKIPPACK TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Special Revenue Funds				
	General Fund	Open Space/ Park Fund	Traffic Impact Fund	State Liquid Fuels Highway Aid Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 17,247,331	\$ 10,575,751	\$ 937,273	\$ 9,222	\$ 28,769,577
Restricted cash and cash equivalents	350,920	-	-	-	350,920
Investments	10,636,362	2,974,960	-	-	13,611,322
Taxes receivable	75,760	-	-	-	75,760
Due from other funds	664,740	-	-	-	664,740
Due from fiduciary fund	680	-	-	-	680
TOTAL ASSETS	<u>\$ 28,975,793</u>	<u>\$ 13,550,711</u>	<u>\$ 937,273</u>	<u>\$ 9,222</u>	<u>\$ 43,472,999</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 131,922	\$ 6,309	\$ -	\$ -	\$ 138,231
Accrued expenses	22,068	-	-	-	22,068
Unearned grant revenue	85,919	-	-	-	85,919
Due to other funds	14,192	660,310	-	-	674,502
Due to developers	222,773	-	-	-	222,773
TOTAL LIABILITIES	<u>476,874</u>	<u>666,619</u>	<u>-</u>	<u>-</u>	<u>1,143,493</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue					
Property taxes	26,483	-	-	-	26,483
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>26,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,483</u>
FUND BALANCES					
Restricted to					
Open space and parks	-	12,659,437	-	-	12,659,437
Street and road improvements	-	-	-	9,222	9,222
Capital projects	350,920	-	-	-	350,920
Assigned to					
Open space and parks	-	224,655	-	-	224,655
Street and road improvements	-	-	937,273	-	937,273
Unassigned	28,121,516	-	-	-	28,121,516
TOTAL FUND BALANCES	<u>28,472,436</u>	<u>12,884,092</u>	<u>937,273</u>	<u>9,222</u>	<u>42,303,023</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 28,975,793</u>	<u>\$ 13,550,711</u>	<u>\$ 937,273</u>	<u>\$ 9,222</u>	<u>\$ 43,472,999</u>

See accompanying notes to the basic financial statements.

SKIPPACK TOWNSHIP

RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES DECEMBER 31, 2024

TOTAL GOVERNMENTAL FUNDS BALANCES	\$ 42,303,023
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. These assets consist of:	
Streets and roads, net of \$2,863,421 accumulated depreciation	11,407,525
Street lights and signs, net of \$671,608 accumulated depreciation	74,583
Land and land improvements	12,923,096
Buildings and building improvements, net of \$1,950,347 accumulated depreciation	2,439,130
Machinery and equipment, net of \$1,460,508 accumulated depreciation	599,762
Some of the Township's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	26,483
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:	
Compensated absences	<u>(59,282)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 69,714,320</u>

See accompanying notes to the basic financial statements.

SKIPPACK TOWNSHIP
**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024**

	General Fund	Special Revenue Funds			Total Governmental Funds
		Open Space/ Park Fund	Traffic Impact Fund	State Liquid Fuels Highway Aid Fund	
REVENUES					
Taxes	\$ 4,169,620	\$ 1,554,970	\$ -	\$ -	\$ 5,724,590
Licenses and permits	428,585	-	-	-	428,585
Fines and forfeits	5,680	-	-	-	5,680
Investment income	862,126	368,857	23,609	6,053	1,260,645
Intergovernmental	823,610	-	-	405,036	1,228,646
Charges for services	20,710	39,178	-	-	59,888
Miscellaneous	73,921	-	-	-	73,921
Contributions	60	-	-	-	60
TOTAL REVENUES	<u>6,384,312</u>	<u>1,963,005</u>	<u>23,609</u>	<u>411,089</u>	<u>8,782,015</u>
EXPENDITURES					
General government	1,542,220	-	-	-	1,542,220
Public safety	553,830	-	-	-	553,830
Public works					
Highways and streets	939,046	-	-	108	939,154
Culture and recreation	5,000	363,897	-	-	368,897
Capital projects	689,772	869,498	-	402,234	1,961,504
Debt service	1,366,855	-	-	-	1,366,855
Miscellaneous	5,826	-	-	-	5,826
TOTAL EXPENDITURES	<u>5,102,549</u>	<u>1,233,395</u>	<u>-</u>	<u>402,342</u>	<u>6,738,286</u>
NET CHANGE IN FUND BALANCES	1,281,763	729,610	23,609	8,747	2,043,729
FUND BALANCES AT BEGINNING OF YEAR	<u>27,190,673</u>	<u>12,154,482</u>	<u>913,664</u>	<u>475</u>	<u>40,259,294</u>
FUND BALANCES AT END OF YEAR	<u>\$ 28,472,436</u>	<u>\$ 12,884,092</u>	<u>\$ 937,273</u>	<u>\$ 9,222</u>	<u>\$ 42,303,023</u>

See accompanying notes to the basic financial statements.

SKIPPACK TOWNSHIP

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 2,043,729
<p>Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$1,961,504) exceed depreciation expense (\$562,238) in the current period (see Note D).</p>	1,399,266
<p>Because some property taxes will not be collected for several months after the Township's fiscal year ends, they are not considered as "available" revenues in the Governmental Funds. Unearned tax revenues decreased by this amount this year.</p>	(16,466)
<p>Repayment of bond principal is an expenditure in the Governmental Funds but reduces long-term liabilities in the statement of net position.</p>	1,270,000
<p>Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	102,416
<p>In the statement of activities, certain operating expenses--compensated absences (sick leave)--are measured by the amounts earned during the year. In the Governmental Funds; however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).</p>	<u>(59,282)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 4,739,663</u>

See accompanying notes to the basic financial statements.

SKIPPACK TOWNSHIP

STATEMENT OF NET POSITION

PROPRIETARY FUND

DECEMBER 31, 2024

	Enterprise Fund Sewer Revenue Fund
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 12,755,700
Restricted cash and cash equivalents	1,420,393
Investments	4,229,539
Due from other funds	14,192
Due from other governments	152,307
Accounts receivable	100,967
TOTAL CURRENT ASSETS	<u>18,673,098</u>
NONCURRENT ASSETS	
Sewage system	10,599,827
Machinery and equipment	149,943
Accumulated depreciation	(6,741,358)
TOTAL NONCURRENT ASSETS	<u>4,008,412</u>
TOTAL ASSETS	<u>22,681,510</u>
LIABILITIES	
CURRENT LIABILITIES	
Due to other funds	4,430
Accounts payable	88,362
TOTAL CURRENT LIABILITIES	<u>92,792</u>
NET POSITION	
Invested in capital assets	5,428,805
Unrestricted	<u>17,159,913</u>
TOTAL NET POSITION	<u>\$ 22,588,718</u>

See accompanying notes to the basic financial statements.

SKIPPACK TOWNSHIP**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2024**

	Enterprise Fund Sewer Revenue Fund
OPERATING REVENUES	
Sewer rentals and related charges	\$ 2,464,287
Sewer connection and tapping fees	160,612
TOTAL OPERATING REVENUES	<u>2,624,899</u>
OPERATING EXPENSES	
Conveyance and treatment costs	1,316,504
Engineering fees	21,852
Legal fees	42,479
Administrative expenses	20,873
Repairs, maintenance and supplies	176,914
Utilities	26,886
Depreciation	191,036
TOTAL OPERATING EXPENSES	<u>1,796,544</u>
OPERATING INCOME	<u>828,355</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	461,557
Interest expense	(107,273)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>354,284</u>
CHANGE IN NET POSITION	1,182,639
NET POSITION AT BEGINNING OF YEAR	<u>21,406,079</u>
NET POSITION AT END OF YEAR	<u>\$ 22,588,718</u>

See accompanying notes to the basic financial statements.

SKIPPACK TOWNSHIP**STATEMENT OF CASH FLOWS****PROPRIETARY FUND****YEAR ENDED DECEMBER 31, 2024**

	<u>Enterprise Fund Sewer Revenue Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 2,623,952
Payments to suppliers	<u>(1,524,264)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,099,688</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Additions to capital assets	(38,943)
Debt principal and interest payments	<u>(5,892,055)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(5,930,998)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Due to/from other funds	<u>(11,642)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	461,557
Proceeds from sale of investments	<u>1,240,345</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,701,902</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,141,050)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>17,317,143</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 14,176,093</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 828,355
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	191,036
Increase in receivables	(947)
Increase in accounts payable	<u>81,244</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,099,688</u>

See accompanying notes to the basic financial statements.

SKIPPACK TOWNSHIP

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

DECEMBER 31, 2024

	Private-Purpose Trust Fund Wisner Trust Fund	Pension Trust Funds
ASSETS		
Cash and cash equivalents	\$ 6,378	\$ -
Investments	-	1,046,852
TOTAL ASSETS	<u>\$ 6,378</u>	<u>\$ 1,046,852</u>
LIABILITIES AND NET POSITION		
LIABILITIES		
Due to primary government	\$ 680	\$ -
NET POSITION		
Restricted for pension	-	1,046,852
Restricted for other purposes	5,698	-
TOTAL NET POSITION	<u>5,698</u>	<u>1,046,852</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 6,378</u>	<u>\$ 1,046,852</u>

See accompanying notes to the basic financial statements.

SKIPPACK TOWNSHIP

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2024

	Private-Purpose Trust Fund Wisner Trust Fund	Pension Trust Funds
ADDITIONS		
Contributions	\$ -	\$ 120,837
Investment income		
Dividends	-	23,022
Interest income	169	-
Gain on investments	-	112,392
TOTAL INVESTMENT INCOME	169	135,414
TOTAL ADDITIONS	169	256,251
DEDUCTIONS		
Benefits paid	-	1,025,034
Cemetery maintenance	325	-
Fees	-	13,572
TOTAL DEDUCTIONS	325	1,038,606
CHANGE IN NET POSITION	(156)	(782,355)
NET POSITION AT BEGINNING OF YEAR	5,854	1,829,207
NET POSITION AT END OF YEAR	\$ 5,698	\$ 1,046,852

See accompanying notes to the basic financial statements.

SKIPPACK TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The following is a summary of the more significant policies of the Township.

Reporting Entity

The Township, for financial purposes, includes all of the funds and account groups relevant to the operation of Skippack Township. The Township is not a component unit of another reporting entity.

The Township is governed by a 5-member Board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Fiduciary component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, fiduciary component units are appropriately presented as funds of the primary government.

Fiduciary Component Unit - The Pension Trust Funds are a single employer defined contribution pension plan that provides pensions for all full-time employees. Although the plan is separate legal entity, it is reported as if it is part of the government as it is governed by a board comprised of members appointed by the Board of the Township and the Township is responsible for funding the plan. The plan is reported as a fiduciary fund and does not issue separate financial statements.

Basis of Presentation

Government-Wide Financial Statements - The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for the Fiduciary Funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to parties for goods or services.

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

SKIPPACK TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Proprietary Fund distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the Sewer Revenue Fund are charges to customers for sales and services. Operating expenses for the Enterprise Fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

Fund Financial Statements - Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets and deferred outflows of resources, liabilities and deferred inflows of resources, fund equity, revenues and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental, proprietary and fiduciary statements. An emphasis is placed on major funds within the governmental and proprietary categories.

Governmental Funds - Governmental Funds are those funds through which most governmental functions of the Township are financed. The acquisition, use and balance of the Township's expendable financial resources are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position rather than upon net income determination. The following are the Township's Governmental Funds:

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

Special Revenue Funds - Special Revenue Funds are used to account for all financial resources that are legally restricted to expenditures for specified purposes. The reporting entity includes the Open Space/Park Fund, the State Liquid Fuels Highway Aid Fund and the Traffic Impact Fund, all of which are designated as major funds.

SKIPPACK TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Fund - The Sewer Revenue Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Funds - The Fiduciary Funds are used to account for assets held by the Township as trustee for and on behalf of individuals or organizations who have designated the Township as trustee of the assets. The trust agreement designates the specific purpose for which the assets may be utilized, and the principal of the trust is designated as expendable or nonexpendable within the trust agreement.

Pension Trust Fund - The Pension Trust Fund, a component unit of Skippack Township, is used to account for assets held by the Township in a trustee capacity for the benefit of plan participants. The reporting focus of this fund is on net position and changes in net position.

Private Purpose Trust Fund - This fund accounts for transactions relative to assets held in trust by the Township to provide cemetery maintenance.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe how transactions are recorded within the various financial statements. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus and the accrual basis of accounting.

The current financial resources measurement focus and the modified accrual basis of accounting are followed by the Governmental Funds. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the fiscal period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The Proprietary Fund utilizes the economic resources measurement focus and the accrual basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position and cash flows. All assets and liabilities associated with their activities are reported. Proprietary Fund equity is classified as net position.

Fiduciary Funds are reported using the economic resources measurement focus and the accrual basis of accounting.

SKIPPACK TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

The Township annually adopts its general operating budget in accordance with the Commonwealth of Pennsylvania Second Class Township Code of May 1, 1933 (P. L. 103, No. 69 as amended). The budget is advertised as required and filed with the Pennsylvania Department of Community Affairs as prescribed by the Department.

Under GASB Statement No. 34, budgetary comparison information is required to be presented for the General Fund and each major Special Revenue Fund with an adopted budget. Budgets are adopted on an annual basis for most Township funds. The operating budget includes proposed expenditures and the means of financing them. Prior to November 15 of the preceding fiscal year, the Township prepares a budget for the next succeeding calendar year beginning January 1. A meeting of the Board of Supervisors is then called for the purpose of adopting the proposed budget. Prior to December 31, the budget is legally enacted through passage of a resolution by the Board of Supervisors. The budget must be filed with the Pennsylvania Department of Community and Economic Development by January 31. Once a budget is approved, it can be amended at the function and fund level only by approval of majority of the members of the Board of Supervisors. Each amendment must have the Board's approval.

Cash and Cash Equivalents

For purposes of the statement of cash flows, all highly liquid investments purchased with an original maturity of three months or less are considered cash equivalents.

Investments

The Township has adopted GASB Statements No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools and No. 72, Fair Value Measurement and Application. In accordance with these Statements, investments in marketable securities with readily determinable fair value and all investments in debt securities are reported at their fair values.

Real Property Taxes

The Township levies real property taxes on January 1 of each year based upon the assessed valuation as of January 1, as determined by the County of Montgomery. Property taxes are due upon receipt with a discount of 2% allowed through April 30, face amount due from May 1 through June 30 and a penalty of 10% levied for all payments received after June 30. All unpaid real property taxes are lien with the County of Montgomery on January 15 following the year levied.

Use of Estimates

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in Governmental Funds operations or Proprietary Fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements - In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual cost is unavailable.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the estimated useful lives of the assets using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to report capital assets.

The estimated useful lives by type of asset are as follows:

	<u>Years</u>
Buildings and building improvements	40
Machinery and equipment	7
Streets and roads	40
Street lights and signs	7-20
Sewage system	40

Fund Financial Statements - In the fund financial statements, capital assets arising from cash transactions acquired for use in Governmental Funds operations are accounted for as capital outlay expenditures of the Governmental Funds upon acquisition. Capital assets acquired for use in Proprietary Fund operations are accounted for the same as in the government-wide statements.

Deferred Outflows/Inflows of Resources

The Township has applied GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

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 does not have any items that qualify as deferred outflows of resources.

SKIPPACK TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 government has two items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the Governmental Funds balance sheet. The Governmental Funds report unavailable revenues from property taxes and unavailable revenues from note receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted on the government-wide statements when there are limitations imposed on its use either through the enabling legislation adopted by the Township or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Compensated Absences

The Township accrues accumulated compensation and sick pay benefits when earned, or estimated to be earned, by the employee.

For full-time employees, all hours are accumulated on the employee's anniversary date. Vacation time and personal time does not carry over year to year; however, vacation time is paid out on the employee's anniversary date at a maximum of 10 days. A maximum of 30 days of sick time can be carried over year to year. All compensated absences are paid out based on the employee's hourly rate.

The Authority implemented GASB Statement No. 101, Compensated Absences, effective January 1, 2024. The objective of GASB 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. The adoption of GASB 101 did not have a material impact on the financial statements.

SKIPPACK TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance and GASB Statement No. 54

The Township follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the Township's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- ***Nonspendable Fund Balance*** - Amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- ***Restricted Fund Balance*** - 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 Balance*** - Amounts constrained to specific purposes by the Township itself, using its highest level of decision-making authority (the 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 Balance*** - Amounts the Township intends to use for a specific purpose. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board of Supervisors delegates the authority. The Board of Supervisors has not delegated this authority.
- ***Unassigned Fund Balance*** - Amounts available for any purpose. Positive amounts are reported only in the General Fund.

SKIPPACK TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments and assignments by passage of a resolution. Assigned fund balance is intended to be used by the Township for specific purposes but does 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.

The details of the fund balances are included in the Governmental Funds balance sheet (page 14).

Cash and Cash Equivalents, Trust Funds

On November 10, 1993, the Township entered into a trust agreement establishing a trust fund in perpetuity for the upkeep and care of the grounds in a cemetery plot located in the Township. The principal of the trust shall not be distributed. The income shall be used for maintenance of the cemetery and administrative costs.

NOTE B - CASH AND INVESTMENTS

Cash

The Township's cash and cash investments consist of deposits with financial institutions.

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. Deposits are insured under Act 72 of the 1971 Session of the Pennsylvania General Assembly, whereby financial institutions were granted the authority to secure deposits of public bodies by pledging a pool of assets, as defined in the Act, to cover all public funds deposited in excess of FDIC limits. As of December 31, 2024, the carrying amount of the Township's deposits was \$43,280,900 and the bank balance was \$43,498,454. Of the bank balance, \$500,000 was covered by federal depository insurance. \$41,227,142 of the deposits exceeded the FDIC insurance coverage and was properly collateralized in accordance with Act 72 of the Commonwealth of Pennsylvania. The remaining \$1,771,312 is in the Pennsylvania Local Government Investment Program (PLGIT) and is uninsured and uncollateralized. Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT acts like a money market mutual fund in that their objective is to maintain a stable net asset value of \$1 per share and is rated by a nationally recognized statistical rating organization and subject to an independent annual audit.

SKIPPACK TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE B - CASH AND INVESTMENTS (Continued)

Investments

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.

Fair Value - 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 the fair value of the assets. 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. The Township values certificates of deposit at cost. The U.S. Agency Notes are valued based on the spread above the risk-free yield curve.

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

Investment Type	Fair Value		Cost	Investment Maturities		
	Level 1	Level 2		Less Than 1 Year	1 to 5 Years	6 to 10 Years
GENERAL FUND						
Certificates of deposit	\$ -	\$ -	\$ 7,500,000	\$ 2,000,000	\$ 5,000,000	\$ 500,000
U.S. agency notes	-	3,136,362	-	-	3,136,362	-
	<u>\$ -</u>	<u>\$ 3,136,362</u>	<u>\$ 7,500,000</u>	<u>\$ 2,000,000</u>	<u>\$ 8,136,362</u>	<u>\$ 500,000</u>
OPEN SPACE FUND						
Certificates of deposit	\$ -	\$ -	\$ 1,750,000	\$ 250,000	\$ 1,500,000	\$ -
U.S. agency notes	-	1,224,960	-	730,625	494,335	-
	<u>\$ -</u>	<u>\$ 1,224,960</u>	<u>\$ 1,750,000</u>	<u>\$ 980,625</u>	<u>\$ 1,994,335</u>	<u>\$ -</u>
SEWER REVENUE FUND						
Certificates of deposit	\$ -	\$ -	\$ 3,750,000	\$ 1,000,000	\$ 2,750,000	\$ -
U.S. agency notes	-	479,539	-	-	479,539	-
	<u>\$ -</u>	<u>\$ 479,539</u>	<u>\$ 3,750,000</u>	<u>\$ 1,000,000</u>	<u>\$ 3,229,539</u>	<u>\$ -</u>
PENSION FUND						
Fixed income mutual funds	\$ 123,865	\$ -	\$ -	\$ -	\$ -	\$ -
Equity mutual funds	922,987	-	-	-	-	-
	<u>\$ 1,046,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SKIPPACK TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE B - CASH AND INVESTMENTS (Continued)

Credit Risk - State law limits investments in obligations of (1) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (2) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (3) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

The Township has no investment policy that would further limit its investment choices.

Concentration of Credit Risk - The Township places no limit on the amount the Township may invest in any one issuer.

Restricted Cash

Restricted cash consist of the following:

GENERAL FUND	
Restricted for capital projects	\$ <u>350,920</u>
SEWER REVENUE FUND	
Restricted for capital projects	\$ <u>1,420,393</u>

SKIPPACK TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE C - RETIREMENT

The Township adopted a resolution on May 13, 1998, establishing a single employer money purchase retirement plan for all full-time non-uniformed employees in conformity with Act 205, *Municipal Pension Plan Funding Standard and Recovery Act*, of the Commonwealth of Pennsylvania. The plan is administered by INR Advisors. Financial statements are on file with the Township. The minimum funding requirement of the Township for 2024 was \$46,686, of which \$52,740 was contributed. Set forth below are the plan provisions:

Plan anniversary date	January 1
Eligibility	Completion of six months service
Contributions	
Employer	8% of regular compensation, effective April 14, 2004
Employee	None
Normal retirement	Attainment of age 62
Vesting	100% after one or more years of service

Township and Commonwealth contributions were as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Township</u> <u>Contribution</u>	<u>Commonwealth</u> <u>Contribution</u>	<u>Total</u>
2022	\$ -	\$ 44,932	\$ 44,932
2023	-	42,361	42,361
2024	-	45,222	45,222
2025	-	52,740	52,740

The Township also established a single employer 457 plan for all full-time non-uniformed employees in conformity with Act 205, *Municipal Pension Plan Funding Standard and Recovery Act*, of the Commonwealth of Pennsylvania. The plan is administered by INR Advisors. Financial statements are on file with the Township. Set forth below are the plan provisions:

Plan anniversary date	January 1
Eligibility	All full-time employees
Contributions	
Employer	Township may make voluntary contributions
Employee	Voluntary elective pre-tax deferral
Normal retirement	Attainment of age 62

SKIPPACK TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE D - CAPITAL ASSETS

Acquisitions subsequent to 1996 are stated at historical cost. Machinery and equipment prior to 1996 are recorded at insurance values since no record of historical cost has been maintained by the Township.

	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land and land improvements	\$ 12,923,096	\$ -	\$ -	\$ 12,923,096
Capital assets being depreciated				
Streets and roads	12,764,798	1,506,148	-	14,270,946
Street lights and signs	740,162	6,029	-	746,191
Buildings and building improvements	4,389,477	-	-	4,389,477
Machinery and equipment	1,610,943	449,327	-	2,060,270
TOTAL CAPITAL ASSETS BEING DEPRECIATED	19,505,380	1,961,504	-	21,466,884
Accumulated depreciation				
Streets and roads	(2,537,678)	(325,743)	-	(2,863,421)
Street lights and signs	(630,747)	(40,861)	-	(671,608)
Buildings and building improvements	(1,840,939)	(109,408)	-	(1,950,347)
Machinery and equipment	(1,374,282)	(86,226)	-	(1,460,508)
TOTAL ACCUMULATED DEPRECIATION	(6,383,646)	(562,238)	-	(6,945,884)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	13,121,734	1,399,266	-	14,521,000
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net	\$ 26,044,830	\$ 1,399,266	\$ -	\$ 27,444,096
BUSINESS-TYPE ACTIVITIES				
Capital assets being depreciated				
Sewer system	\$ 10,560,884	\$ 38,943	\$ -	\$ 10,599,827
Machinery and equipment	149,943	-	-	149,943
Accumulated depreciation	(6,550,322)	(191,036)	-	(6,741,358)
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, net	\$ 4,160,505	\$ (152,093)	\$ -	\$ 4,008,412

Depreciation expense was charged to functions as follows in the statement of activities:

GOVERNMENTAL ACTIVITIES	
General government	\$ 82,872
Public works, highways and streets	399,827
Culture and recreation	79,539
	\$ 562,238

SKIPPACK TOWNSHIP

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE E - NOTE RECEIVABLE

Governmental Funds

In March 2019, the Township entered into a promissory note with the Skippack Fire Company. The Township loaned \$300,000 to the Fire Company for a period of five years in order to purchase a new Ladder Truck. The note payments were due in monthly installments of \$5,258, including principal and interest at a rate of 2%. The remaining balance of the note receivable was paid in full during the year ended December 31, 2024.

NOTE F - LONG-TERM DEBT

General Obligation Bond, Series of 2019

The Township issued General Obligation Bond, Series of 2019, on June 11, 2019, in the aggregate principal amount of \$7,400,000 for the purpose of providing funds for and toward:

1. Capital additions, extensions, replacements and improvements to the sewer system.
2. Various open space projects including the construction at the Conway Open Space Project and a pedestrian bridge over the Skippack Creek at Collegeville Road.

The bond bears interest at 4-5% payable monthly, commencing September 1, 2019.

In April 2024, the Township's Board of Supervisors approved the cash defeasance of General Obligation Bond, Series of 2019. The defeasance occurred on June 3, 2024, for a total cash cost of \$6,785,394. \$6,743,850 was put in escrow and the remaining funds were used to cover the costs of the defeasance. A payment of \$381,210 was paid to the United States Treasury on October 28, 2024 for the arbitrage yield reduction payment.

SKIPPACK TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE F - LONG-TERM DEBT (Continued)

The following is a summary of changes in long-term debt for the year ended December 31, 2024:

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Amount Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bond payable	\$ 1,270,000	\$ -	\$ (1,270,000)	\$ -	\$ -
Bond premium	102,416	-	(102,416)	-	-
Compensated absences	-	59,282	-	59,282	52,093
TOTAL GOVERNMENTAL ACTIVITIES	<u>1,372,416</u>	<u>59,282</u>	<u>(1,372,416)</u>	<u>59,282</u>	<u>52,093</u>
BUSINESS-TYPE ACTIVITIES					
Bond payable	5,340,000	-	(5,340,000)	-	-
Bond premium	444,782	-	(444,782)	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	<u>5,784,782</u>	<u>-</u>	<u>(5,784,782)</u>	<u>-</u>	<u>-</u>
TOTAL LONG-TERM DEBT	<u>\$ 7,157,198</u>	<u>\$ 59,282</u>	<u>\$ (7,157,198)</u>	<u>\$ 59,282</u>	<u>\$ 52,093</u>

SKIPPACK TOWNSHIP
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE G - INTERFUND BALANCES

Interfund balances were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
GOVERNMENTAL FUNDS		
General Fund	\$ 664,740	\$ 14,192
Open Space/Park Fund	-	660,310
PROPRIETARY FUND		
Sewer Revenue Fund	<u>14,192</u>	<u>4,430</u>
	<u>\$ 678,932</u>	<u>\$ 678,932</u>

Interfund balances are due to timing of reimbursements and are repaid in full during the following year.

In addition to the balances noted above, the Wismer Trust Fund (a fiduciary fund) reflects a payable to the General Fund of \$680.

NOTE H - CONTINGENCIES

The Township is involved in various claims and legal actions. As of the date of this report, the outcome of these actions cannot be determined but is not expected to have a material effect on the Township's financial position.

REQUIRED SUPPLEMENTARY INFORMATION

SKIPPACK TOWNSHIP**BUDGETARY COMPARISON SCHEDULE****GENERAL FUND****YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,702,500	\$ 3,702,500	\$ 4,169,620	\$ 467,120
Licenses and permits	373,100	373,100	428,585	55,485
Fines and forfeits	1,500	1,500	5,680	4,180
Investment income	421,033	421,033	862,126	441,093
Intergovernmental	912,122	912,122	823,610	(88,512)
Charges for services	12,200	12,200	20,710	8,510
Miscellaneous	52,550	52,550	73,921	21,371
Contributions	-	-	60	60
TOTAL REVENUES	<u>5,475,005</u>	<u>5,475,005</u>	<u>6,384,312</u>	<u>909,307</u>
EXPENDITURES				
General government	1,610,484	1,610,484	1,542,220	(68,264)
Public safety	533,617	533,617	553,830	20,213
Public works				
Highways and streets	2,116,213	2,116,213	939,046	(1,177,167)
Other	100,000	100,000	-	(100,000)
Culture and recreation	-	-	5,000	5,000
Capital projects	-	-	689,772	689,772
Debt service	176,450	176,450	1,366,855	1,190,405
Miscellaneous	-	-	5,826	5,826
TOTAL EXPENDITURES	<u>4,536,764</u>	<u>4,536,764</u>	<u>5,102,549</u>	<u>565,785</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>938,241</u>	<u>938,241</u>	<u>1,281,763</u>	<u>343,522</u>
OTHER FINANCING USES				
Transfers out	<u>(749,000)</u>	<u>(749,000)</u>	<u>-</u>	<u>749,000</u>
TOTAL OTHER FINANCING USES	<u>(749,000)</u>	<u>(749,000)</u>	<u>-</u>	<u>749,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ 189,241</u>	<u>\$ 189,241</u>	<u>1,281,763</u>	<u>\$ 1,092,522</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>27,190,673</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 28,472,436</u>	

See accompanying note to the required supplementary information.

SKIPPACK TOWNSHIP

BUDGETARY COMPARISON SCHEDULE

OPEN SPACE/PARK FUND

YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,615,000	\$ 1,615,000	\$ 1,554,970	\$ (60,030)
Investment income	120,000	120,000	368,857	248,857
Charges for services	29,000	29,000	39,178	10,178
TOTAL REVENUES	<u>1,764,000</u>	<u>1,764,000</u>	<u>1,963,005</u>	<u>199,005</u>
EXPENDITURES				
Culture and recreation	89,500	89,500	363,897	274,397
Capital projects	1,455,500	1,455,500	869,498	(586,002)
TOTAL EXPENDITURES	<u>1,545,000</u>	<u>1,545,000</u>	<u>1,233,395</u>	<u>(311,605)</u>
NET CHANGE IN FUND BALANCE	\$ <u>219,000</u>	\$ <u>219,000</u>	729,610	\$ <u>510,610</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>12,154,482</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 12,884,092</u>	

See accompanying note to the required supplementary information.

SKIPPACK TOWNSHIP

BUDGETARY COMPARISON SCHEDULE

STATE LIQUID FUELS HIGHWAY AID FUND

YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Investment income	\$ 5,200	\$ 5,200	\$ 6,053	\$ 853
Intergovernmental	402,234	402,234	405,036	2,802
TOTAL REVENUES	<u>407,434</u>	<u>407,434</u>	<u>411,089</u>	<u>3,655</u>
EXPENDITURES				
Public works				
Highways and streets	-	-	108	108
Capital projects	402,234	402,234	402,234	-
TOTAL EXPENDITURES	<u>402,234</u>	<u>402,234</u>	<u>402,342</u>	<u>108</u>
NET CHANGE IN FUND BALANCE	\$ <u>5,200</u>	\$ <u>5,200</u>	8,747	\$ <u>3,547</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>475</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 9,222</u>	

See accompanying note to the required supplementary information.

SKIPPACK TOWNSHIP
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

NOTE A - BUDGETARY INFORMATION

The Township has not presented budgetary comparison information for its Traffic Impact Fund because it was not required to adopt a budget for this fund.

NOTE B - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following excess expenditures were funded by revenues that exceeded budget, various functions that were under budget, and fund balance carried over from the prior year.

GENERAL FUND	
Public safety	\$ 20,213
Culture and recreation	5,000
Capital projects	689,772
Debt service	1,190,405
Miscellaneous	5,826
OPEN SPACE/PARK FUND	
Culture and recreation	274,397
STATE LIQUID FUELS HIGHWAY AID FUND	
Highways and streets	<u>108</u>
	<u>\$ 2,185,721</u>