

TOWNSHIP OF COLLEGE
CENTRE COUNTY, PENNSYLVANIA

REPORT ON AUDIT OF
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

TOWNSHIP OF COLLEGE
CENTRE COUNTY, PENNSYLVANIA

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 12
<u>Government-Wide Financial Statements</u>	
Statement of Net Position	13
Statement of Activities	14
<u>Fund Financial Statements</u>	
Balance Sheet - Governmental Funds	15
Reconciliation of Governmental Fund Balances to Government-Wide Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17
Reconciliation of Revenues, Expenses and Changes in Fund Balances - Governmental Funds to the Statement of Activities	18
Required Supplementary Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Cash Basis) and Actual - General Fund	19
Statement of Fiduciary Net Position - Fiduciary Funds	20
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	21
Notes to the Basic Financial Statements	22 - 44
<u>Supplementary Information</u>	
Combining Balance Sheet - Non-Major Governmental Funds	45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	46
Combining Statement of Changes in Assets and Liabilities - Agency Funds - Tax Collector Accounts	47
Schedule of Receipts and Disbursements; Agency Fund - Tax Collector Accounts	48
Borrowing Base Certificate	49
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on a Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	50 - 51

FIORE FEDELI SNYDER CAROTHERS, LLP

Certified Public Accountants and Consultants

Patrick J. Fiore, CPA
Joseph P. Fedeli, CPA
Robert P. Snyder, CPA
Stanley N. Roseberry IV, CPA

Independent Auditors' Report

Members of Council
Township of College
Centre County, Pennsylvania

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of College, Pennsylvania, 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 financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of College, Centre County, Pennsylvania as of December 31, 2023, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Township of College 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 twelve months beyond the financial statement date,

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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 generally accepted auditing standards 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, 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.
- 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 judgement, 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 13 and page 20 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 Government 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 basic financial statements that collectively comprise the Township's basic financial statements. The supplementary combining financial statements and other schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are 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 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 procedure in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2024, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



State College, Pennsylvania
May 16, 2024

**TOWNSHIP OF COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
(REQUIRED SUPPLEMENTAL INFORMATION)
YEAR ENDED DECEMBER 31, 2023**

To the Members of Council
Township of College
State College, Pennsylvania

As management of the Township of College (the "Township"), we offer readers of our basic financial statements this narrative introduction, overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2023.

This discussion and analysis is divided into the following sections: 1) Financial highlights for 2023; 2) Description of the required financial statements; 3) Financial Analysis of the Township; 4) An Overview of the Township's Capital Assets and Long-term Debt; and, 5) Potentially Significant Matters.

The reader should use the information contained here in conjunction with the additional information contained in the Township's audited financial statements which begin immediately following this narrative.

FINANCIAL HIGHLIGHTS FOR 2023

1. 2023 Real Estate Tax revenues across all categories increased 5.5% from approximately \$1,264,000 in 2022 to \$1,335,000 in 2023 without a corresponding real estate tax millage increase. The 2022 and 2023 real estate tax millage was 6.10 mils.
2. A total of \$250,000 in Federal ARPA funds were transferred from the Capital Reserve Fund to the General Fund during 2023.
3. Township employees received a 5.0% cost of living adjustment increase and a maximum 1.5% merit increase in 2023.
4. Healthcare insurance costs for 2023 rose significantly, up 9.3% from 2022 rates. This increase is reflective of the 225.4% increase in 2022 healthcare claims.
5. Impact Fee revenues from the PSU Impact Fee agreement rebounded significantly, from approximately \$185,000 in 2022 to more than \$439,000 in 2023, a 237% increase.

DESCRIPTION OF THE REQUIRED FINANCIAL STATEMENTS

This section is intended to serve as a narrative explanation of the Township's financial statements, not the numbers themselves, but the purpose of each statement and what each is designed to accomplish for the readers of our statements.

Primary Objectives of Governmental Financial Reporting

We believe an understanding of the primary objectives of governmental financial reporting is essential to fully grasping the financial statements contained in the report.

The Governmental Accounting Standards Board (GASB) has identified both operational and fiscal accountability as the paramount objectives of financial reporting:

Operational accountability requires that a government demonstrates the extent to which it has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to do so. This is accomplished by the use of **government-wide financial statements**. These statements are reported using the **accrual basis** of accounting whereby revenues are recognized when earned and expenses are recognized when the liability is incurred regardless of when the revenue is received or the expense is paid.

Fiscal accountability requires that a government demonstrates compliance with 1) finance-related legal requirements and 2) public decisions concerning the raising and spending of public monies in the short term (the annual budget cycle). This is accomplished by the use of **fund-based financial statements**, similar to what readers have grown accustomed to prior to the adoption of GASB 34. Fund-based statements are reported using the **modified accrual basis** whereby revenues are recognized when earned provided they are collectible within the current period or soon enough afterwards to be used to pay current period liabilities. Expenditures are generally recorded when the liability is incurred.

Overview of the Township's Required Financial Reporting Format

The Township's basic (required) financial statements consist of the following three components: 1) **government-wide financial statements** (operational accountability), 2) **fund-based financial statements** (fiscal accountability), and 3) **notes to the basic financial statements**. This report also includes both required and optional supplementary information schedules which are intended to enhance the reader's understanding of the financial condition of the Township.

The following narratives further describe each of these important components:

1) Government-wide financial statements

As stated earlier, the objective of government-wide financial reporting is to demonstrate operational accountability. There are two basic government-wide financial statements: the statement of net position and the statement of activities. These statements provide the reader with a broad overview of the government by consolidating the Township's general, special revenue (other governmental), debt service, and capital projects funds. Because the resources of the fiduciary funds (pension trust funds and tax collection agency funds) are not available to support government programs, they are excluded from these statements.

The statement of net position represents the Township's basic government-wide statement of position. The reader should note the following essential characteristics of this statement:

- All the Township's assets and liabilities (except those of the fiduciary funds) are presented, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.
- The assets and liabilities are presented in order of liquidity.
- Inter-fund payables and receivables are eliminated and do not appear in the total column.
- Net position is subdivided into three categories: net position invested in capital assets, net of accumulated depreciation and related debt; restricted net position; and, unrestricted net position.

The statement of activities is used to report changes in net position. In this statement, expenses are presented before revenues to emphasize that the Township does not seek to maximize revenues but instead, identifies the needs of its citizens and then raises the resources needed to meet these needs. Other items to note are as follows:

- The first column presents the direct expenses associated with each of the Township's major functions which include general government, public safety, highways and streets, public works, and culture and recreation.
- Net expense for each function is arrived at by deducting revenues (referred to as program revenues) used to finance each individual function. All non-program revenues are reported as general revenues and are reported immediately following the total net expense of the Township's functions.

- All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This is commonly referred to as the accrual basis of accounting. For example, an electric bill for usage during the month of December 2023 is recorded as an expense in 2023 although it may not have been paid until January 2024.

Both the statement of net position and the statement of activities focus the reader on governmental activities (functions) that are principally supported by taxes and intergovernmental revenues.

2) Fund-based Financial Statements

The Township, like other state and local governments, uses fund accounting to demonstrate fiscal accountability. A fund is a self-balancing set of accounts established for the purpose of maintaining control over resources that have been segregated for specific activities or objectives. The Township follows the principal of limiting the number of funds to those required by law and sound financial administration. All of the Township's funds can be divided into 2 classifications: governmental funds and fiduciary funds. There is a third classification, proprietary funds, but the Township has no funds that fall within that classification. The following paragraphs further describe the Township's governmental funds and fiduciary funds.

Governmental funds. These fund types are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

The Township maintains eight governmental funds: the general fund, five special revenue (or "other governmental") funds, one debt service fund, and one capital projects fund.

Governmental fund statements are presented following the government-wide statement as a governmental fund balance sheet and a governmental fund statement of revenues, expenditures, and changes in fund balances. Data is presented separately for the general fund, debt service fund and the capital projects fund, all of which are deemed to be major funds. Data from the other five governmental non-major funds are combined into a single, aggregated presentation. However, individual fund data for these non-major governmental funds is provided as supplemental schedules following the footnotes in the form of a combining balance sheet and combining statement of revenues, expenditures, and changes in fund balance.

It is important to note that the governmental fund statements are prepared using the modified accrual basis of accounting, where the focus is on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. This information may be useful in evaluating the Township's near-term financing requirements. This differs from the government-wide financial statements which are prepared using the accrual basis of accounting. Both the governmental fund balance sheet

and the governmental statement of revenues, expenditures, and changes in fund balances are followed by a reconciliation or "bridge" to facilitate comparison of the governmental fund statements and the government-wide statements.

Finally, the Township adopts an annual budget for all its funds. A budgetary comparison statement for the general fund has been provided to demonstrate compliance with this budget and is presented immediately following the statement of revenues, expenditures, and changes in fund balances for the governmental funds.

Fiduciary funds. Fiduciary funds are used to report assets held in a trust or agency capacity for others.

Fiduciary funds are not reported in the government-wide financial statements (as are the governmental funds) because the resources of these funds are not available to support the Township's own programs. The fiduciary fund statements are prepared using the accrual basis of accounting.

The Township's fiduciary funds consist of two pension trust funds for the benefit of its employees and two agency funds for taxes collected by the Township's tax office for other taxing jurisdictions.

The pension trust funds statements are presented following the governmental fund statements as a Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets.

The agency funds are included in this presentation solely as assets offset by a liability to the parties on whose behalf they are held. Consequently, net assets are not reported. Instead, agency fund information can be found in the schedules following the notes to the financial statements.

3) Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements such as the Township's accounting methods and policies.

FINANCIAL ANALYSIS OF THE TOWNSHIP

Overall Financial Analysis

We believe that the overall financial position of the Township is sound and will continue to improve.

Operational Accountability: Analysis of Government-wide Financial Position

As noted earlier, net position may serve over time as a useful indicator of the Township's financial position.

The Township's overall financial position as of December 31, 2023 is demonstrated by the following condensed government-wide statement of net position which shows that total assets exceeded total liabilities by \$18.6 million; an increase of \$502,000 from 2022:

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 6,909,947	\$ 5,388,701
Capital assets - net	<u>19,706,119</u>	<u>19,260,962</u>
Total Assets	<u>26,616,066</u>	<u>24,649,663</u>
Current and other liabilities	3,697,287	2,379,671
Long-term liabilities	<u>4,357,524</u>	<u>4,210,321</u>
Total Liabilities	<u>8,054,811</u>	<u>6,589,992</u>
Net Position:		
Invested in capital assets, net of related debt	14,858,235	14,568,821
Restricted	1,595,876	1,992,493
Unrestricted	<u>2,107,144</u>	<u>1,498,357</u>
Total Net Position	<u>\$ 18,561,255</u>	<u>\$ 18,059,671</u>

\$14.9 million of net position totaling \$18.6 million (80.0%) reflects the Township's investment in capital assets, net of related debt still outstanding that was used to acquire those assets. Capital assets are needed to provide services to citizens; consequently they are not available for future spending.

At the end of 2023, net position of the Township totaling \$1.6 million (8.6%) are subject to restrictions on how they may be used. Accordingly, the remaining net position (\$2.1 million or 11.4%) are unrestricted and may be used to meet the Township's ongoing obligations to citizens and creditors.

Operational Accountability: Analysis of Government-wide Operating Results

The Township's results of operations are demonstrated by the following condensed government-wide statement of changes in net position for the year ended December 31,:

	<u>Governmental</u> <u>2023</u>	<u>Activities</u> <u>2022</u>
Program revenues:		
Charges for services	\$ 1,747,356	\$ 1,694,866
Operating grants and contributions	792,230	4,754,681
General revenues:		
Taxes and other revenue	<u>6,557,488</u>	<u>6,098,796</u>
Total Revenues	9,097,074	12,548,343
Expenses:		
General government	2,820,485	2,996,493
Public safety	2,576,314	2,334,619
Highways and streets	966,048	1,025,460
Public works	190,857	2,563,557
Culture and recreation	997,828	866,473
Depreciation (unallocated by function)	<u>1,043,958</u>	<u>1,101,778</u>
Total Expenses	<u>8,595,490</u>	<u>10,888,380</u>
Excess revenues over expenses	501,584	1,659,963
NET POSITION - beginning	<u>18,059,671</u>	<u>16,399,708</u>
NET POSITION - ending	<u>\$ 18,561,255</u>	<u>\$ 18,059,671</u>

Overall operating results from the Township's governmental activities resulted in an increase of \$502,000 in net position (2.7% of ending net position). Going from an excess of revenues over expenditures in 2022 of \$1.7 million to an excess of revenues over expenses in 2023 of \$502,000 is a change of \$1.2 million. 2022 revenues were bolstered by grants from the Commonwealth, these grants were not repeated in 2023, driving the change from year to year.

Fiscal Accountability: Analysis of the Township's Funds

Transactions and Balances of Individual Major Governmental Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and with public decisions on the use of the Township's resources.

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

At the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$3.76 million, an increase of \$215,000 from the prior year.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unassigned fund balance was \$1,043,000. As a measure of the general fund's liquidity, it may be useful to compare its unassigned fund balance to total governmental fund expenditures. Unassigned general fund balance represents 16.6% of 2023 general fund expenditures and 11.0% of total governmental fund expenditures. Fund balance increased by \$190,711 during the current fiscal year.

The debt service fund has a total fund balance of \$60,863 all of which is restricted for future debt service. The \$35,603 increase was less than budgeted. Refinancing and issuance of debt to finance long term projects resulted in minor negative impact on cash flow for servicing the new debt.

The capital projects fund has a total fund balance of \$112,638, all of which is restricted for future capital project expenditures.

General Fund Budgetary Highlights

Actual ending fund balance was higher than budgeted ending fund balance by \$1.245 million.

Actual beginning fund balance exceeded budgeted fund balance by \$92,000 which, when combined with the positive variance of \$1,153,000 from actual revenues exceeding actual expenditures, accounts for the majority of the positive general fund balance variance from budget. Variances for both revenues and expenditures were positive.

This variance is not expected to significantly impact future Township services or liquidity.

CAPITAL ASSETS AND LONG-TERM DEBT OVERVIEW

Capital Assets

At December 31, 2023, the Township had invested \$19.7 million in capital assets for its governmental activities net of \$12.6 million accumulated depreciation. These assets include land, buildings, vehicles, machinery and equipment, park facilities, infrastructure acquired after January 1, 1999, and construction in progress. This amount represents a net increase (including additions and dispositions, net of depreciation) of \$445,000 from the prior year.

As of December 31, 2023, the investment in capital assets, before depreciation, totaled \$32.3 million. Of this, \$188,000 is the value of projects in progress at the end of the year.

Significant additions in 2023 included improvements to the Township's municipal building, \$203,000; equipment and vehicles, \$591,000; traffic calming initiatives, \$448,000; and 2023 road/infrastructure projects, \$249,000.

It should also be noted that \$171,000 in asset value was disposed of in 2023.

Additional information on the Township's investment in capital assets (including infrastructure) is contained in Footnote E in the Notes to the Basic Financial Statements.

Long-term Debt

In April 2022, the Township issued its General Obligation Notes, Series A and AA of 2023 in the aggregate amount of \$7,760,000.

The non-electoral debt limit of the Township, calculated as 250% of the borrowing base of \$7,922,697, as of December 31, 2023 amounted to \$19,806,743, an increase of \$1,205,420 from the prior year. Please refer to the Supplemental Information Section for additional details.

Additional information on the Township's long-term debt can be found in Footnote F of the Notes to the Basic Financial Statements.

2024 BUDGET HIGHLIGHTS

1. No real estate property tax millage increase was implemented in 2024. The 2024 real estate property tax millage remains at 6.10 mils.
2. A total of \$55,776 in Federal ARPA funds were transferred from the Capital Reserve Fund and used in construction of the 2024 budget.
3. Township employees are budgeted to receive a 3.75% cost of living adjustment increase in 2024 with a maximum 1.0% merit increase in 2023.
4. PSU Impact Fee revenues are anticipated to outpace 2023 actual collections as a result of aggressive event bookings and utilization of Beaver Stadium as an event venue in 2024.

Request for Information

This financial report is designed to provide an overview of the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Township's Finance Director at 1481 East College Avenue, State College, PA 16801.

TOWNSHIP OF COLLEGE
YEAR ENDED DECEMBER 31, 2023
GOVERNMENT-WIDE
FINANCIAL STATEMENTS

TOWNSHIP OF COLLEGE
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 5,970,243
Accounts receivable & other assets	356,770
Taxes receivable	520,121
Prepaid expenses	3,277
Inventory	44,765
Due from water authority	14,771
Capital assets, net of accumulated depreciation	<u>19,706,119</u>
Total assets	<u>26,616,066</u>
LIABILITIES	
Accounts payable and other current liabilities	3,111,406
Compensated absences	95,520
Notes/bonds payable - current	490,360
- non current	<u>4,357,525</u>
Total liabilities	<u>8,054,811</u>
NET POSITION	
Invested in capital assets, net of related debt	14,858,235
Restricted for:	
Special governmental purposes	1,483,238
Capital projects	112,638
Unrestricted	<u>2,107,144</u>
Total net position	<u>\$ 18,561,255</u>

See accompanying notes to the basic financial statements

TOWNSHIP OF COLLEGE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
General government	\$ 1,936,671	\$1,616,353	\$ 197,009	\$ --	\$(123,309)
Public Safety	2,576,314	93,872	92,401	--	(2,390,041)
Highway and streets	966,048	37,131	361,143	--	(567,774)
Public works	190,857	--	5,610	--	(185,247)
Culture and recreation	997,828	--	--	--	(997,828)
Insurance and benefits	799,881	--	136,067	--	(663,814)
Interest expense	83,933	--	--	--	(83,933)
Depreciation (unallocated)	1,043,958	--	--	--	(1,043,958)
Total governmental activities	\$ <u>8,595,490</u>	\$ <u>1,747,356</u>	\$ <u>792,230</u>	\$ <u>--</u>	(<u>6,055,904</u>)
General Revenues:					
Taxes					6,145,953
Interest					209,133
Other					<u>202,402</u>
Total General Revenues					<u>6,557,488</u>
Change in net position					501,584
Net position, beginning					<u>18,059,671</u>
Net position, ending					<u>\$ <u>18,561,255</u></u>

See accompanying notes to the basic financial statements

TOWNSHIP OF COLLEGE
YEAR ENDED DECEMBER 31, 2023
FUND FINANCIAL STATEMENTS

TOWNSHIP OF COLLEGE
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$4,302,430	\$ 62,524	\$ 116,868	\$1,488,422	\$5,970,244
Accounts receivable	356,770	--	--	--	356,770
Due from water authority	14,771	--	--	--	14,771
Taxes receivable	<u>520,121</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>520,121</u>
Total assets	<u>\$5,194,092</u>	<u>\$ 62,524</u>	<u>\$ 116,868</u>	<u>\$1,488,422</u>	<u>\$6,861,906</u>
LIABILITIES					
Accounts payable	<u>\$3,089,835</u>	<u>\$ 1,661</u>	<u>\$ 4,230</u>	<u>\$ 5,184</u>	<u>\$3,100,910</u>
FUND BALANCES					
Restricted	--	60,863	112,638	1,483,238	1,656,739
Assigned	1,061,690	--	--	--	1,061,690
Unassigned	<u>1,042,567</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,042,567</u>
Total fund balances	<u>2,104,257</u>	<u>60,863</u>	<u>112,638</u>	<u>1,483,238</u>	<u>3,760,996</u>
Total liabilities and fund balances	<u>\$5,194,092</u>	<u>\$ 62,524</u>	<u>\$ 116,868</u>	<u>\$1,488,422</u>	<u>\$6,861,906</u>

See accompanying notes to the basic financial statements

TOWNSHIP OF COLLEGE
RECONCILIATION OF GOVERNMENTAL FUND BALANCES
TO GOVERNMENT-WIDE NET ASSETS
YEAR ENDED DECEMBER 31, 2023

Total fund balances	\$ 3,760,996
Capital assets used in governmental activities excluded from funds because they do not represent financial resources	19,706,119
Other non-financial assets such as inventory and prepaid expenses used in governmental activities excluded from funds because they do not represent financial resources	48,039
Accrued interest expense	(10,495)
Liability for compensated absences (vacation pay)	(95,520)
Long-term note payable due:	
In 2023	(490,360)
Thereafter	(<u>4,357,524</u>)
Net position, government-wide	\$ <u><u>18,561,255</u></u>

See accompanying notes to the basic financial statements

TOWNSHIP OF COLLEGE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 4,221,338	\$ 589,788		\$ 1,334,827	\$ 6,145,953
Impact fees	539,188	--		--	539,188
Licenses, permits & user	670,267	--		--	670,267
Intergovernmental	531,461	--		367,431	898,892
Fines and forfeits	61,873	--		--	61,873
Other	260,021	--	\$ 157,569	82,426	500,016
Proceeds from debt	--	--	637,563	--	637,563
Interest and Rents	174,172	14,493	264	80,955	269,884
Total revenues	<u>6,458,320</u>	<u>604,281</u>	<u>795,396</u>	<u>1,865,639</u>	<u>9,723,636</u>
EXPENDITURES					
Current:					
General government	2,039,916	2,805	--	--	2,042,721
Public safety	2,265,935	--	--	311,673	2,577,608
Highways and streets	915,750	--	--	49,118	964,868
Public works	118,757	--	--	--	118,757
Culture and recreation	113,497	--	--	925,673	1,039,170
Insurance and benefits	799,880	--	--	--	799,880
Debt Service:					
Principal payments	--	481,820	--	--	481,820
Interest charges	--	84,051	--	--	84,051
Capital outlays	13,874	--	661,133	724,573	1,399,580
Total expenditures	<u>6,267,609</u>	<u>568,676</u>	<u>661,133</u>	<u>2,011,037</u>	<u>9,508,455</u>
(Deficiency)/excess of revenues over expenditures	190,711	35,605	134,263	(145,398)	215,181
FUND BALANCES, beginning	<u>1,913,546</u>	<u>25,258</u>	<u>(21,625)</u>	<u>1,628,636</u>	<u>3,545,815</u>
FUND BALANCES, ending	<u>\$ 2,104,257</u>	<u>\$ 60,863</u>	<u>\$ 112,638</u>	<u>\$ 1,483,238</u>	<u>\$ 3,760,996</u>

See accompanying notes to the basic financial statements

TOWNSHIP OF COLLEGE
RECONCILIATION OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

Net changes in fund balances - total governmental	\$ 215,181
Expenses, reported on the statement of activities, that (required)/did not require the use of current financial resources:	
Vacation expense accrued to employees	(5,659)
Interest expense	118
Changes in inventory	2,535
Capital outlays, net of depreciation expense of \$1,043,958	445,152
Effect of note (proceeds)/repayments that utilize current financial resources	(<u>155,743</u>)
Change in net position of governmental activities	\$ <u><u>501,584</u></u>

See accompanying notes to the basic financial statements

TOWNSHIP OF COLLEGE
REQUIRED SUPPLEMENTARY STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

	(Unaudited) Budget - Both Original and Final	Actual	Variance
REVENUES			
Taxes	\$ 4,153,427	\$ 4,221,338	\$ 67,911
Impact fees	329,850	539,188	209,338
Licenses, permits and user fees	487,887	670,267	182,380
Intergovernmental	265,139	531,461	266,322
Fines and forfeits	54,100	61,873	7,773
Interest and rents	84,100	174,172	90,072
Proceeds from debt	66,000	--	(66,000)
Other	190,780	260,021	69,241
	<u>5,631,283</u>	<u>6,458,320</u>	<u>827,037</u>
Total revenues			
EXPENDITURES			
General government	1,874,998	2,039,916	164,918
Public safety	2,219,252	2,265,935	46,683
Highways and streets	1,035,677	915,750	(119,927)
Public works	116,800	118,757	1,957
Culture and recreation	136,919	113,497	(23,422)
Insurance and benefits	922,840	799,880	(122,960)
Capital outlays	70,475	13,874	(56,601)
Transfer to other funds	217,540	--	(217,540)
	<u>6,594,501</u>	<u>6,267,609</u>	<u>(326,892)</u>
Total expenditures			
Excess of revenues over expenditures	(963,218)	190,711	1,153,929
FUND BALANCE, beginning	<u>1,821,809</u>	<u>1,913,546</u>	<u>91,737</u>
FUND BALANCE, ending	\$ <u><u>858,591</u></u>	\$ <u><u>2,104,257</u></u>	\$ <u><u>1,245,66</u></u>

See accompanying notes to the basic financial statements

TOWNSHIP OF COLLEGE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023

	Trust Fund- Pension <u>Plan</u>	Agency <u>Funds</u>
ASSETS		
Cash	\$ --	\$ 216,454
Investments at market value	<u>3,020,622</u>	<u>--</u>
Total assets	<u>\$ 3,020,622</u>	<u>\$ 216,454</u>
LIABILITIES		
Due to other governments and taxpayers		<u>\$ 216,454</u>
NET POSITION		
Held in trust for employees' retirement benefits	<u>\$ 3,020,622</u>	

See accompanying notes to the basic financial statements

TOWNSHIP OF COLLEGE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2023

		<u>Pension Plan</u>
ADDITIONS		
Contributions	\$	148,592
Investment gains, including realized and unrealized gains and net losses		<u>322,642</u>
Total additions		471,234
 DEDUCTIONS		
Distributions to beneficiaries		164,971
Fees and charges		<u>7,659</u>
Total deductions		<u>172,630</u>
Change in net position		298,604
NET POSITION, beginning		<u>2,722,018</u>
NET POSITION, ending	\$	<u><u>3,020,622</u></u>

See accompanying notes to the basic financial statements

TOWNSHIP OF COLLEGE
YEAR ENDED DECEMBER 31, 2023
NOTES TO THE BASIC FINANCIAL STATEMENTS

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS

TABLE OF CONTENTS

	<u>PAGE</u>
A. Summary of Significant Accounting Policies	22 - 29
B. Budgetary Procedures	19 - 30
C. Deposits and Investments	30 - 32
D. Taxes	32 - 34
E. Capital Assets	34 - 35
F. Long-Term Obligations	36 - 38
G. Governmental Fund Balances	38
H. Deferred Compensation Plan	39
I. Defined Contribution Plan	39 - 40
J. Police Services and Other Operations	40
K. Risk Management	40
L. Potential Component Units/Related Party Transactions	41 - 44
M. Contingent Liabilities	44
N. Subsequent Events	44

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of College is located in Central Pennsylvania. It is a Township of the second class and is operated under a Home Rule Option with an elected five member Township Council. Under the administration of an appointed Township Manager, the Township provides a variety of services to its residents. These services include, but are not limited to: public safety, recreation, street repair and maintenance, planning and zoning and general administrative services.

The accompanying financial statements of the Township have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Reporting Entity

The perspective of accountability provides the basis for defining the financial reporting entity. The definition of the financial reporting entity is primarily based on the concept of financial accountability. In defining the Township for financial reporting purposes, the Township evaluated the possible inclusion of related organizations consistent with the provisions of the Government Accounting Standards Board.

Financial accountability for legally separate organizations exists if the Township, as a primary government, appoints a voting majority of an organization's governing body, and is either able to impose its will on that organization or there is a potential for the organization to provide a specific financial benefit to, or impose specific financial burdens on, the Township, or if an organization is fiscally dependent on the Township.

Based upon these criteria, the financial reporting entity has been defined to include all of the funds, accounts, departments and offices that comprise the legal entity of the Township of College.

A description of the potential component units considered and excluded from the Township's financial statements is presented below and in Footnote L and includes a consideration of the following:

- College Township Water Authority
- College Township Industrial Development Authority
- University Area Joint Authority
- Centre Area Transportation Authority
- Centre Region Council of Governments
- Centre Region Parks and Recreation Authority
- Schlow Centre Region Library

Separate financial statements of each of the entities are available for review at the Township's offices or at the office of the respective entity.

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-Wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Government-wide financial statements: These are reported using the economic resources measurement focus and the accrual basis of accounting as is the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements have been met.

Governmental fund financial statements: These are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if collected within sixty (60) days of the fiscal year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as compensated absences and claims and judgements are recorded when payment is due.

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxes, grants, fees, interest income and various intergovernmental revenues associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Township. Revenue related to expenditure driven grants is recognized when the qualifying expenditures have been incurred and all other grant requirements have been met.

The following funds are used by the Township:

Governmental Fund Types

The Township reports the following major governmental funds:

General Fund - 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.

Capital Projects Fund - Used to account for major capital expenditures. It holds the unexpended proceeds of debt issued to finance capital projects.

Debt Service Fund - To account for the accumulation of financial resources through real estate tax levies or transfers from the general fund and the payment of long-term debt, principal and interest.

The Township reports the following non-major governmental funds:

Special Revenue Funds Reported as Other Government Funds- To account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted for specified purposes.

The Township recognizes the following special revenue funds:

-- State Highway Aid - liquid fuels tax monies provided by the State for building and improving roads and bridges.

Real estate taxes are levied for particular purposes, each of which is accounted for in its own non-major governmental fund, as the name indicates.

-- Fire Protection

-- Parks and Recreation

-- Road Machinery

-- Library

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

(Continued)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fiduciary Fund Types

Trust Funds - To account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governmental units and funds. The Pension Trust Fund is used to account for the activity of the defined contribution retirement plan.

Agency Funds - custodial in nature; that is, assets equal liabilities and they do not involve measurement of operations.

These funds include those administered by the Township as:

Tax Collector. Funds paid by individuals, property owners and/or employers on account of the various tax assessments levied by the Township, the School District and other local municipalities are held by the township as an agent of itself and others until accountings and disbursements are made.

Assets, Liabilities, Fund Balance and Net Position

Private-Sector Standards

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not contradict the guidance of the GASB.

Investments

Investments are reflected at market which approximates cost. Investment income is recorded as earned.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as other assets in both government-wide and governmental fund financial statements.

Capital Assets

Capital assets are reported in the governmental-wide statement of net position and include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure, and all other assets that are used in operations and have an initial useful life extending beyond a single reporting period.

Under GAAP, management establishes the dollar value ("capitalization threshold") at which the township will capitalize assets that are used in operations.

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Management has established the following capitalization thresholds: Land - \$1, infrastructure - \$25,000, and all other capital assets - \$5,000.

Such assets are recorded at historical cost if purchased or constructed or at estimated historical cost if the original cost is not determinable. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of maintenance and repairs that do not add to the value of the asset or extend the life of an asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Infrastructure	20 - 40 years
Machinery and equipment and vehicles	5 - 20 years
Land improvement, buildings and building improvements	15 - 40 years

Inventories

Parts and supplies purchased by the various funds are recorded by the Township as an expenditure when purchased in the governmental fund financial statements and as assets in the government-wide statement of Net Assets.

Accumulated Unpaid Vacation

Under GAAP, unpaid vacation is accrued. This liability, not expected to be paid from available resources, is recorded only in the government-wide statement of net assets.

Deferred Revenue

The Township reports deferred revenue on both the government-wide and governmental fund financial statements. Deferred revenue arises when a potential revenue does not meet both the "measurable and available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities.

In the governmental fund financial statements, governmental fund types recognize bond discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as proceeds from debt. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as general government expenditures.

Governmental Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category included amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion included items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources 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.

Enabling legislation authorizes the Township to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Township can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of Township Council. Those committed amounts cannot be used for any other purpose unless Township Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Township Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as restricted or committed. In government funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by Township Council or a Township official delegated that authority.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the restricted fund balance classifications could be used.

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-Wide Financial Statement Net Position

The government-wide fund financial statements are required to report three components of net position:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - This component of net position consists of constraints placed on net position use through external restrictions.

Unrestricted - This component of net position consists of net position that does not meet the definition of "restricted" or net investment in capital assets".

Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of various estimates of amounts and disclosures by management. There will likely be differences between estimated and actual results.

B. BUDGETARY PROCEDURES

Formal budgetary accounting is employed as a management control in all funds of the Township. The Township adheres to the following procedures in establishing the budget reflected in the financial statements:

- A. Annual operating budgets are adopted each year on a basis consistent with the Commonwealth of Pennsylvania's Second Class Township Code.
- B. Throughout the year the finance director and manager use current financial status reports and established Township objectives to develop financial projections for the ensuing year.
- C. This information is then assembled and presented to the Council for approval or revision.
- D. The Council adopts a proposed budget in November of each year which is available for public scrutiny and comment for a period of at least 20 days.
- E. The final budget is approved in December. Budget revisions are approved at Council meetings.

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

B. BUDGETARY PROCEDURES (continued)

The budget amounts presented in the financial statements reflect the original budget amounts. There were no significant Council resolutions to modify the original budget.

The Township does not use encumbrance accounting.

The Township's budget is prepared on a modified accrual basis, which approximates accrual basis results.

A difference between the general fund balance budgeted at the beginning of the year and the actual balance is due to December activity of the prior year, which is estimated due to the timing of the budget process, and year-end adjustments to accounts receivable and payable, net of those balances at the beginning of the year.

C. DEPOSITS AND INVESTMENTS

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes.

The following is a description of the Township's deposit and investment risks:

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Commonwealth of Pennsylvania recognizes this risk. Under its Act 72, deposits of public funds (in excess of \$250,000 of FDIC insurance) held by banks must be collateralized. Banks must place on deposit with a third-party (usually a Federal Reserve Bank) securities with an aggregate market value in excess of all of its uninsured balances. The Township requires this protection for its funds.

The Pennsylvania Local Government Investment Trust (PLGIT):

The Township invests funds with PLGIT. PLGIT was created in 1981 to meet the short-term investment needs of local governments, school districts, municipal authorities, and other types of governments in the Commonwealth of Pennsylvania and currently serves more than 3,200 public entity investors across the Commonwealth and cooperatively invest more than \$10.5 billion across multiple programs. PLGIT is subject to annual audit. Additional information on PLGIT and its investment strategies can be found at www.plgit.com.

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

C. DEPOSITS AND INVESTMENTS (continued)

The Township utilizes these PLGIT investment options:

PLGIT is a professional managed portfolio of the Trust that operates like a money market fund and stresses safety of principal as its primary objective - a fact underscored by its AAAM Rating from Standard & Poor's. This is a flexible option that requires no minimum balance, no minimum initial investment, and a one day minimum investment period. Dividends are paid monthly.

PLGIT-Prime is a variable rate investment portfolio rated AAAM by Standard & Poor's. This web-based option requires no minimum balance and no minimum initial investment. This option limits redemptions or exchanges to two per calendar month.

PLGIT-Term is a fixed term investment portfolio of the Trust with maturity of up to one year. This option requires a minimum initial investments of \$100,000, a minimum investment period of sixty (60) days, and has a premature withdrawal penalty.

PLGIT-CD Purchase Program is an option that enables Investors to purchase directly Certificates of Deposit ("CDs") which are intended to be fully insured by the Federal Deposit Insurance Corporation ("FDIC"). Investments in the PLGIT-CD Purchase Program are direct investments of the Investor, not assets of the Trust or under control of its Board of Trustees.

As of December 31, 2023, the Township's deposit accounts were insured and collateralized as follows:

	Bank Balance	Book Balance
Insured and Collateralized:		
Bank deposits - Insured	\$ 250,000	\$ 250,000
Bank deposits - Collateralized	4,309,113	4,271,591
Total deposits held by banks	4,559,113	4,521,591
Uninsured and Uncollateralized:		
PLGIT - Class portfolio	2,755	2,755
PLGIT - Prime portfolio	1,444,947	1,444,947
Total investments held by PLGIT	1,447,702	1,447,702
Cash on hand	950	950
Total Cash	\$ 6,007,765	\$ 5,970,243
Agency Funds Bank Deposits:		
Insured	\$ 170,795	\$ 216,454
Collateralized	--	--
Total Agency Funds	\$ 170,795	\$ 216,454

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

C. DEPOSITS AND INVESTMENTS (continued)

At December 31, 2023, cash balances include \$2,929,693 of surety payments held for others.

Fiduciary Funds: Pension Trust Fund

Restricted investments in the pension fund amounted to \$3,020,622 at December 31, 2023. This includes various mutual funds, all of which are uninsured. Collateral is held by the respective plan custodian.

Pension Trust Fund investments in mutual funds are not exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

The following is a description of the Pension Trust Funds' cash and investment risks:

Credit risk: The pension Trust Funds have no formal investment policy that would limit its investment choices based on credit ratings by Nationally Recognized Statistical Rating Organization (NRSROs). None of the Pension Trust Funds' investments in mutual funds were rated by NRSROs at December 31, 2023.

Interest Rate Risk: The Pension Trust Funds do 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.

D. TAXES

The Township's revenues are derived primarily from taxes on real estate, earned income and local services.

Real Estate Taxes (i.e. Property Tax)

For 2023, total Township real estate taxes were levied at the rate of 6.10 mills on every dollar of taxable assessed valuation as determined by the Centre County, Pennsylvania Assessment Office.

TOWNSHIP OF COLLEGE

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

(Continued)

D. TAXES (continued)

Current period revenues derived from 2023 levies were as follows:

	<u>Rate</u>	<u>Revenue</u>
General fund	1.85	\$ 827,980
Debt service for the purpose of acquiring or constructing Township facilities	1.30	580,952
Parks and recreation	1.20	535,971
Library	0.65	290,292
Road machinery	0.40	178,169
Fire protection	<u>0.70</u>	<u>311,839</u>
	<u>6.10</u>	<u>\$2,725,203</u>

Real estate taxes are levied January 1, and attach as an enforceable lien on property as of January 1st of the following year. During 2023, taxes were billed on March 1. The Township tax office bills and collects these taxes. Taxpayers making payments within two months of the bill date are given a 2% discount. Amounts paid after four months are assessed at a 10% penalty. Centre County collects delinquent real estate taxes on behalf of the Township.

The Township's property tax is levied by resolution of the Township's Council on real property located within the Township. Assessed values are generally 50% of market value as of the date of the last reassessment by the Centre County Board of Property Assessment, Appeals and Review. The total assessed valuation of property in the

Township as of March 1, 2023 was \$679,586,985 of which an estimated \$219,635,615 was exempt from taxation.

Earned Income Taxes

Each resident and nonresident of the Township with earned income is required to file an annual earned income tax return. The Township's levy on such income is .5% and 1.0% on residents and nonresidents, respectively.

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

D. TAXES (continued)

The Borough of State College, acting as the Centre Tax Agency, collects the earned income tax and remits the appropriate amounts to the Township throughout the year.

During 2023, individual taxpayers reported gross earned income of approximately \$415 million.

The Township recognized \$2,075,131 in earned income tax revenue during 2023.

Taxes Receivable

At December 31, 2023, taxes receivable were as follows:

<u>Type of Tax</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total</u>
Real estate	\$ --	\$ --	\$ --	\$ --
Earned income	379,641	--	--	379,641
Occupational privilege	116,543	--	--	116,543
Realty transfer	<u>23,937</u>	<u>--</u>	<u>--</u>	<u>23,937</u>
	<u>\$ 520,121</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 520,121</u>

During 2023, \$20,200 was collected for delinquent real estate taxes, penalties and interest.

E. CAPITAL ASSETS

The Township records its capital assets in the government-wide financial statements, net of accumulated depreciation. The Township includes equipment, vehicles, road machinery, land and buildings as well as infrastructure assets such as roads, traffic signals, parkland, etc.

Significant additions in 2023 included a park equipment, \$28,000; equipment and vehicles, \$591,000; traffic signals, \$12,000; building improvements, \$203,000; traffic calming initiatives, \$448,000; and the 2023 road projects, \$142,000.

It should also be noted that \$171,000 in asset value was disposed of in 2023.

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

E. CAPITAL ASSETS (continued)

Changes in capital assets during 2023 are presented below:

	Balance, January 1, <u>2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	Balance, December 31, <u>2023</u>
Buildings and improvements	\$ 7,195,560	\$ 203,314			\$ 7,398,874
Equipment	3,752,424	590,593	\$(171,408)		4,171,609
Infrastructure	<u>17,794,632</u>	<u>661,989</u>	<u> --</u>		<u>18,456,621</u>
Total	<u>28,742,616</u>	<u>1,455,896</u>	<u>(171,408)</u>		<u>30,027,104</u>
Less: Accumulated depreciation:					
Buildings and improvements	(3,567,922)	(187,575)	--		(3,755,497)
Equipment	(2,365,703)	(274,752)	169,682		(2,470,773)
Infrastructure	<u>(5,777,738)</u>	<u>(581,631)</u>	<u> --</u>		<u>(6,359,369)</u>
Total	<u>(11,711,363)</u>	<u>(1,043,958)</u>	<u>169,682</u>		<u>(12,585,639)</u>
Land	<u>2,076,928</u>	<u> --</u>	<u> --</u>		<u>2,076,928</u>
Construction in progress	<u>152,781</u>	<u>34,945</u>	<u> --</u>		<u>187,726</u>
Net Assets	\$ <u><u>19,260,962</u></u>	\$ <u><u>446,883</u></u>	\$ (<u><u>1,726</u></u>)		\$ <u><u>19,706,119</u></u>

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

F. LONG-TERM OBLIGATIONS

Long-term liabilities for the year were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
2023 "A" General Obligation Note	\$ 454,511	\$ 637,564	\$ (4,230)	\$ 1,087,845
2023 "AA" General Obligation Note	4,237,630	--	(477,590)	3,760,040
Compensated absences	89,861	5,659	--	95,520
	<u>\$ 4,782,002</u>	<u>\$ 643,223</u>	<u>\$ (481,820)</u>	<u>\$ 4,943,405</u>

General Obligation Note, Series A of 2023

On March 3, 2023, pursuant to its Ordinance No. O-22-03, the Township settled on its General Obligation Note, Series A of 2023. The note was issued in the form of a drawdown note with an aggregate principal amount of \$3,019,000 in order to fund the issuance costs and costs related to a number of capital projects.

The note is payable in annual payments of principal on November 15th as well as semi-annual interest payments on May 15th and November 15th. Interest is charged at 1.79%. Costs associated with the issue were \$5,435.

Total future debt service requirements, assuming full drawdown, with regards to the General Obligation Note, Series A of 2023 are as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Interest Expense</u>	<u>Total Debt Service</u>
2024	\$ 6,910	1.97%	\$ 58,895	\$ 65,805
2025	5,470	1.97%	58,758	64,228
2026	5,000	1.97%	58,651	63,651
2027	5,290	1.97%	58,552	63,842
2028	2,000	1.97%	58,448	60,448
2029	4,440	1.97%	58,409	62,849
2030	428,320	1.97%	58,321	486,641
2031	436,760	1.97%	49,883	486,643
2032	445,360	1.97%	41,279	486,639
2033	454,130	1.97%	32,505	486,635
2034	463,070	1.97%	23,559	486,629
2035	472,200	1.97%	14,437	486,637
2036	260,620	1.97%	5,134	265,754
	<u>\$ 2,989,570</u>		<u>\$ 576,831</u>	<u>\$ 3,566,401</u>

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

F. LONG-TERM OBLIGATIONS (continued)

General Obligation Note, Series AA of 2023

On March 3, 2023, pursuant to its Ordinance No. O-22-03, the Township settled on its General Obligation Note, Series AA of 2023 in the aggregate principal amount of \$4,741,000. Proceeds served to fund the issuance costs and prepay the outstanding balances due on General Obligation Note, Series of 2014 and General Obligation Note, Series of 2016.

The note is payable in annual payments of principal on November 15th as well as semi-annual interest payments on May 15th and November 15th. Interest is charged at 1.77% until May 15, 2032 at which time the interest rate will be adjusted monthly for the remainder of the term per the terms of the agreement, subject to a maximum rate of 3.5%. Costs associated with the issue were \$37,457.

Total future debt service requirements with regards to the General Obligation Note, Series AA of 2023 are as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Interest Expense</u>	<u>Total Debt Service</u>
2024	\$ 483,450	1.77%	\$ 66,553	\$ 550,003
2025	493,580	1.77%	57,996	551,576
2026	502,890	1.77%	49,259	552,149
2027	511,600	1.77%	40,358	551,958
2028	524,050	1.77%	31,303	555,353
2029	530,920	1.77%	22,027	552,947
2030	116,530	1.77%	12,630	129,160
2031	118,590	1.77%	10,567	129,157
2032	116,550	*3.50%	12,607	129,157
2033	116,500	*3.50%	12,666	129,166
2034	120,580	*3.50%	8,588	129,168
2035	124,800	*3.50%	4,368	129,168
	<u>\$ 3,760,040</u>		<u>\$ 328,922</u>	<u>\$ 4,088,962</u>

* maximum interest rate

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

(Continued)

F. LONG-TERM OBLIGATIONS (continued)

Borrowing Base

As of December 31, 2023, the borrowing base, computed under the provisions of Pennsylvania Act 185, was \$7,922,697. Net non-electoral debt may be 250% of such base amount, which amounts to \$19,806,743.

Other Long-Term Liabilities

The vacation liability is calculated using employees' current rate of pay.

G. GOVERNMENTAL FUND BALANCES

Fund Balances are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental</u>	<u>Total</u>
Restricted for:					
Debt Service		\$ 60,863			\$ 60,863
Capital Projects		--	\$ 112,638		112,638
Highway Aid		--	--	\$ 1,337,213	1,337,213
Fire Protection		--	--	11,024	11,024
Road Machinery		--	--	77,032	77,032
Park & Recreation		--	--	44,505	44,505
Library		--	--	13,464	13,464
Total Restricted		60,863	112,638	1,483,238	1,656,739
Assigned to:					
ARPA funds	\$ 705,776	--	--	--	705,776
Workforce Housing	50,000	--	--	--	50,000
Economic Development	11,000	--	--	--	11,000
Infrastructure	294,914	--	--	--	294,914
Total Assigned	1,061,690	--	--	--	1,061,690
Unassigned	1,042,567	--	--	--	1,042,567
Total Fund Balance	\$ 2,104,257	\$ 60,863	\$ 112,638	\$ 1,483,238	\$ 3,760,996

Restricted fund balances in special revenue funds are generally required to be expended for the purpose specified by the original tax levy.

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

H. DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan adopted under Section 457 of the Internal Revenue Code. The plan, available to all Township employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of participants and beneficiaries.

The Township has no liability for losses under the plan but does have the duty of due care that would be required for an ordinary prudent investor.

I. DEFINED CONTRIBUTION PLAN

The Township has adopted a single employer Non-uniform Defined Contribution Pension Plan. These funds are administered by the ICMA Retirement Corporation. All funds are currently invested by ICMA in mutual funds. The Nonuniform Pension Plan was originally adopted by the Township Council on July 7, 1970.

Contributions: College Township contributes 7.5% of all full-time participating employees' wages to the Nonuniform Pension Plan. Employee contributions are voluntary.

Benefits: Employees who have attained the age of 20 are eligible to participate in the plan after completing one year of service with the Township. Vesting occurs at a rate of 20 percent after three years and an additional 20 percent each year thereafter. Participants are fully vested after seven years. At age 65 they may elect to withdraw their pension monies in one lump sum or in regular monthly installments.

If a participant who has been employed with the Township for at least three years, but less than seven, terminates employment, he is eligible to receive his vested percentage of his pension benefits equal to the percentage of vesting he has attained. At the time of termination, the employee must elect to receive the monies in one lump sum or in regular monthly installments.

Covered payroll of participating employees	\$ 1,981,240
Employer Contribution to plan during 2023	\$ 148,593

The Township received a state pension grant from the Commonwealth of Pennsylvania, provided under The Municipal Pension Plan Funding Standard Recovery Act (Act No. 205) in the amount of \$136,067.

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

(Continued)

I. DEFINED CONTRIBUTION PLAN (continued)

Contributions to the plan are fully funded as payroll expenditures are made on a bi-weekly basis.

During 2023 the College Township Water Authority reimbursed the Township \$23,484 for its share of pension contributions.

J. POLICE SERVICES AND OTHER OPERATIONS

The Township does not maintain its own police force but provides police services under a contract with the Borough of State College.

The annual contract provides for hours of service and types of coverage. The total cost for the year ended December 31, 2023 was \$1,664,486.

The Township also pays the Borough for the efforts of the health and dog enforcement officers and for the Borough's collection of the Township's Local Services Tax (LST) and Earned Income Tax (EIT).

The Township is entitled to receive funds under The Foreign Fire Insurance Premium Tax under (Act No. 205) to provide, among other things, retirement and death benefits for firefighters. The Township received \$92,401 of such funds and paid \$83,530 to the Alpha Fire Company, State College, Pennsylvania and \$8,871 to the Boalsburg Fire Company. This is recorded as revenue and expense in the general fund.

K. RISK MANAGEMENT

The Township is exposed to various risks of loss related to liability; security breaches and cyber crime; theft of, damage to, and destruction of property and other assets; work related accidents; and errors and omissions for which the township carries commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

Unemployment compensation insurance is maintained through the Commonwealth and PSATS.

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

L. POTENTIAL COMPONENT UNITS/RELATED PARTY TRANSACTIONS

A summary of potential component units considered and excluded from the Township's financial statements follows.

College Township Water Authority

The College Township Water Authority (the Authority) was established in May, 1996 under the Pennsylvania Municipality Authorities Act of 1945 to supply water to residential and business customers in and around the Township.

College Township Council appoints all five members of the Authority's board. Council has limited involvement in the affairs of the Authority, no responsibility for its debt and provides no substantial financial operating assistance. The Authority sets its own rates, adopts its budget and issues debt without the approval of the Township.

During 2023, the Township received \$119,280 from the Authority for the oversight of its administrative, financial and operational activities. Costs of the employees hired for, or assigned to Authority operations are billed at actual costs and reimbursed by the Authority.

College Township Industrial Development Authority

The College Township Industrial Development Authority (the "IDA") was established in October, 1972 under the Economic Development Financing Law (Act No. 102) to provide financing for industrial and commercial developments and other economic activities.

College Township Council appoints eight members of the IDA's board, including two alternates. Council has limited involvement in the affairs of the IDA, no responsibility for its debt and provides no operating assistance, although the IDA's issuance of tax-exempt debt for projects within the Township requires Council approval under provisions of the Internal Revenue Code. Such approval, by the municipality in which a project to be funded with tax-exempt debt is located, is generally required under the Code.

In addition to minimal financial oversight and administration support services, the IDA and the Township entered into a memorandum of understanding for the Township's provision of Interim Executive Director Services. Under the agreement, the Township manager serves as Interim Executive Director for a defined period of time that may be extended at the township's discretion. During 2023, the IDA paid the Township a total of \$63,202 for all of these services.

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

L. POTENTIAL COMPONENT UNITS/RELATED PARTY TRANSACTIONS (continued)

University Area Joint Authority

The University Area Joint Authority (UAJA) was formed in August, 1964 under the Municipality Authorities Act of 1945 (Act No. 164) for the purposes of financing, constructing and operating a sanitary sewage collection system and waste water treatment and disposal facility.

College Township Council appoints certain members of the UAJA board. However, Council has no further involvement in the affairs of the authority which sets its own rates, adopts its budget and issues debt without the approval of the Township.

Centre Area Transportation Authority

Centre Area Transportation Authority (CATA) was created in May, 1974 under the Pennsylvania Municipality Authorities Act of 1945. In February, 1984 the Authority was reorganized as a joint authority with College Township participating and appointing one of five members of CATA's board.

During 2023, the Township contributed \$87,576 to assist CATA's operations and \$11,865 to assist with CATA's capital acquisitions. With substantial equity, operating revenues and expenses, CATA is not deemed to be fiscally dependent on the Township.

Centre Region Council of Governments

The Centre Region Council of Governments (COG) was formed between and among the governments of the Townships of College, Ferguson, Halfmoon, Harris, Patton and the Borough of State College on December 2, 1969 under the provisions of the Intergovernmental Cooperation Act of 1972 (Act No. 180) as amended. It operates under Articles of Agreement adopted in October, 1989 and amended from time to time. COG is a voluntary organization of local governments which fosters a cooperative effort to resolve problems, determine policies and formulate plans and programs to meet regional needs.

Each municipality's elected officials are members of COG. Each municipality has one "unit vote" if such procedure is invoked by any member on any issue or resolution. Otherwise, a majority of members present is sufficient to conduct ordinary business once a quorum is established.

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

L. POTENTIAL COMPONENT UNITS/RELATED PARTY TRANSACTIONS (continued)

Centre Region Parks and Recreation	\$ 338,663
Alpha Fire Company	310,379
Planning	74,658
Administration	101,305
Senior Citizens	69,419
Other	28,088
	\$ 922,512

Pursuant to Inter-Municipal Agreement 2001-1, the member municipalities of COG own COG's building in proportion to their contribution to the construction costs. Rents from COG and operating expenses will be similarly apportioned.

COG is not deemed to be fiscally dependent on the Township.

Centre Region Parks and Recreation Authority (CRPRA)

The Centre Region Parks and Recreation Authority ("CRPRA") was created under the provisions of the Pennsylvania Municipality Authorities Act of 1945 as a financing medium for the construction of and operation of recreation facilities. It currently operates Millbrook Marsh Nature Center, the Active Adult Center, Park Forest and Welch swimming pools in State College, Pennsylvania and Oak Hall Regional Park and John Hess Softball Complex.

College Township Council appoints one of five members to the Authority's board, which sets its own rates and adopts its own budget.

During 2023, the Township contributed \$246,886 directly to the operations and capital budget of the Authority. CRPRA is not deemed to be fiscally dependent on the Township. Existing debt of CRPRA is as follows:

CRPRA Loans:

College Township, along with other participating municipalities, guarantee debt issued by the Centre Region Parks and Recreation Authority pursuant to adopted ordinances. The debt issues are as follows:

	<u>Year Issued</u>	<u>Final Maturity</u>	<u>Loan Balance at 12/31/2023</u>	<u>College Township Guarantee %</u>
Guaranteed Revenue Note (Pool Note)	2021	2028	\$ 2,013,820	16.75%
Guaranteed Revenue Note (Parks Note)	2021	2031/2032	\$ 4,502,551	16.75%

TOWNSHIP OF COLLEGE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

(Continued)

L. POTENTIAL COMPONENT UNITS/RELATED PARTY TRANSACTIONS (continued)

Schlow Centre Region Library

The Schlow Centre Region Library Board was originally formed in 1957 by the Borough of State College. In April, 1991 it was regionalized by the Townships of College, Harris, Ferguson and Patton, together with the Borough of State College under the Intergovernmental Cooperation Act of 1972.

The purpose of the Board is to promote the health, safety and general welfare of the Centre region by providing public library service to serve the educational, recreational, cultural and informational needs of the region.

College Township appoints two of nine members of the Board. During 2023, the Township contributed \$288,838 to the operating and capital needs of the library. The Library is not deemed to be fiscally dependent on the Township.

M. CONTINGENT LIABILITIES

The Township is contingently liable to make contributions to the entities funded by its participation, as described above, whether for the operations or the debt of the organization, so long as it participates in those organizations.

The Township receives grants of federal, state and local aid in connection with certain projects and programs. Such grants are subject to periodic audits whereby costs claimed may be questioned by local auditors, the Auditor General of the Commonwealth of Pennsylvania and/or Federal Inspectors General. To the extent such costs are disallowed by the provider, repayment from non-grant sources would be required of the Township.

The Township is involved in other disputes in the ordinary course of operation; the outcome of these is not expected to have a material effect on the financial statements.

N. SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 16, 2024, which is the date the financial statements were available to be issued.

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TOWNSHIP OF COLLEGE
CENTRE COUNTY, PENNSYLVANIA

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SUPPLEMENTARY INFORMATION

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YEAR ENDED DECEMBER 31, 2023

TOWNSHIP OF COLLEGE
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	<u>Highway Aid Fund</u>	<u>Fire Protection Fund</u>	<u>Road Machinery Fund</u>	<u>Parks & Recreation Fund</u>	<u>Library Fund</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ <u>1,337,213</u>	\$ <u>11,861</u>	\$ <u>77,543</u>	\$ <u>47,539</u>	\$ <u>14,266</u>	\$ <u>1,488,422</u>
LIABILITIES						
Accounts payable	\$ <u> --</u>	\$ <u> 837</u>	\$ <u> 511</u>	\$ <u> 3,034</u>	<u> 802</u>	\$ <u> 5,184</u>
FUND BALANCES	<u>1,337,213</u>	<u>11,024</u>	<u>77,032</u>	<u>44,505</u>	<u>13,464</u>	<u>1,483,238</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>1,337,213</u>	\$ <u>11,861</u>	\$ <u>77,543</u>	\$ <u>47,539</u>	\$ <u>14,266</u>	\$ <u>1,488,422</u>

TOWNSHIP OF COLLEGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	<u>Highway Aid Fund</u>	<u>Fire Protection Fund</u>	<u>Road Machinery Fund</u>	<u>Parks & Recreation Fund</u>	<u>Library Fund</u>	<u>Total</u>
REVENUES						
Taxes		\$ 316,165	\$ 180,386	\$ 543,866	\$ 294,410	\$ 1,334,827
Intergovernmental	\$ 361,821	--	--	5,610	--	367,431
Interest	59,574	2,942	8,559	6,310	3,570	80,955
Sale of capital assets	--	--	82,426	--	--	82,426
Total revenues	<u>421,395</u>	<u>319,107</u>	<u>271,371</u>	<u>555,786</u>	<u>297,980</u>	<u>1,865,639</u>
EXPENDITURES						
Public safety	--	311,673	--	--	--	311,673
Highways and streets	49,118	--	--	--	--	49,118
Culture and recreation	--	--	--	635,541	290,132	925,673
Capital outlays:						
Equipment & fixtures	--	--	582,956	--	--	582,956
Infra-structure	141,617	--	--	--	--	141,617
Total expenditures	<u>190,735</u>	<u>311,673</u>	<u>582,956</u>	<u>635,541</u>	<u>290,132</u>	<u>2,011,037</u>
(Deficiency)/excess of revenues over expenses	230,660	7,434	(311,585)	(79,755)	7,848	(145,398)
FUND BALANCES, beginning	<u>1,106,553</u>	<u>3,590</u>	<u>388,617</u>	<u>124,260</u>	<u>5,616</u>	<u>1,628,636</u>
FUND BALANCES, ending	<u>\$ 1,337,213</u>	<u>\$ 11,024</u>	<u>\$ 77,032</u>	<u>\$ 44,505</u>	<u>\$ 13,464</u>	<u>\$ 1,483,238</u>

TOWNSHIP OF COLLEGE
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES - AGENCY FUND - TAX COLLECTOR ACCOUNTS
YEAR ENDED DECEMBER 31, 2023

	<u>Balance, January 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, December 31, 2023</u>
TAX COLLECTOR				
ASSETS				
Cash - real estate taxes	\$ <u>297,441</u>	\$ <u>24,821,790</u>	\$ <u>24,920,192</u>	\$ <u>216,454</u>
Total assets	\$ <u><u>297,441</u></u>	\$ <u><u>24,821,790</u></u>	\$ <u><u>24,920,192</u></u>	\$ <u><u>216,454</u></u>
LIABILITIES				
Due to other governments and taxpayers	\$ <u><u>297,441</u></u>	\$ <u><u>24,821,790</u></u>	\$ <u><u>24,920,192</u></u>	\$ <u><u>216,454</u></u>

TOWNSHIP OF COLLEGE
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
AGENCY FUND - TAX COLLECTOR ACCOUNTS
YEAR ENDED DECEMBER 31, 2023

	<u>Real Estate Taxes</u>
CASH RECEIPTS:	
Tax collections	\$ 24,821,790
Interest income	<u>17,415</u>
Total Receipts	24,839,205
CASH DISBURSEMENTS:	
Distributions as tax collector	
State College Area School District	22,167,737
Township of College:	
General Fund	834,450
Special Revenue Funds	<u>1,918,005</u>
Total Disbursements	<u>24,920,192</u>
Net Change in cash balance	(80,987)
CASH BALANCES, beginning	<u>297,441</u>
CASH BALANCES, ending	<u>\$ 216,454</u>
Supplemental information -	
Cash balance held at December 31, 2023 as agent for:	
Other governments and taxpayers	<u>\$ 216,454</u>

TOWNSHIP OF COLLEGE
BORROWING BASE CERTIFICATE
PREPARED AS OF DECEMBER 31, 2023

	Fiscal Year Ended December 31,		
	2021	2022	2023
Total Revenues Received (money from all sources)	\$ 8,947,489	\$ 17,434,765	\$ 9,723,635
Less:			
(1) Grants and gifts-in-aid measured by construction or acquisition of specific projects	(279,805)	(3,755,807)	(170,069)
(2) American Rescue Plan Grant	(530,826)	(530,063)	--
(3) Proceeds from note issuance	(601,133)	(5,412,106)	(637,564)
(4) State Road turnback	--	--	(210,000)
(5) Nonrecurring receipts	(78,000)	--	(132,426)
SUBTOTAL	7,457,725	7,736,789	8,573,576
TOTAL NET REVENUE			\$ <u>23,768,090</u>
BORROWING BASE (Total Net Revenues divided by 3)			\$ <u>7,922,697</u>

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENTAL AUDITING STANDARDS

Independent Auditors' Report

Members of Council
Township of College
Centre County, Pennsylvania

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Township of College, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township of College's basic financial statements, and have issued our report thereon dated May 16, 2024.

Report on Internal Control Over Financial Reporting

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



State College, Pennsylvania
May 16, 2024