

TOWNSHIP OF ALEPPO

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

**TOWNSHIP OF ALEPPO**  
ALLEGHENY COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

WITH REPORT OF  
CERTIFIED PUBLIC ACCOUNTANT

**FOR THE YEAR ENDED DECEMBER 31, 2023**

**TOWNSHIP OF ALEPPO**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
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**TOWNSHIP OF ALEPPO**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
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**Township Board of Commissioners  
Township of Aleppo, Pennsylvania**

**Independent Auditor's Report**

**Opinions**

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Township of Aleppo, Allegheny County, Pennsylvania as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township of Aleppo's basic financial statements as listed in the table of contents.

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

**Basis for Opinions**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Township of Aleppo, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 of Aleppo's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township of Aleppo'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Aleppo's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

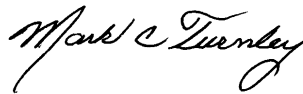
### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iv-xiv and the defined benefit trust funds' historical pension information on pages 47-47 be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Aleppo's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information (Schedules 1-4) is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink, reading "Mark C. Turnley". The signature is written in a cursive, flowing style.

Mark C. Turnley, CPA

August 12, 2024  
New Brighton, Pennsylvania

**Township of Aleppo**  
**Management's Discussion and Analysis**  
**December 31, 2023**

The discussion and analysis of the Township of Aleppo's financial performance provides an overall review of the Township's financial activities for the calendar year ended December 31, 2023. The intent of this discussion and analysis is to look at the Township's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Township's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

### **Financial Highlights**

- The Township of Aleppo's net position increased by \$172,731, in 2023.
- As of December 31, 2023, the unrestricted net position of the Township of Aleppo was \$3,276,487.
- As of December 31, 2023, the fund balance for the general fund was \$1,782,719, a decrease of \$122,728 (6.4%) from 2022. The unassigned portion of the general fund balance was \$1,581,681, a decrease of \$130,639 from 2022.

### **Using the Annual Financial Report**

The financial section of this report consists of three parts: management's discussion and analysis, the basic financial statements (including notes to the financial statements) and other financial information including required pension supplementary information, combining and individual fund statements with detailed budgetary comparison schedules, and other additional information. The basic financial statements present two different views of the Township through the use of government-wide financial statements and fund financial statements.

The first two statements are government-wide financial statements – the statement of net position and the statement of activities. These provide both long-term and short-term information about the Township's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the Township's operations in more detail than the government-wide statements. The governmental funds statements tell how general Township services were financed in the short term as well as what remains for future spending. Fiduciary fund statements provide information about financial relationships where the Township acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

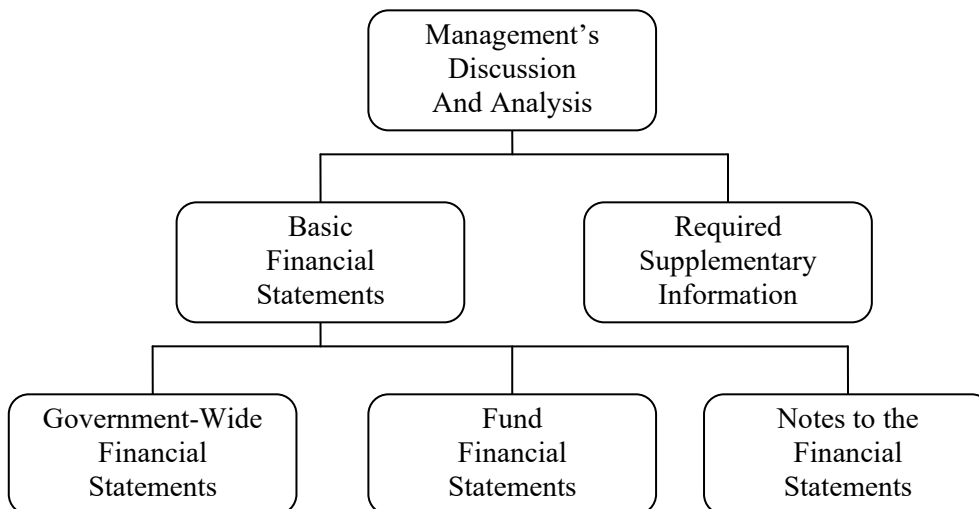
**Township of Aleppo  
Management's Discussion and Analysis  
December 31, 2023**

**Using the Annual Financial Report (Cont'd)**

The financial statements also include notes to explain some of the information in the financial statements and provide more detailed data.

Figure A-1 shows how the required parts of the financial section are arranged and relate to one another:

Figure A-1  
Required Components of  
Township of Aleppo's  
Financial Report



**Township of Aleppo**  
**Management's Discussion and Analysis**  
**December 31, 2023**

**Using the Annual Financial Report (Cont'd)**

Figure A-2 summarizes the major features of the Township's financial statements, including the portion of the Township they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2  
Major Features of the Township of Aleppo's  
Government-Wide and Fund Financial Statements

|                                        | Government-Wide<br>Statements                                                          | Fund Statements                                                                                                                                                                            |                                                                                                     |
|----------------------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
|                                        |                                                                                        | Governmental Funds                                                                                                                                                                         | Fiduciary Funds                                                                                     |
| Scope                                  | Entire Municipal Government (except fiduciary funds)                                   | The activities of the Township that are not proprietary or fiduciary, such as education, administration and community services                                                             | Instances in which the Township is the trustee or agent to someone else's resources - pension funds |
| Required financial statements          | Statement of net position; statement of activities                                     | Balance sheet; statement of revenues, expenditures, and changes in fund balance                                                                                                            | Statement of fiduciary net position; statement of changes in fiduciary net position                 |
| Accounting basis and measurement focus | Accrual accounting and economic resources Focus                                        | Modified accrual accounting and current financial resources focus                                                                                                                          | Accrual accounting and economic resources Focus                                                     |
| Type of asset/liability information    | All assets and liabilities, both financial and capital, and short-term and long-term   | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included                                                            | All assets and liabilities, both short-term and long-term                                           |
| Type of inflow/outflow information     | All revenues and expenses during the year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during the year, regardless of when cash is received or paid              |

**Township of Aleppo**  
**Management's Discussion and Analysis**  
**December 31, 2023**

## **Overview of Financial Statements**

This discussion and analysis section of the annual financial report is intended as an introduction to the Township's basic financial statements. As stated earlier, there are three components to the Township's financial statements. These are government-wide financial statements, fund financial statements and notes to the financial statements. This report also contains supplementary information designed to enhance the reader's understanding of the Township's finances.

### **Government-Wide Statements**

Government-wide financial statements are intended to provide readers with a broad overview of the Township's finances. There are two government-wide financial statements presented in this report.

The first is the statement of net position. The statement of net position presents information on all of the Township of Aleppo's assets and liabilities. The difference between the Township's assets and liabilities is shown as the Township's net position. Increases or decreases in net position is a financial indicator that, when tracked over time, can be used as a measure of the Township's financial condition.

The second government-wide financial statement is the statement of activities. This statement shows information on how the Township's net position has changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the actual cash flow. Revenues and expenses are reported in the statement for some items that will result in cash flows at some future date. For example, taxes that are levied but not yet to be collected, or sick days accrued but not yet used.

It is the accepted practice in the government-wide financial statements to distinguish governmental activities from business-type activities. Governmental activities are those functions of the Township that are principally supported by tax dollars and intergovernmental revenues. Governmental activities commonly include services such as police, fire, public works, planning and administration. Business-type activities are those that are funded through user fees and charges. These would include such municipal services as sewage treatment, public water, or other municipally-owned utilities. The Township of Aleppo does not perform any business-type activities. The government-wide financial statements therefore report only information on governmental activities.

The government-wide financial statements are required to include financial information not only on the primary governmental unit, Township of Aleppo, but also information for any other component unit for which the primary governmental unit is financially responsible. The Township of Aleppo has no component units.

**Township of Aleppo**  
**Management's Discussion and Analysis**  
**December 31, 2023**

**Overview of Financial Statements (Cont'd)**

**Government-Wide Statements (Cont'd)**

The fund financial statements provide detailed information about the Township's funds as opposed to the Township as a whole. A fund is a grouping of related, self-balancing accounts that are used to maintain control over sources that have been segregated for specific activities or objectives. Certain funds are required to exist to comply with requirements of the Commonwealth of Pennsylvania. Since the Township of Aleppo does not have any business-type or proprietary funds, the funds used by the Township are divided into two categories. They are governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund statements focus on near-term financial activities. Governmental fund statements report information on revenues and expenditures throughout the year, as well as the balances of available resources at year-end. This information allows the reader to evaluate the Township's short-term financial activities.

By viewing information combined in the government-wide financial statements, in conjunction with that contained in the governmental fund, the reader can appreciate the impact near-term financial activities have on the Township's long-term financial condition. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Township of Aleppo maintains five individual governmental funds. These are the general fund, capital improvements fund, debt service fund, highway aid fund, and the stormwater fund.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general and construction funds. The general fund is required to be shown separately as a major fund. For 2022, the debt service fund and capital improvements fund were also considered major funds and are shown separately. The highway aid fund and stormwater fund are considered non-major funds of the Township.

The Township of Aleppo annually adopts a budget for the General Fund. Budgeted information for the Township's Liquid Fuels Fund is initially included in the Township's General Fund budget process.

Fiduciary funds are used to account for resources held for the benefit of parties other than the Township. Fiduciary funds are not reflected in the government-wide financial statements because the resources contained in these funds are not available to support the programs of the Township of Aleppo. The Township of Aleppo presents one fiduciary fund (police pension plan) in the accompanying financial statements. In addition, the Township's nonuniform pension plan participates in a defined contribution plan through the Pennsylvania State Association of Boroughs Municipal Retirement Trust (PSABMRT).

The notes to the financial statements provide additional information essential for a reader to develop a full understanding of the information provided in the government-wide and fund financial statements.

**Township of Aleppo**  
**Management's Discussion and Analysis**  
**December 31, 2023**

**Overview of Financial Statements (Cont'd)**

**Government-Wide Statements (Cont'd)**

In addition to the basic financial statements and the accompanying notes, the report also presents detail schedules of budget versus actual revenues and expenditures information of the general fund along with certain required supplementary information. The required supplementary information in the Township's financial report provides the reader with information concerning the Township's net pension liability and actuarially required contributions for the police pension plan.

**Financial Analysis of the Township as a Whole**

The following table presents the net position of the Township for the years ended December 31, 2023, and 2022.

Table A-1  
Years Ended December 31, 2023, and 2022  
Net Position

|                                               | <b>2023</b>          | <b>2022</b>          |
|-----------------------------------------------|----------------------|----------------------|
|                                               | <b>GOVERNMENTAL</b>  | <b>GOVERNMENTAL</b>  |
|                                               | <b>ACTIVITIES</b>    | <b>ACTIVITIES</b>    |
| Current Assets                                | \$ 4,452,056         | \$ 4,030,918         |
| Capital Assets                                | 7,515,294            | 7,778,187            |
| Deferred Outflows                             | 521,656              | 590,163              |
| <b>TOTAL ASSETS AND<br/>DEFERRED OUTFLOWS</b> | <b>\$ 12,489,006</b> | <b>\$ 12,399,268</b> |
| Current Liabilities                           | \$ 623,013           | \$ 378,485           |
| Long-Term Liabilities                         | 5,999,625            | 6,343,405            |
| Deferred Inflows                              | 111,768              | 95,509               |
| <b>TOTAL LIABILITIES</b>                      | <b>\$ 6,734,406</b>  | <b>\$ 6,817,399</b>  |
| Net Investment in Capital Assets              | \$ 1,649,549         | \$ 1,675,213         |
| Restricted                                    | 828,564              | 672,334              |
| Unrestricted                                  | 3,276,487            | 3,234,322            |
| <b>TOTAL NET POSITION</b>                     | <b>\$ 5,754,600</b>  | <b>\$ 5,581,869</b>  |

The increase in current assets, and unrestricted net position, is mainly the result of the Township's overall operations whereby revenues exceeded expenditures by \$172,731. Capital assets decreased as depreciation expense exceeded fixed asset additions for 2023. The decrease in long-term liabilities is mainly related to the Township's payment of its long-term debt balances during 2023.

**Township of Aleppo**  
**Management's Discussion and Analysis**  
**December 31, 2023**

**Financial Analysis of the Township as a Whole (Cont'd)**

Table A-2 takes the information from the statement of activities (Exhibit B), rearranges it slightly, so you can see our total revenues and expenses for the 2023 year compared to 2022.

Table A-2  
Years Ended December 31, 2023, and 2022  
Changes in Net Position

|                                    | <b>2023<br/>GOVERNMENTAL<br/>ACTIVITIES</b> | <b>2022<br/>GOVERNMENTAL<br/>ACTIVITIES</b> |
|------------------------------------|---------------------------------------------|---------------------------------------------|
| <b>REVENUES</b>                    |                                             |                                             |
| <b>Program Revenues:</b>           |                                             |                                             |
| Charges for Services               | \$ 93,602                                   | \$ 118,225                                  |
| Operating Grants and Contributions | 647,101                                     | 655,640                                     |
| <b>General Revenues:</b>           |                                             |                                             |
| Property Taxes                     | 581,495                                     | 554,697                                     |
| Act 511 Taxes                      | 488,063                                     | 483,508                                     |
| Payments in Lieu of Taxes          | 256,550                                     | 252,824                                     |
| American Rescue Act Plan           | -                                           | 97,958                                      |
| Interest                           | 189,316                                     | 54,621                                      |
| Sale of Fixed Assets               | -                                           | 4,085                                       |
| Other                              | 23,597                                      | 24,846                                      |
| <b>TOTAL REVENUES</b>              | <b>\$ 2,279,724</b>                         | <b>\$ 2,246,404</b>                         |
| <b>EXPENSES</b>                    |                                             |                                             |
| General Government                 | \$ 408,265                                  | \$ 341,790                                  |
| Public Safety                      | 303,075                                     | 331,361                                     |
| Public Works - Sanitation          | 140,340                                     | 134,969                                     |
| Public Works - Sewer               | 208,795                                     | 207,418                                     |
| Public Works - Highways            | 775,318                                     | 354,212                                     |
| Debt Service                       | 195,572                                     | 202,772                                     |
| Miscellaneous                      | 75,628                                      | 76,102                                      |
| <b>TOTAL EXPENSES</b>              | <b>\$ 2,106,993</b>                         | <b>\$ 1,648,624</b>                         |
| <b>CHANGE IN NET POSITION</b>      | <b>\$ 172,731</b>                           | <b>\$ 597,780</b>                           |

Overall revenues for 2023 increased from 2022 as a result of an increase in interest of approximately \$134,695. Expenditures increased during 2023 by \$458,369, most significantly in the areas of Public Works (Highways) of \$421,106 (2023 road program).

**Township of Aleppo  
Management's Discussion and Analysis  
December 31, 2023**

**Governmental Activities:**

**Revenue Sources**

Total government-wide revenues (revenues from all sources not just the General Fund) on the statement of activities (Exhibit B) were comprised of the following, with a comparison to the previous calendar year:

|                                           | <u>2023</u>                | <u>% of Total</u>  | <u>2022</u>                | <u>% of Total</u>  |
|-------------------------------------------|----------------------------|--------------------|----------------------------|--------------------|
| <b>Taxes:</b>                             |                            |                    |                            |                    |
| Real Estate Taxes                         | \$ 581,495                 |                    | \$ 554,697                 |                    |
| Act 511 Taxes                             | 440,759                    |                    | 434,121                    |                    |
| Regional Asset District Tax               | 46,420                     |                    | 48,441                     |                    |
| Purta                                     | 884                        |                    | 946                        |                    |
|                                           | <u>\$ 1,069,558</u>        | 47%                | <u>\$ 1,038,205</u>        | 46%                |
| <b>Payments in Lieu of Taxes</b>          | 256,550                    | 11%                | 252,824                    | 11%                |
| <b>Charges for Services</b>               | 93,602                     | 4%                 | 118,225                    | 5%                 |
| <b>Operating Grants and Contributions</b> | 647,101                    | 28%                | 655,640                    | 29%                |
| <b>Other Revenues</b>                     | 212,913                    | 9%                 | 181,510                    | 8%                 |
| <b>Total government-wide revenues</b>     | <u><u>\$ 2,279,724</u></u> | <u><u>100%</u></u> | <u><u>\$ 2,246,404</u></u> | <u><u>100%</u></u> |

The earned income tax is one-half of one (.5%) percent levied against the earnings of Township residents, which includes wages and other earnings. The real estate tax is a tax levied against the assessed valuation of real estate property located in the Township. The assessed valuation of property on December 31, 2023, was \$157,495,595. The assessed value of property in 2022 was \$156,214,260. A 3.5 mill tax was levied for general purposes in 2023 and 2022.

The year 2023 was the twentieth year of a 20-year agreement with Masonic Villages for Payment-in-Lieu-of-Taxes (PILOT) for their tax-exempt property. Payments of \$256,550 and \$252,824 were received in calendar years 2023 and 2022 respectively, which represented approximately 11%-12% of total government-wide revenues in both calendar years.

**Program Expenses**

Total expenses for all programs in 2023 were \$2,106,993. The expenses reflect the delivery of a range of services, the largest being Public Works (Highways, Sewer, and Sanitation) at 53%. The category with the second highest expenditures is General Government totaling \$408,265. This includes Administration, Tax Collection, Legal, Engineering, and Municipal Building maintenance and operation, and accounts for 19% of spending. Public Safety which includes Police, Fire, and Other, totals \$303,075 or 14% of spending. This year, much of the spending was within or below budgeted amounts.

**Net Program Expenses/Revenues**

As one might expect, the basic services of the Township of Aleppo are primarily financed through general revenues. User fees are charged to offset the costs of services rendered in the situations where one can identify a specific beneficiary of a municipal service. Examples of this type of municipal service include various inspection fees and permits as well as engineering and land development services where property owners are required to reimburse the Township for actual expenses.

**Township of Aleppo  
Management's Discussion and Analysis  
December 31, 2023**

**Financial Analysis of the Township's Funds**

At the end of 2023, the Township's government funds reported a combined balance of \$4,004,139, an increase of \$185,635 compared to the previous year.

**General Fund Budgetary Highlights**

In 2023, general fund revenues exceeded budgeted revenues by \$166,602. Actual revenues equaled \$1,935,936 versus the budgeted amount of \$1,769,334.

- The most significant revenues over budget were taxes (over by \$158,699), and interest and rents revenues (over by \$63,621).
- Sources of unbudgeted revenue include refunds of prior year expenses totaling \$20,876.

General fund expenditures of \$2,058,664 were over the budgeted amount of \$1,992,666 by \$65,998.

- The most significant expenditures under budget were Public Works (Highways) (under budget by \$113,788) and Public Works (Stormwater) (under budget by \$40,500). Spending in most other categories was generally close to or below the budgeted amounts except for Transfers (out) was over budget by \$275,000.

**Highway Aid Fund**

The Highway Aid Fund (Liquid Fuels) is a special revenue fund as mandated by the Commonwealth of Pennsylvania. Its source of revenue is the annual receipt of monies from the state based on a formula utilizing population and miles of Township-owned roads for sharing of the tax collected on fuels by the state. At December 31, 2023, the Liquid Fuels Fund maintained a fund balance of \$65,685.

**Township of Aleppo  
Management's Discussion and Analysis  
December 31, 2023**

**Capital Assets and Debt Administration**

**Capital Assets**

Capital assets consist primarily of land, buildings and improvements, equipment, and infrastructure. The following is a summary of capital assets at December 31, 2023, and 2022:

Table A-3  
Governmental Activities  
Capital Assets - Net of Depreciation

|                           | <u>2023</u>                | <u>2022</u>                |
|---------------------------|----------------------------|----------------------------|
| Land                      | \$ 187,300                 | \$ 187,300                 |
| Site Improvements         | 2,048                      | 7,493                      |
| Building and Improvements | 211,827                    | 226,238                    |
| Furniture and Equipment   | 62,724                     | 85,727                     |
| Infrastructure            | 466,885                    | 480,431                    |
| Sewer Infrastructure      | 6,559,799                  | 6,764,627                  |
| Water and Sewer           | 24,711                     | 26,371                     |
|                           | <u><u>\$ 7,515,294</u></u> | <u><u>\$ 7,778,187</u></u> |

**Debt Administration**

On July 30, 2020, the Township of Aleppo issued Guaranteed Sewer Revenue Bonds, Series of 2020 in the amount of \$6,965,000 for the purpose of 1) refund the Township's outstanding Guaranteed Sewer Revenue Bonds, Series of 2015 in the aggregate principal amount of \$7,450,000 and 2) pay related costs and expenses, including costs of issuance of the bonds. The bonds were issued in denominations of \$5,000 with interest payable on June 1 and December 1 each year through maturity. Interest rates range between 2.0% and 3.0% with the bonds maturing on December 1, 2041. The Township has pledged its sewer revenues as security for the bonds. The Township's Guaranteed Sewer Revenue Bonds outstanding at December 31, 2023, totals \$6,005,000. The Township is scheduled to make principal and interest payments of \$440,150 during the 2024 calendar year.

More detailed information about the Township's capital assets and long-term debt can be found in the notes to the financial statements.

**Township of Aleppo  
Management's Discussion and Analysis  
December 31, 2023**

**Trust and Agency Operations**

**Pension Trust Funds**

The Township maintains two pension plans - Police and Non-Uniform Employees Pension systems. For financial reporting purposes, the Township reports the activities of its Police Pension Plan as a pension trust fund (pages 8-9), even though the police department has been disbanded. The Township also participates in a pooled defined contribution plan through the Pennsylvania State Association of Boroughs Municipal Retirement Trust (PSABMRT). As of December 31, 2023, PSABMRT reported the fair value of the Township's non-uniform pension plan assets of \$143,713.

**Contacting the Township's Financial Management**

This financial report is designed to provide the citizens of the Township, taxpayers, customers, investors, and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have any questions related to this report or need additional information, please contact: Township of Aleppo, 100 North Drive, Sewickley, PA 15143, (412) 741-6555.

**TOWNSHIP OF ALEPPO**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

**EXHIBIT A**

|                                                                               | <b>Governmental<br/>Activities</b> |
|-------------------------------------------------------------------------------|------------------------------------|
| <b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>                              |                                    |
| <b>ASSETS:</b>                                                                |                                    |
| <b>Current Assets:</b>                                                        |                                    |
| Cash and Cash Equivalents                                                     | \$ 588,821                         |
| Investments                                                                   | 3,533,782                          |
| Taxes Receivable (net)                                                        | 93,341                             |
| Due From Other Governments                                                    | 140,082                            |
| Other Receivables                                                             | 15,285                             |
| Prepaid Expenses                                                              | 80,745                             |
| <b>Total Current Assets</b>                                                   | <b>\$ 4,452,056</b>                |
| <b>Noncurrent Assets:</b>                                                     |                                    |
| Land                                                                          | \$ 187,300                         |
| Site Improvements (net)                                                       | 2,048                              |
| Building & Building Improvements (net)                                        | 211,827                            |
| Furniture and Equipment (net)                                                 | 44,149                             |
| Vehicles (net)                                                                | 18,575                             |
| Infrastructure (net)                                                          | 466,885                            |
| Sewer Infrastructure (net)                                                    | 6,559,799                          |
| Water and Sewer (net)                                                         | 24,711                             |
| <b>Total Noncurrent Assets</b>                                                | <b>\$ 7,515,294</b>                |
| <b>TOTAL ASSETS</b>                                                           | <b>\$ 11,967,350</b>               |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                         |                                    |
| Deferred Interest on Refunding                                                | \$ 379,716                         |
| Deferred Outflows of Resources - Pension                                      | 141,940                            |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>                                   | <b>\$ 521,656</b>                  |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>                        | <b>\$ 12,489,006</b>               |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>           |                                    |
| <b>LIABILITIES:</b>                                                           |                                    |
| <b>Current Liabilities:</b>                                                   |                                    |
| Accounts Payable                                                              | \$ 115,280                         |
| Due To Other Governments                                                      | 5,539                              |
| Accrued Payroll and Withholdings                                              | 12,619                             |
| Other Current Liabilities (Escrow)                                            | 229,575                            |
| Bonds Payable - Current Portion                                               | 260,000                            |
| <b>Total Current Liabilities</b>                                              | <b>\$ 623,013</b>                  |
| <b>Noncurrent Liabilities:</b>                                                |                                    |
| Bonds Payable - Long Term Portion                                             | \$ 5,985,461                       |
| Net Pension Liability                                                         | 14,164                             |
| <b>Total Noncurrent Liabilities</b>                                           | <b>\$ 5,999,625</b>                |
| <b>TOTAL LIABILITIES</b>                                                      | <b>\$ 6,622,638</b>                |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                          |                                    |
| Deferred Inflows of Resources - Pension                                       | \$ 111,768                         |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                    | <b>\$ 111,768</b>                  |
| <b>NET POSITION</b>                                                           |                                    |
| Net Investment in Capital Assets                                              | \$ 1,649,549                       |
| Restricted - Highways (Liquid Fuels)                                          | 65,685                             |
| Restricted - Debt Service                                                     | 762,879                            |
| Unrestricted                                                                  | 3,276,487                          |
| <b>TOTAL NET POSITION</b>                                                     | <b>\$ 5,754,600</b>                |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES,<br/>AND NET POSITION</b> | <b>\$ 12,489,006</b>               |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF ALEPPO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

| Functions/Programs                                | Expenses            | Program Revenues        |                                          |                                        | Net (Expense) Revenue<br>and Changes<br>in Net Position |
|---------------------------------------------------|---------------------|-------------------------|------------------------------------------|----------------------------------------|---------------------------------------------------------|
|                                                   |                     | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Total<br>Governmental<br>Activities                     |
| <b>Governmental Activities:</b>                   |                     |                         |                                          |                                        |                                                         |
| General Government                                | \$ 408,265          | \$ 39,452               | \$ -                                     | \$ -                                   | \$ (368,813)                                            |
| Public Safety - Police                            | 114,719             | 611                     | 12,387                                   | -                                      | (101,721)                                               |
| Public Safety - Fire                              | 143,271             | 8,656                   | 12,030                                   | -                                      | (122,585)                                               |
| Public Safety - Other                             | 45,085              | 12,874                  | -                                        | -                                      | (32,211)                                                |
| Public Works - Sanitation                         | 140,340             | 15                      | 584                                      | -                                      | (139,741)                                               |
| Public Works - Sewer                              | 208,795             | -                       | -                                        | -                                      | (208,795)                                               |
| Public Works - Highways                           | 775,318             | 31,994                  | 46,067                                   | -                                      | (697,257)                                               |
| Debt Service                                      | 195,572             | -                       | 576,033                                  | -                                      | 380,461                                                 |
| Insurance/Miscellaneous                           | 75,628              | -                       | -                                        | -                                      | (75,628)                                                |
| <b>Total Governmental Activities</b>              | <b>\$ 2,106,993</b> | <b>\$ 93,602</b>        | <b>\$ 647,101</b>                        | <b>\$ -</b>                            | <b>\$ (1,366,290)</b>                                   |
| <b>General Revenues:</b>                          |                     |                         |                                          |                                        |                                                         |
| Taxes:                                            |                     |                         |                                          |                                        |                                                         |
| Property Taxes, Levied for General Purposes (net) |                     |                         |                                          |                                        | \$ 581,495                                              |
| Act 511 and Other Taxes                           |                     |                         |                                          |                                        | 488,063                                                 |
| Payment in Lieu of Taxes                          |                     |                         |                                          |                                        | 256,550                                                 |
| Investment Earnings                               |                     |                         |                                          |                                        | 189,316                                                 |
| Miscellaneous                                     |                     |                         |                                          |                                        | 23,597                                                  |
| <b>Total General Revenues</b>                     |                     |                         |                                          |                                        | <b>\$ 1,539,021</b>                                     |
| <b>Change in Net Position</b>                     |                     |                         |                                          |                                        | <b>\$ 172,731</b>                                       |
| Net Position — January 1, 2023                    |                     |                         |                                          |                                        | 5,581,869                                               |
| <b>Net Position — December 31, 2023</b>           |                     |                         |                                          |                                        | <b>\$ 5,754,600</b>                                     |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF ALEPPO**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2023**

**EXHIBIT C**

|                                                                                | <b>GENERAL<br/>FUND</b> | <b>DEBT<br/>SERVICE<br/>FUND</b> | <b>CAPITAL<br/>IMPROVEMENTS<br/>FUND</b> | <b>NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</b> | <b>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</b> |
|--------------------------------------------------------------------------------|-------------------------|----------------------------------|------------------------------------------|---------------------------------------------|-----------------------------------------|
| <b>ASSETS:</b>                                                                 |                         |                                  |                                          |                                             |                                         |
| Cash and Cash Equivalents                                                      | \$ 588,821              | \$ -                             | \$ -                                     | \$ -                                        | \$ 588,821                              |
| Investments                                                                    | 1,452,843               | 622,398                          | 1,026,379                                | 432,162                                     | 3,533,782                               |
| Taxes Receivable, net                                                          | 93,341                  | -                                | -                                        | -                                           | 93,341                                  |
| Due From Other Funds                                                           | -                       | 458                              | -                                        | -                                           | 458                                     |
| Due From Other Governments                                                     | 59                      | 140,023                          | -                                        | -                                           | 140,082                                 |
| Other Receivables                                                              | 15,285                  | -                                | -                                        | -                                           | 15,285                                  |
| Prepaid Expenses                                                               | 80,745                  | -                                | -                                        | -                                           | 80,745                                  |
| <b>TOTAL ASSETS</b>                                                            | <b>\$ 2,231,094</b>     | <b>\$ 762,879</b>                | <b>\$ 1,026,379</b>                      | <b>\$ 432,162</b>                           | <b>\$ 4,452,514</b>                     |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>           |                         |                                  |                                          |                                             |                                         |
| <b>LIABILITIES:</b>                                                            |                         |                                  |                                          |                                             |                                         |
| Accounts Payable                                                               | \$ 115,280              | \$ -                             | \$ -                                     | \$ -                                        | \$ 115,280                              |
| Due To Other Governments                                                       | 5,539                   | -                                | -                                        | -                                           | 5,539                                   |
| Due to Other Funds                                                             | 458                     | -                                | -                                        | -                                           | 458                                     |
| Accrued Payroll and Withholdings                                               | 12,619                  | -                                | -                                        | -                                           | 12,619                                  |
| Other Current Liabilities (Escrow)                                             | 229,575                 | -                                | -                                        | -                                           | 229,575                                 |
| <b>TOTAL LIABILITIES</b>                                                       | <b>\$ 363,471</b>       | <b>\$ -</b>                      | <b>\$ -</b>                              | <b>\$ -</b>                                 | <b>\$ 363,471</b>                       |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>                                          |                         |                                  |                                          |                                             |                                         |
| Real Estate Taxes - Delinquent                                                 | \$ 84,904               | \$ -                             | \$ -                                     | \$ -                                        | \$ 84,904                               |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                     | <b>\$ 84,904</b>        | <b>\$ -</b>                      | <b>\$ -</b>                              | <b>\$ -</b>                                 | <b>\$ 84,904</b>                        |
| <b>FUND BALANCES:</b>                                                          |                         |                                  |                                          |                                             |                                         |
| Nonspendable (Prepaid Expenses)                                                | \$ 80,745               | \$ -                             | \$ -                                     | \$ -                                        | \$ 80,745                               |
| <b>Restricted:</b>                                                             |                         |                                  |                                          |                                             |                                         |
| Highways (Liquid Fuels)                                                        | -                       | -                                | -                                        | 65,685                                      | 65,685                                  |
| Debt Service                                                                   | -                       | 762,879                          | -                                        | -                                           | 762,879                                 |
| <b>Assigned:</b>                                                               |                         |                                  |                                          |                                             |                                         |
| Operating Reserve                                                              | 120,293                 | -                                | -                                        | -                                           | 120,293                                 |
| Capital Improvements                                                           | -                       | -                                | 1,026,379                                | -                                           | 1,026,379                               |
| Stormwater                                                                     | -                       | -                                | -                                        | 366,477                                     | 366,477                                 |
| Unassigned                                                                     | 1,581,681               | -                                | -                                        | -                                           | 1,581,681                               |
| <b>TOTAL FUND BALANCES</b>                                                     | <b>\$ 1,782,719</b>     | <b>\$ 762,879</b>                | <b>\$ 1,026,379</b>                      | <b>\$ 432,162</b>                           | <b>\$ 4,004,139</b>                     |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b> | <b>\$ 2,231,094</b>     | <b>\$ 762,879</b>                | <b>\$ 1,026,379</b>                      | <b>\$ 432,162</b>                           | <b>\$ 4,452,514</b>                     |

-

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF ALEPPO**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** **\$ 4,004,139**

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

Capital assets used in governmental activities are not financial resources, and therefore, are not reported as assets in governmental funds. The cost of assets is \$10,899,159 and the accumulated depreciation is \$3,383,865. 7,515,294

Property taxes receivable in the statement of net position, which will not be available soon enough to pay for the current period's expenditures, are deferred and not recognized as revenue in governmental funds. 84,904

Deferred outflows of resources that are applicable to future periods and, therefore, are not reported in the funds:

Deferred interest on advanced refundings 379,716

Deferred outflows of resources related to pension 141,940

Deferred inflows of resources related to pension (111,768)

Long term liabilities are not due and payable in the current period, and therefore, are not reported as liabilities in the governmental funds.

Long-term liabilities at year end consist of:

|                           |                |             |
|---------------------------|----------------|-------------|
| Bonds payable             | \$ (6,005,000) |             |
| Net Pension Liability     | (14,164)       |             |
| Unamortized Bond Premium  | (379,826)      |             |
| Unamortized Bond Discount | 139,365        |             |
|                           | 139,365        | (6,259,625) |

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** **\$ 5,754,600**

**TOWNSHIP OF ALEPPO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                                               | GENERAL FUND        | DEBT<br>SERVICE<br>FUND | CAPITAL<br>IMPROVEMENTS<br>FUND | NON-MAJOR<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|---------------------------------------------------------------|---------------------|-------------------------|---------------------------------|------------------------------------|--------------------------------|
| <b>REVENUES:</b>                                              |                     |                         |                                 |                                    |                                |
| Taxes                                                         | \$ 1,062,699        | \$ -                    | \$ -                            | \$ -                               | \$ 1,062,699                   |
| Licenses and Permits                                          | 35,792              | -                       | -                               | -                                  | 35,792                         |
| Fines and Forfeitures                                         | 611                 | -                       | -                               | -                                  | 611                            |
| Interest and Rents                                            | 74,621              | 35,624                  | 60,883                          | 21,188                             | 192,316                        |
| Intergovernmental                                             | 315,149             | 576,034                 | -                               | 46,067                             | 937,250                        |
| Charges for Services                                          | 13,949              | -                       | -                               | -                                  | 13,949                         |
| Miscellaneous                                                 | 1,600               | -                       | -                               | -                                  | 1,600                          |
| <b>Total Revenues</b>                                         | <b>\$ 1,504,421</b> | <b>\$ 611,658</b>       | <b>\$ 60,883</b>                | <b>\$ 67,255</b>                   | <b>\$ 2,244,217</b>            |
| <b>EXPENDITURES:</b>                                          |                     |                         |                                 |                                    |                                |
| General Government                                            | \$ 399,905          | \$ -                    | \$ -                            | \$ -                               | \$ 399,905                     |
| Public Safety - Police                                        | 121,504             | -                       | -                               | -                                  | 121,504                        |
| Public Safety - Fire                                          | 143,271             | -                       | -                               | -                                  | 143,271                        |
| Public Safety - Other                                         | 45,085              | -                       | -                               | -                                  | 45,085                         |
| Public Works - Sanitation                                     | 140,340             | -                       | -                               | -                                  | 140,340                        |
| Public Works - Sewers                                         | 3,967               | 40,000                  | -                               | -                                  | 43,967                         |
| Public Works - Highways                                       | 693,606             | -                       | -                               | 32,008                             | 725,614                        |
| Debt Service                                                  | -                   | 432,800                 | -                               | -                                  | 432,800                        |
| Insurance                                                     | 34,384              | -                       | -                               | -                                  | 34,384                         |
| <b>Total Expenditures</b>                                     | <b>\$ 1,582,062</b> | <b>\$ 472,800</b>       | <b>\$ -</b>                     | <b>\$ 32,008</b>                   | <b>\$ 2,086,870</b>            |
| <b>Excess ( Deficiency) of Revenues<br/>over Expenditures</b> | <b>\$ (77,641)</b>  | <b>\$ 138,858</b>       | <b>\$ 60,883</b>                | <b>\$ 35,247</b>                   | <b>\$ 157,347</b>              |
| <b>OTHER FINANCING SOURCES (USES):</b>                        |                     |                         |                                 |                                    |                                |
| Reimbursements from VFC                                       | \$ 8,656            | \$ -                    | \$ -                            | \$ -                               | \$ 8,656                       |
| Transfers In                                                  | 401,983             | -                       | 400,358                         | 75,000                             | 877,341                        |
| Transfers (Out)                                               | (475,358)           | -                       | (401,983)                       | -                                  | (877,341)                      |
| Refund Prior Year Expenses                                    | 20,876              | -                       | -                               | -                                  | 20,876                         |
| Refund Prior Year Revenues                                    | (1,244)             | -                       | -                               | -                                  | (1,244)                        |
| <b>Total Other Financing Sources (Uses)</b>                   | <b>\$ (45,087)</b>  | <b>\$ -</b>             | <b>\$ (1,625)</b>               | <b>\$ 75,000</b>                   | <b>\$ 28,288</b>               |
| <b>NET CHANGE IN FUND BALANCES</b>                            | <b>\$ (122,728)</b> | <b>\$ 138,858</b>       | <b>\$ 59,258</b>                | <b>\$ 110,247</b>                  | <b>\$ 185,635</b>              |
| FUND BALANCE - JANUARY 1, 2023                                | 1,905,447           | 624,021                 | 967,121                         | 321,915                            | 3,818,504                      |
| <b>FUND BALANCE - DECEMBER 31, 2023</b>                       | <b>\$ 1,782,719</b> | <b>\$ 762,879</b>       | <b>\$ 1,026,379</b>             | <b>\$ 432,162</b>                  | <b>\$ 4,004,139</b>            |

The accompanying notes are an integral part of these financial statements

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

|                                                               |                   |
|---------------------------------------------------------------|-------------------|
| <b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b> | <b>\$ 185,635</b> |
|---------------------------------------------------------------|-------------------|

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

|                                                                                                                                                                                                                                                                                                                                                                |           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$271,432) recorded in the governmental funds exceeds capital outlays (\$8,539) in the period. | (262,893) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                                                                                                                                                                              |       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Governmental funds report Township contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. | 6,785 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|

|                                                                                                                                                               |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Repayment of loan principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position | 245,000 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

|                                                                                                                                                                                                        |        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Bond premiums are reported in governmental funds as revenues. However, in the statement of activities, this amount is capitalized and is accreted over the life of the bond issue as interest expense. | 21,200 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|

|                                                                                                                                                                                                                                                                                                                                                                                             |          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. | (28,971) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|

|                                                                                                                                                                                                                                                                               |       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Because certain property taxes will not be collected for several months after the Township's year ends, they are not considered as "available" revenues in the governmental funds. Deferred tax revenues, net of a provision for doubtful accounts, increased by this amount. | 5,975 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|

|                                                          |                          |
|----------------------------------------------------------|--------------------------|
| <b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b> | <b><u>\$ 172,731</u></b> |
|----------------------------------------------------------|--------------------------|

**TOWNSHIP OF ALEPPO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, BUDGET AND ACTUAL**  
**GOVERNMENTAL FUND - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                                               | Budgeted Amounts    |                     | Actual              | Variance with<br>Final Budget |
|---------------------------------------------------------------|---------------------|---------------------|---------------------|-------------------------------|
|                                                               | Original            | Final               | (Budgetary Basis)   | Positive<br>(Negative)        |
| <b>REVENUES</b>                                               |                     |                     |                     |                               |
| Taxes                                                         | \$ 904,000          | \$ 904,000          | \$ 1,062,699        | \$ 158,699                    |
| Licenses and Permits                                          | 36,000              | 36,000              | 35,792              | (208)                         |
| Fines and Forfeitures                                         | 1,150               | 1,150               | 611                 | (539)                         |
| Interest and Rents                                            | 11,000              | 11,000              | 74,621              | 63,621                        |
| Intergovernmental                                             | 297,624             | 297,624             | 315,149             | 17,525                        |
| Charges for Services                                          | 9,560               | 9,560               | 13,949              | 4,389                         |
| Miscellaneous                                                 | 2,000               | 2,000               | 1,600               | (400)                         |
| <b>Total Revenues</b>                                         | <b>\$ 1,261,334</b> | <b>\$ 1,261,334</b> | <b>\$ 1,504,421</b> | <b>\$ 243,087</b>             |
| <b>EXPENDITURES</b>                                           |                     |                     |                     |                               |
| General Government                                            | \$ 426,705          | \$ 426,705          | \$ 399,905          | \$ 26,800                     |
| Public Safety - Police                                        | 132,928             | 132,928             | 121,504             | 11,424                        |
| Public Safety - Fire                                          | 128,561             | 128,561             | 143,271             | (14,710)                      |
| Public Safety - Other                                         | 50,180              | 50,180              | 45,085              | 5,095                         |
| Public Works - Sanitation                                     | 139,540             | 139,540             | 140,340             | (800)                         |
| Public Works - Sewers                                         | 6,000               | 6,000               | 3,967               | 2,033                         |
| Public Works - Highways                                       | 807,394             | 807,394             | 693,606             | 113,788                       |
| Public Works - Stormwater                                     | 40,500              | 40,500              | -                   | 40,500                        |
| Culture and Recreation                                        | 18,000              | 18,000              | -                   | 18,000                        |
| Insurance                                                     | 37,500              | 37,500              | 34,384              | 3,116                         |
| Miscellaneous                                                 | 1,000               | 1,000               | -                   | 1,000                         |
| <b>Total Expenditures</b>                                     | <b>\$ 1,788,308</b> | <b>\$ 1,788,308</b> | <b>\$ 1,582,062</b> | <b>\$ 206,246</b>             |
| <b>Excess ( Deficiency) of Revenues<br/>over Expenditures</b> | <b>\$ (526,974)</b> | <b>\$ (526,974)</b> | <b>\$ (77,641)</b>  | <b>\$ 449,333</b>             |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                     |                     |                     |                               |
| Reimbursements from VFC                                       | \$ 8,000            | \$ 8,000            | \$ 8,656            | \$ 656                        |
| Transfer In                                                   | 500,000             | 500,000             | 401,983             | (98,017)                      |
| Transfer (Out)                                                | (200,358)           | (200,358)           | (475,358)           | (275,000)                     |
| Refund Prior Year Expenses                                    | -                   | -                   | 20,876              | 20,876                        |
| Refund Prior Year Revenues                                    | (4,000)             | (4,000)             | (1,244)             | 2,756                         |
| <b>Total Other Financing Sources (Uses)</b>                   | <b>\$ 303,642</b>   | <b>\$ 303,642</b>   | <b>\$ (45,087)</b>  | <b>\$ (348,729)</b>           |
| <b>NET CHANGE IN FUND BALANCES</b>                            | <b>\$ (223,332)</b> | <b>\$ (223,332)</b> | <b>\$ (122,728)</b> | <b>\$ 100,604</b>             |
| <b>FUND BALANCE - JANUARY 1, 2023</b>                         | <b>274,332</b>      | <b>274,332</b>      | <b>1,905,447</b>    | <b>1,631,115</b>              |
| <b>FUND BALANCE - DECEMBER 31, 2023</b>                       | <b>\$ 51,000</b>    | <b>\$ 51,000</b>    | <b>\$ 1,782,719</b> | <b>\$ 1,731,719</b>           |

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF ALEPPO  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND - POLICE PENSION FUND  
DECEMBER 31, 2023

**ASSETS**

Investments, at Fair Value:

Mutual Funds

\$ 782,848

**TOTAL ASSETS****\$ 782,848****LIABILITIES**

Accounts Payable

\$ -

**TOTAL LIABILITIES****\$ -****NET POSITION**

Held in Trust for Pension Benefits

\$ 782,848

**TOTAL NET POSITION****\$ 782,848****TOTAL LIABILITIES AND NET POSITION****\$ 782,848**

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF ALEPPO**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUND - POLICE PENSION PLAN**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**ADDITIONS**

|                                                      |                          |
|------------------------------------------------------|--------------------------|
| Contributions                                        |                          |
| Employer                                             | \$ 9,928                 |
| Total Contributions                                  | <u>\$ 9,928</u>          |
| Investment Earnings                                  |                          |
| Net Increase/(Decrease) in Fair Value of Investments | \$ 105,709               |
| Interest and Dividends                               | 27,645                   |
| Total Investment Earnings                            | <u>\$ 133,354</u>        |
| Less Investment Expense                              | -                        |
| Net Investment Earnings                              | <u>\$ 133,354</u>        |
| <b>Total Additions</b>                               | <u><b>\$ 143,282</b></u> |

**DEDUCTIONS**

|                         |                         |
|-------------------------|-------------------------|
| Benefits                | \$ 66,999               |
| Administrative Expenses | 14,722                  |
| <b>Total Deductions</b> | <u><b>\$ 81,721</b></u> |

|                                         |                                 |
|-----------------------------------------|---------------------------------|
| <b>CHANGE IN NET POSITION</b>           | <b>\$ 61,561</b>                |
| <b>NET POSITION - JANUARY 1, 2023</b>   | <u><b>711,287</b></u>           |
| <b>NET POSITION - DECEMBER 31, 2023</b> | <u><u><b>\$ 772,848</b></u></u> |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**REPORTING ENTITY**

The Township of Aleppo was incorporated under the provisions governing the creation of municipal corporations in the Commonwealth of Pennsylvania. The administration of the Township consists of a five-member Board of Commissioners and a Township Manager. Members of the Board of Commissioners are elected by the voting public. The Commissioners appoint a Township Manager to administer the day-to-day operations of the Township. The major functions of the Township include public safety, maintenance of Township infrastructure (roads), maintenance of parks and other recreational facilities for use by Township residents, and general administrative functions necessary to facilitate Township responsibilities and resident needs.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of The Township of Aleppo consists of all funds, departments, boards, and agencies that are not legally separate from the Township. Generally accepted accounting standards defines component units are legally separate entities that are included in the Township's reporting entity because of the significance of their operating or financial relationships with the Township. Based on the application of the above criteria, the Township of Aleppo has no component units.

**FINANCIAL STATEMENT PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS** – The statement of net position (Exhibit A) and the statement of activities (Exhibit B) display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. That is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations (Exhibits D and F) with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities (Exhibit B) presents a comparison between direct expenses and program revenues for the Township's business-type activities (sewage fund operations) and for each function of the Township's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants, subsidies and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Township. General revenue consists mainly of taxes, cable franchise fees, unrestricted grants, and other miscellaneous receipts not earmarked for a specific function. The comparison of direct disbursements with program receipts identifies the extent to which the business-type activity or government function is self-financing or draws from the general receipts of the Township.

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**FINANCIAL STATEMENT PRESENTATION (Continued)**

**FUND FINANCIAL STATEMENTS** – Fund financial statements report detailed information about the Township. Under generally accepted accounting standards, the focus of governmental fund financial statements is on major funds rather than reporting funds by type. Major funds represent the Township's most important funds and are determined based on percentages of assets, liabilities, revenues, and expenditures/expenses. For Aleppo Township, the General Fund is always considered a major fund. Each major governmental fund is presented in a separate column. Non-major governmental funds, if any, are segregated and combined in a single column.

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

The financial statements of the Township of Aleppo have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The most significant of the Township's accounting policies are as follows:

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. Governmental activities in the government-wide financial statements and government funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on the source (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Fiduciary funds are reported using the economic resources measurement focus.

Revenue resulting from non-exchange transactions, in which the Township receives value without directly giving equal value in return, includes property taxes, grants and contributions. Revenues from grants and contributions are recognized in the calendar year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must also be 'available' (as previously defined) before it can be recognized.

The management of the Township of Aleppo has determined that the revenues most susceptible to accrual at December 31, 2023, are **1)** delinquent real estate taxes for the month of December **2)** certain taxpayer assessed Act 511 taxes, **3)** cable franchise fees for the fourth quarter of 2023, and other miscellaneous revenues estimable and available to the Township for 2023 but not as yet collected at December 31, 2023. On the governmental fund financial statements, receivables that will not be collected within the 'available' period have been reported as 'deferred inflows of resources'.

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. The primary expenditures deemed susceptible to accrual at December 31, 2023, are those for which the Township's intention was to expense these items as budgeted for in the 2023 official budget, and for which the Township has incurred an obligation during 2023 but has not paid as of December 31, 2023.

Allocations of costs such as depreciation expense, are not recognized in governmental funds but are included as part of expenses in the government-wide statement of activities.

**FUND ACCOUNTING**

The Township uses funds to report on its financial position and the results of its operations during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Township functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are classified into two categories: governmental and fiduciary. Fund categories are defined as follows:

**Governmental Funds** – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Township's major and non-major governmental funds:

**MAJOR GOVERNMENTAL FUNDS:**

**GENERAL FUND** - Established under 'The First-Class Township Code' of the Commonwealth of Pennsylvania and is used for the general operations of the Township. Income in this fund is derived mainly from assessed revenue such as real estate taxes, local taxes established under Act 511 and other miscellaneous revenues not designated for other restricted fund purposes. These revenues are used for general ongoing government services such as public safety, public works, general administration of the Township and other miscellaneous operating expenses.

**DEBT SERVICE FUND** (DEBT SERVICE) - The debt service fund is used to account for payments received from the Aleppo Township Authority for the payment of principal and interest on the 2020 Guaranteed Sewer Revenue Bond obligation issue outstanding.

**CAPITAL IMPROVEMENTS FUND** (CAPITAL PROJECT) - The capital improvements fund accounts for financial resources used for building and road improvements. The fund is currently financed through operating transfers from the General Fund.

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND ACCOUNTING (Continued)**

**NON-MAJOR GOVERNMENTAL FUNDS:**

**HIGHWAY AID FUND** (SPECIAL REVENUE) - Established and restricted under Act 655 of the Commonwealth of Pennsylvania. Funding is received from the Commonwealth and is restricted in use for the maintenance, repair and construction of roads, streets, and bridges for which the Township is responsible.

**STORMWATER FUND** (SPECIAL REVENUE) - Established to account for expenses associated with the Township's municipal stormwater management program. The fund is currently financed through operating transfers from the General Fund.

**Fiduciary Funds** – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Township's own programs. Custodial funds report fiduciary activities that are not held in a Trust or equivalent arrangement that meets specific criteria. The accompanying financial statements include the activities of the Township's police pension plan.

**ESTIMATES**

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

**BUDGETS**

In December of 2022, the Township of Aleppo adopted its 2023 annual budget for its General Fund totaling \$1,992,666 in accordance with the provisions of the Commonwealth of Pennsylvania Township Code. The budget is prepared utilizing the modified accrual method of accounting in accordance with generally accepted accounting principles. The original and final budgetary amounts are reflected in these financial statements (Exhibit G). Budgetary transfers among various expenditure line items are performed as approved by the Board of Commissioners. All appropriations lapse at the end of each calendar year.

The Township uses the following procedures in establishing this budgetary data:

- a. In accordance with the Township Code, beginning at least 30 days prior to the adoption of the budget, which shall not be later than December 31, a proposed budget for the ensuing year shall be prepared. The proposed budget shall be kept on file with the Township and made available for public inspection for a period of twenty days. Notice that the proposed budget is available for inspection is published in a newspaper of general circulation. After expiration of the twenty days, the Commissioners makes such revisions in the budget as deemed advisable and shall adopt the budget by motion.

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BUDGETS (Continued)**

- b. Transfers of budget amounts are authorized between departments within any fund after the third month of the year. However, any revisions that alter the total appropriations of any fund must be approved by the Commissioners.

**CASH AND CASH EQUIVALENTS**

For purposes of these basic financial statements, cash and cash equivalents include amounts in demand deposit accounts and all highly liquid short-term investments with original maturity terms of less than three months.

**INVESTMENTS**

Provisions of Section 1705.1 of the First-Class Township Code authorize the following investments:

- I. Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or (c) of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
- II. Deposits in savings accounts, time deposits and share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral, as provided by law, is pledged by the depository.
- III. U.S. government obligations, short-term commercial paper issued by a public corporation, and banker's acceptances.

Governmental fund type investments include funds pooled for investment purposes with the Pennsylvania Local Government Investment Trust (PLGIT). PLGIT funds are stated at amortized cost, which approximates market value. The Township's portfolio is in compliance with these statutes at December 31, 2023. Fiduciary fund type investments include funds invested with Nationwide Trust Company and Investments Services for its' police pension plan.

**RECEIVABLES**

Receivables are reflected at net realizable value as of December 31, 2023.

**SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as 'due from/to other funds' on the balance sheet. For the purposes of the government-wide statement of net position, governmental inter-fund receivables and payables have been eliminated. During 2023, the General Fund transferred \$400,358 to the Capital Improvements Fund for 2023 road program expenditures and \$75,000 to the Stormwater Fund for future expenditures.

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**CAPITAL ASSETS AND DEPRECIATION**

General capital assets are those assets not specifically related to activities reported in proprietary funds. These assets are reported as part of governmental activities on the government-wide statement of net position

All capital assets are recorded at cost (or estimated historical cost). Donated fixed assets are recorded at fair value at the time of receipt. The Township maintains a capitalization dollar threshold of \$1,000. Routine repair and maintenance costs that do not add to the value of the asset or extend its useful life are charged as an expense in the government-wide statement of activities. All reported capital assets, except land, are depreciated using the straight-line method over the following useful lives:

| <b><u>CATEGORY</u></b>       | <b><u>YEARS</u></b> |
|------------------------------|---------------------|
| Site Improvements            | 20 years            |
| Buildings and Improvements   | 10-50 years         |
| Equipment                    | 5-15 years          |
| Vehicles                     | 5-7 Years           |
| Sewer Plant and Improvements | 40 Years            |
| Infrastructure               | 75 Years            |

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets purchased by governmental funds are recorded as expenditures in the fund financial statements (Exhibit E). The results of capitalizing fixed assets net of depreciation on the government-wide statement of net position and statement of activities, as opposed to recording these same assets as an expenditure in the fund financial statements (Exhibit E), is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

**ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the non-current portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, liabilities that mature or come due for payment within 60 days of the end of the calendar year-end, are considered to be paid with current available financial resources.

Capital leases and other long-term obligations, if any, that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. The Township's Debt Service Fund is typically used to liquidate long-term liability obligations.

The results of recognizing these long-term obligations as liabilities on the government-wide statement of net position and statement of activities, as opposed to recording these same obligations as an expenditure in the fund financial statements (Exhibit E) only when paid, is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**UNEARNED REVENUE**

Unearned revenue arises when the Township receives resources before it has legal claim to them. This occurs 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 Township has a legal claim to the resources, the unearned revenue liability is removed, and revenue is recognized.

**LONG-TERM DEBT FINANCING COSTS**

Bond issue costs are recorded as expenditures in the governmental fund financial statements in the year paid. During the year ended December 31, 2023, the Township did not incur any bond or note issuance costs.

**NET POSITION**

Net position is classified into three categories according to external donor or legal restrictions or availability of assets to satisfy Township obligations. Net position is classified as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of debt that is attributable to the acquisition, construction and improvement of the capital assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted Net Position – This component of net position consists of restricted assets reduced by liabilities and deferred inflows related to those assets. Restricted net position includes **1)** Act 655 funding from the Commonwealth of Pennsylvania restricted in the use for the maintenance, repair, and construction of roads, streets, and bridges in the Township, and **2)** the balance of funds in the Debt Service Fund for the repayment of the 2020 Guaranteed Sewer Revenue Bond obligation.
- Unrestricted – Consists of all other net position that does not meet the definition of ‘restricted’ or ‘net investment in capital assets’.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Township’s policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

**FUND EQUITY**

In the Balance Sheet – Governmental Funds (Exhibit C), fund balances are reported in specific categories to make the nature and extent of the constraints placed on any entity’s fund balance more transparent in accordance with GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory and prepaid expenses) or are required to be maintained intact

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND EQUITY (Continued)**

- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation. Restricted fund balances include **1)** Act 655 funding from the Commonwealth of Pennsylvania restricted in the use for the maintenance, repair, and construction of roads, streets, and bridges in the Township, and **2)** the balance of funds in the Debt Service Fund for the repayment of the 2020 Guaranteed Sewer Revenue Bond obligation.
- Committed fund balance – amounts constrained to specific purposes by the Township itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the Township takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – amounts the Township intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Assigned fund balances include **1)** operating reserves for unanticipated expenditures of the General Fund, **2)** capital improvements funds set aside for building and road improvements, and **3)** stormwater management related expenses.
- Unassigned fund balance – amounts that are available for any purpose

The Township establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. The Township Manager has authority to assign fund balance.

When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the Township's general policy to spend the committed resources first, followed by assigned amounts and then unassigned amounts.

**PENSIONS**

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the pension plans (Plans), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investment assets are reported at fair value

**DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Township has two items that qualify for reporting in this category. Deferred outflows related to the Township's pension plan, and deferred interest on advance refunding are reported on the statement of net position (Exhibit A).

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (Continued)**

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Township has two items that qualify for reporting in this category. They are delinquent real estate taxes reported on the governmental funds balance sheet (Exhibit C), and deferred inflows related to the Township's pension plan, reported on the statement of net position (Exhibit A).

**ADOPTION OF GASB PRONOUNCEMENTS**

The requirements of the following GASB Statement were adopted for the Township's 2023 financial statements. Except where noted, the adoption of this pronouncement did not have a significant impact on the Township's financial statements.

- **GASB issued Statement No. 94**, *'Public-Private and Public-Public Partnerships and Availability Payment Arrangements'*.
- **GASB issued Statement No. 96**, *'Subscription-Based Information Technology Arrangements'*.
- **GASB issued Statement No 99**, *'Omnibus 2022'*. (except the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 which are effective for the Township's December 31, 2024 financial statements).

**PENDING GASB PRONOUNCEMENTS**

- **GASB issued Statement No 100**, *'Accounting Changes and Error Correction'*. The provisions of this Statement are effective for the Township's December 31, 2024 financial statements.
- **GASB issued Statement No 101**, *'Compensated Absences'*. The provisions of this Statement are effective for the Township's December 31, 2024 financial statements.
- **GASB issued Statement No 102**, *'Certain Risk Disclosures'*. The provisions of this Statement are effective for the Township's December 31, 2025 financial statements.

The effects of implementing these Statements on the Township's financial statements have not yet been determined.

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 - CASH DEPOSITS AND INVESTMENT**

**DEPOSITS:**

At December 31, 2023, the Township of Aleppo had the following carrying values on its cash and cash equivalent accounts:

|              | <b><u>Bank Balance</u></b> | <b><u>Book Balance</u></b> |
|--------------|----------------------------|----------------------------|
| General Fund | \$ 590,725                 | \$ 588,821                 |

The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government account is \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposit accounts, and certificate of deposit.

**Custodial Credit Risk:**

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a policy for custodial credit risk. As of December 31, 2023, \$340,725 of the Township's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Township's name. In accordance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania, deposits of the Township if any, in excess of \$250,000, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

**INVESTMENTS:**

The fair value and maturity term of the Township's investments as of December 31, 2023, is as follows:

|                        | <b><u>Fair Value</u></b> | <b><u>No Stated<br/>Maturity</u></b> | <b><u>Credit<br/>Rating</u></b> |
|------------------------|--------------------------|--------------------------------------|---------------------------------|
| <b>Governmental:</b>   |                          |                                      |                                 |
| PLGIT                  | \$ 3,533,782             | \$ 3,533,782                         | AAAm                            |
| <b>Fiduciary:</b>      |                          |                                      |                                 |
| Mutual/Liquidity Funds | \$ 782,848               | \$ 782,848                           | N/A                             |

The purpose of the Pennsylvania Local Government Investment Trust (PLGIT) is to enable governmental units to pool their available funds for investments authorized under the Intergovernmental Cooperation Act of 1972. The funds operate in a manner consistent with the SEC's Rule 2(a)7 of the Investment Company Act of 1940. The funds use amortized cost to report net position to compute share prices. These funds maintain net asset values of \$1 per share. Accordingly, the fair value of the position in these funds is the same as the value of these shares. These funds are rated by a nationally recognized statistical rating organization.

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 - CASH DEPOSITS AND INVESTMENT (Continued)**

**INVESTMENTS: (Continued)**

**Custodial Credit Risk:**

For an investment, custodial credit risk is the risk that in the event of failure of the counterparty, the Township will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Township fiduciary fund investments in mutual funds, and governmental fund investments in PLGIT, are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The Township does not have a specific policy that would limit its investment choices to those with certain credit ratings.

**Interest Rate Risk:**

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

**Credit Risk:**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township has no formal investment policy that limits its investment choices based on credit ratings by nationally recognized rating organizations.

**Concentration of Credit Risk:**

The Township places no limit on the amount it may invest in any one issuer.

**Fair Value Measurements:**

The Township of Aleppo's investments are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. Generally accepted accounting standards *provide* a framework for measuring fair value which establishes a three-level fair value hierarchy that prioritizes the inputs to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable (level 3 measurements). The three levels of the fair value hierarchy are described below:

- **Level 1** – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes.
- **Level 2** – Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data.
- **Level 3** – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 - CASH DEPOSITS AND INVESTMENT (Continued)**

**INVESTMENTS: (Continued)**

**Fair Value Measurements:**

The following schedule presents the Investments of the Township by level within the fair value hierarchy:

|              | Value<br>at 12/31/23 | Fair Value Measurements |         |         |
|--------------|----------------------|-------------------------|---------|---------|
|              |                      | Level 1                 | Level 2 | Level 3 |
| Mutual Funds | \$ 782,848           | \$ 782,848              | \$ -    | \$ -    |

Investments held in external investment pools such as PLGIT are not subject to the provisions of fair value measurements as they are recorded at amortized cost.

**NOTE 3 - PROPERTY TAXES**

The Township of Aleppo levies property taxes March 1 of each calendar year. The calendar dates for payment of these taxes are as follows:

**PAYMENT PERIOD**

|                          |                   |
|--------------------------|-------------------|
| March 1 – April 30, 2023 | (Discount period) |
| May 1 - June 30, 2023    | (Face period)     |
| July 1 and after         | (Penalty period)  |

Taxpayers are entitled to a 2% discount if taxes are paid prior to May 1st. Collections after June 30th are assessed a 10% penalty. Unpaid taxes are sent to the Townships Delinquent Real Estate Tax Collector for collection or subsequent lien with Allegheny County. Unpaid taxes as of December 31, 2023, totaling \$16,374 represent 3.0% of the original assessment for 2023 of \$551,235. The tax millage assessment for the 2023 calendar year is 3.5 mills on the assessed value of land and buildings, which represents \$3.50 of revenue for every \$1,000 of assessed value.

Taxes receivable as shown in the government-wide statement of net position includes prior year property taxes of \$113,205 net of an estimated allowance for doubtful accounts of \$28,301. For purposes of the governmental fund financial statements, the above property taxes receivable, although measurable, does not meet the available criteria to finance current calendar year operations. Accordingly, this amount (\$84,904) is equally off-set as a credit to deferred inflow of resources in the fund financial statements.

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3 - PROPERTY TAXES (Continued)**

The effect of recognizing property tax revenue when taxes are levied, as opposed to when they are received using the 'measurable and available' criteria under the modified accrual basis of accounting, is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

Taxes receivable are comprised of the following at December 31, 2023:

|                     |           |                      |
|---------------------|-----------|----------------------|
| Property Taxes, Net | \$        | 85,012               |
| Act 511 Taxes       |           | 4,965                |
| Act 77 Sales Tax    |           | 3,364                |
|                     | <b>\$</b> | <b><u>93,341</u></b> |

**NOTE 4 – DUE FROM OTHER GOVERNMENTS**

The 'due from other governmental units' total of \$140,082 represents amounts due the Township for 2023 from Allegheny County for fines and forfeitures of \$59 and debt service payments of \$140,023.

**NOTE 5 – OTHER RECEIVABLES**

The 'other receivables' total of \$15,285 represents **1)** 4<sup>th</sup> quarter 2023 cable franchise fees due the Township of \$8,861, **2)** \$39 of credits from vendors and **3)** \$6,385 of reimbursable engineering and legal fees incurred by the Township.

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 6 - CAPITAL ASSETS**

A summary of the governmental fixed asset activity for the 2023 calendar year was as follows:

|                                       | <b>Balance<br/>1/1/2023</b> | <b>Additions</b>           | <b>Deductions</b>  | <b>Balance<br/>12/31/2023</b> |
|---------------------------------------|-----------------------------|----------------------------|--------------------|-------------------------------|
| Land (non-depreciable)                | \$ 187,300                  | \$ -                       | \$ -               | \$ 187,300                    |
| Site Improvements                     | 162,271                     | -                          | -                  | 162,271                       |
| Building and Improvements             | 623,614                     | -                          | -                  | 623,614                       |
| Furniture and Equipment               | 166,961                     | 8,539                      | -                  | 175,500                       |
| Vehicles                              | 299,241                     | -                          | -                  | 299,241                       |
| Infrastructure                        | 1,016,018                   | -                          | -                  | 1,016,018                     |
| Sewer System                          | 242,101                     | -                          | -                  | 242,101                       |
| Sewer Infrastructure                  | 8,193,114                   | -                          | -                  | 8,193,114                     |
|                                       | <u>\$ 10,890,620</u>        | <u>\$ 8,539</u>            | <u>\$ -</u>        | <u>\$ 10,899,159</u>          |
| <b>Less: Accumulated depreciation</b> |                             |                            |                    |                               |
| Site Improvements                     | \$ (154,778)                | \$ (5,445)                 | \$ -               | \$ (160,223)                  |
| Building and Improvements             | (397,376)                   | (14,411)                   | -                  | (411,787)                     |
| Furniture and Equipment               | (125,341)                   | (6,010)                    | -                  | (131,351)                     |
| Vehicles                              | (255,134)                   | (25,532)                   | -                  | (280,666)                     |
| Infrastructure                        | (535,587)                   | (13,546)                   | -                  | (549,133)                     |
| Sewer System                          | (215,730)                   | (1,660)                    | -                  | (217,390)                     |
| Sewer Infrastructure                  | (1,428,487)                 | (204,828)                  | -                  | (1,633,315)                   |
|                                       | <u>\$ (3,112,433)</u>       | <u>\$ (271,432)</u>        | <u>\$ -</u>        | <u>\$ (3,383,865)</u>         |
| <b>Governmental Activities</b>        |                             |                            |                    |                               |
| <b>Capital Assets, Net</b>            | <u><u>\$ 7,778,187</u></u>  | <u><u>\$ (262,893)</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 7,515,294</u></u>    |

Depreciation expense was allocated to governmental functions as follows:

|                       |                          |
|-----------------------|--------------------------|
| General Government    | \$ 9,653                 |
| Public Works          | 56,951                   |
| Public Works - Sewers | 204,828                  |
|                       | <u><u>\$ 271,432</u></u> |

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 7 - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

Deferred outflows of resources are comprised of the following at December 31, 2023:

|                                         | <b>GOVERNMENTAL<br/>ACTIVITIES</b> |
|-----------------------------------------|------------------------------------|
| Deferred Interest on Refunding (Note 8) | \$ 379,716                         |
| Pension                                 | 141,940                            |
|                                         | <b><u>\$ 521,656</u></b>           |

Deferred inflows of resources are comprised of the following at December 31, 2023:

|                                    | <b>GOVERNMENTAL<br/>ACTIVITIES</b> | <b>GOVERNMENTAL<br/>FUNDS</b> |
|------------------------------------|------------------------------------|-------------------------------|
| Delinquent Property Taxes (Note 3) | \$ -                               | \$ 84,904                     |
| Pension                            | 111,768                            | -                             |
|                                    | <b><u>\$ 111,768</u></b>           | <b><u>\$ 84,904</u></b>       |

**NOTE 8 – LONG-TERM DEBT OBLIGATIONS**

**GUARANTEED SEWER REVENUE BONDS – SERIES OF 2020**

On July 30, 2020, the Township of Aleppo issued Guaranteed Sewer Revenue Bonds, Series of 2020 in the amount of \$6,965,000 for the purpose of **1)** refunding the Township's outstanding Guaranteed Sewer Revenue Bonds, Series of 2015, currently outstanding in the aggregate principal amount of \$7,450,000 (the "2015 Bonds"), and **2)** pay related costs and expenses, including costs of issuance of the bonds. The bonds were issued in denominations of \$5,000 with interest payable on June 1 and December 1 each year through maturity. Interest rates range between 2.0% and 3.0% with the bonds maturing on December 1, 2041. The Township has pledged its sewer revenues as security for the bonds to the extent of any deficiency in such available sewer revenues, and its full faith, credit, and taxing power. The bonds provide for early redemption options for the Township as more fully described in the detailed Official Statement.

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 8 – LONG-TERM DEBT OBLIGATIONS (Continued)**

**DEFAULT PROVISIONS**

In the event of failure of the Township to pay or cause to be paid the interest and principal of the bonds, the holders of the Bonds shall be entitled to certain remedies provided by the Pennsylvania Local Government Debt Act (the Debt Act). Among the remedies, if the failure to pay shall continue for 30 days, holders of the Bonds shall have the right to recover the amount due by bringing a civil action in the Court of Common Pleas in the County in which the Township is located (Allegheny County). The Debt Act provides that any judgement shall have an appropriate priority upon the money next coming into the Treasury of the Township. The Debt Act also provides that upon default of at least 30 days, holders of at least 25% of the Bonds may appoint the Paying Agent or other Trustee to represent them. The Debt Act provides other remedies in the event of default, and further qualifies the remedies hereinbefore described.

A summary of the Township's Guaranteed Sewer Revenue Bonds outstanding at December 31, 2023, is as follows:

| <b>Year End</b> |                     |                     |                     |
|-----------------|---------------------|---------------------|---------------------|
| <b>Dec 31</b>   | <b>Principal</b>    | <b>Interest</b>     | <b>Total</b>        |
| 2024            | \$ 260,000          | 180,150             | \$ 440,150          |
| 2025            | 265,000             | 172,350             | 437,350             |
| 2026            | 270,000             | 164,400             | 434,400             |
| 2027            | 280,000             | 156,300             | 436,300             |
| 2028            | 290,000             | 147,900             | 437,900             |
| 2029-2033       | 1,575,000           | 604,500             | 2,179,500           |
| 2034-2038       | 1,830,000           | 353,250             | 2,183,250           |
| 2039-2041       | 1,235,000           | 74,700              | 1,309,700           |
|                 | <b>\$ 6,005,000</b> | <b>\$ 1,853,550</b> | <b>\$ 7,858,550</b> |

In connection with the Series of 2015 Guaranteed Sewer Revenue Bond issue, the Township paid \$113,642 in bond discount costs. In addition, the Township has \$91,841 remaining in unamortized bond discount costs from its refunded Series of 2011 Guaranteed Sewer Revenue Bonds. These costs are being amortized on a straight-line basis over the life of the bond issue. The un-amortized amount of these costs totaling \$139,365 is reflected in the governmental activities' column on the government-wide statement of net position as a reduction to bonds payable long-term portion.

In connection with the Series of 2015 Guaranteed Sewer Revenue Bond issue, the Township entered into an irrevocable trust agreement with Wells Fargo Bank to provide for all future debt service requirements on the refunded Series of 2011 Guaranteed Sewer Revenue Bonds. The difference between the remaining outstanding Series of 2011 bonds and the reacquisition price (amount deposited with escrow agent for refunding purposes) totaling \$559,859, is considered 'deferred interest' and is being amortized over the life of the new bond issue (Series of 2015). The annual amortization of this deferred interest (\$21,193) is reflected as a component of debt service expense in the government-wide statement of activities. The remaining unamortized portion of this deferred interest totaling \$379,716 is reflected as part of 'deferred outflows of resources' on Exhibit A.

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 8 – LONG-TERM DEBT OBLIGATIONS (Continued)**

The Series of 2020 Guaranteed Sewer Revenue Bond issue was issued at a premium of \$450,492. The premium is being amortized over the life of the bond issue. The un-accreted amount of bond premium totaling \$379,826, is added to the long-term portion of bonds payable on the government-wide statement of net position. Premium accretion for the year ended December 31, 2023, was \$21,200. This amount is included as part of interest on long-term debt in the statement of activities.

The following represents the changes in the Township's long-term liabilities during the 2023 calendar year:

|                                | <b>BALANCE<br/>1/1/2023</b> | <b>ADDITIONS</b> | <b>REDUCTIONS</b> | <b>BALANCE<br/>12/31/2023</b> | <b>DUE WITHIN<br/>ONE YEAR</b> |
|--------------------------------|-----------------------------|------------------|-------------------|-------------------------------|--------------------------------|
| Guaranteed Sewer Revenue Bonds | \$ 6,250,000                | \$ -             | \$ 245,000        | \$ 6,005,000                  | \$ 260,000                     |

**NOTE 9 - TOWNSHIP PENSION PLANS**

**POLICE PENSION PLAN**

**Plan Administration**

The Township of Aleppo Police Pension Plan is a single-employer defined benefit pension plan. The Plan was established December 30, 1988 (adopted pursuant to Act 600 of 1956). The Plan was amended and restated effective January 1, 2001. The Plan is governed by the Board of Commissioners of the Township of Aleppo which may amend plan provisions, and which is responsible for the management of Plan assets. The Board of Commissioners has delegated the authority to manage certain Plan assets to Nationwide Trust Company. The plan is required to file Form PC-201C biennially with the Pennsylvania Department of the Auditor's General's Municipal Pension Reporting Program (MPRP). The most recent filing was as of January 1, 2023.

**Plan Membership**

The Plan provides pensions for full-time uniformed employees of the Township. As of December 31, 2023, pension plan membership consists of:

|                                                                         |          |
|-------------------------------------------------------------------------|----------|
| Active employees                                                        | -        |
| Retirees and beneficiaries currently receiving benefits                 | 5        |
| Terminated employees entitled to benefits<br>but not yet receiving them | -        |
| Total                                                                   | <u>5</u> |

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 9 - TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**Benefit Provisions**

A summary of the plan's benefit provisions are as follows:

- ELIGIBILITY** - All participants are eligible for retirement benefits provided that they have completed 25 years of aggregate service as a full-time Township employee and have attained the age of 55.
- RETIREMENT BENEFITS** -Based on one-half of the participant's monthly average salary earned over the final 60-month period prior to retirement or other severance.
- DEATH BENEFITS** - A monthly benefit equal to 50% of the benefit the participant was receiving or was eligible to receive payable to the surviving
- DISABILITY BENEFITS** - A monthly benefit equal to the greater of 50% of average monthly salary during the 36 months prior to disability date, or 50% of salary at date the disability was incurred offset by any social security benefits received for the same condition.
- TERMINATION** - The plan provides terminated employees with a return of their contribution plus interest at 5%.
- VESTING** - Participants are entitled to a vested deferred benefit after 12 years of service.
- FUNDING** - Employee contributions are 5%.

**Contributions**

The employer follows the funding policy prescribed by Act 205 of 1984 (as amended), which requires that annual contributions be based upon the Minimum Municipal Obligation (MMO) using the plan's most recent biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The State provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds state contributions must be funded by the employer.

Employees are required to contribute 5% of covered payroll to the Plan. This contribution is governed by the Plan's governing ordinances and collective bargaining. Currently, there are no active employees in the plan; therefore, there are no employee contributions at this time.

Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the Plan, and funded through the MMO and/or plan earnings.

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 9 - TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**Deposits**

At December 31, 2023, the Plan held no deposits.

**Investments**

The Plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The plan has no formally adopted investment policy.

*Credit Risk* for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan has no investment policy for credit risk. The credit ratings of the plan's investments (excluding obligations explicitly guaranteed by the U.S. government) are indicated as follows:

| <u>Investment Type</u> | <u>Fair Value</u>       | <u>Credit Rating</u> |
|------------------------|-------------------------|----------------------|
| Money Market Funds     | \$ 33,289               | Not Rated            |
| Fixed Income Funds     | 52,360                  | Not Rated            |
| Total                  | <u><u>\$ 85,649</u></u> |                      |

*Concentration of Credit Risk* is the risk of loss attributed to the magnitude of an investment in a single issuer. The Plan places no limit on the amount that may be invested in any one issuer. At December 31, 2023, the Plan had no investments (other than U.S. Government and U.S. Government guaranteed obligations, mutual funds, or other pooled investments) in any one issuer that represent 5% or more of Fiduciary Net Position.

*Interest Rate Risk* for investments is the risk that a change in interest rates will adversely affect the fair value of an investment. The Plan has no investment policy for interest rate risk. The maturities of the plan's debt investments are as follows:

| <u>Investment Type</u>      | <u>Fair Value</u>       | <u>Investment Maturities (In Years)</u> |                         |                         |                     |
|-----------------------------|-------------------------|-----------------------------------------|-------------------------|-------------------------|---------------------|
|                             |                         | <u>Less Than 1</u>                      | <u>1 - 5.99</u>         | <u>6-10</u>             | <u>More Than 10</u> |
| Fixed Income Mutual Funds * | <u><u>\$ 52,360</u></u> | <u><u>\$ -</u></u>                      | <u><u>\$ 38,093</u></u> | <u><u>\$ 14,267</u></u> | <u><u>\$ -</u></u>  |

\*average portfolio duration

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 9 - TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**Net Pension Liability**

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

|                                      |                         |
|--------------------------------------|-------------------------|
| Total Pension liability              | \$ 787,013              |
| Plan fiduciary net position          | <u>(772,849)</u>        |
| <b>Net pension (asset) liability</b> | <b><u>\$ 14,164</u></b> |

Plan fiduciary net position as a percentage of the total pension liability – 98.2%

The total pension liability was determined by an actuarial valuation as of January 1, 2023, and rolled forward to the reporting date using the following significant actuarial assumptions applied to all periods included in the measurement:

**Actuarial Assumptions**

|                   |                                                                                                     |
|-------------------|-----------------------------------------------------------------------------------------------------|
| Inflation:        | 2.75%                                                                                               |
| Salary increases: | N/A                                                                                                 |
| Mortality:        | PubS-2010 mortality projects from 2020 based on the SSA's 2020 Long -Range Demographic Assumptions. |

**Expected Long-Term Rate of Return**

7.0%, applied to all periods

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of December 31, 2023, are summarized as follows:

| Asset Class                    | Long Term<br>Expected Real ROR |
|--------------------------------|--------------------------------|
| US Equity - Large Cap          | 4.25% - 7.31%                  |
| US Equity - Small/Mid Cap      | 4.70% - 8.42%                  |
| Non-US Equity - Developed      | 4.58% - 7.92%                  |
| Non-US Equity - Emerging       | 5.22% - 9.27%                  |
| US Corporate Bond - Core       | .97% - 1.94%                   |
| US Corporate Bond - High Yield | 2.62% - 4.32%                  |
| Non-US Debt - Developed        | .88% - 2.14%                   |
| Non-US Debt - Emerging         | 2.34% - 4.06%                  |
| US Treasuries/Cash             | .47% - 1.07%                   |

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 9 - TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**Net Pension Liability (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan will continue to be funded based on the Minimum Municipal Obligation as determined in accordance with Act 205. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

**Changes in Net Pension Liability**

|                                                       | <b>Total Pension<br/>Liability<br/>( a )</b> | <b>Plan Fiduciary<br/>Net Position<br/>( b )</b> | <b>Net Pension<br/>Liability<br/>( c )</b> |
|-------------------------------------------------------|----------------------------------------------|--------------------------------------------------|--------------------------------------------|
| <b>Balances at 12/31/22</b>                           | \$ 795,809                                   | \$ 711,287                                       | \$ 84,522                                  |
| Changes for the year:                                 |                                              |                                                  |                                            |
| Service cost                                          | -                                            | -                                                | -                                          |
| Interest                                              | 53,715                                       | -                                                | 53,715                                     |
| Changes of benefits                                   | -                                            | -                                                | -                                          |
| Changes of assumptions                                | -                                            | -                                                | -                                          |
| Differences between expected<br>and actual experience | 4,488                                        | -                                                | 4,488                                      |
| Contributions - employer                              | -                                            | 9,928                                            | (9,928)                                    |
| Contributions - employee                              | -                                            | -                                                | -                                          |
| Net investment income                                 | -                                            | 133,355                                          | (133,355)                                  |
| Benefit payments                                      | (66,999)                                     | (66,999)                                         | -                                          |
| Administrative expense                                | -                                            | (14,722)                                         | 14,722                                     |
| Other changes                                         | -                                            | -                                                | -                                          |
| Net changes                                           | (8,796)                                      | 61,562                                           | (70,358)                                   |
| <b>Balances at 12/31/23</b>                           | <b>\$ 787,013</b>                            | <b>\$ 772,849</b>                                | <b>\$ 14,164</b>                           |

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 9 - TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

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

The following shows the effect of a 1% change in the discount rate on the net pension liability:

|                       | <b>1% Decrease<br/>(6.0%)</b> | <b>Current<br/>Discount Rate<br/>(7.0%)</b> | <b>1% Increase<br/>(8.0%)</b> |
|-----------------------|-------------------------------|---------------------------------------------|-------------------------------|
| Net pension liability | \$ 90,450                     | \$ 14,164                                   | \$ (50,850)                   |

**Payable to the Pension Plan**

At December 31, 2023, there were no outstanding Township contributions.

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

**Components of Pension Expense for the Year Ended December 31, 2023:**

|                                                                                        |                        |
|----------------------------------------------------------------------------------------|------------------------|
| Service Cost                                                                           | \$ -                   |
| Interest on the total pension liability                                                | 53,715                 |
| Recognition of differences between expected and actual experience                      | 4,488                  |
| Changes in benefits terms                                                              | -                      |
| Recognition of changes of assumptions                                                  | -                      |
| Employee contributions                                                                 | -                      |
| Projected earnings on pension plan investments                                         | (46,978)               |
| Recognition of differences between expected and actual earnings on<br>plan investments | (22,804)               |
| Pension plan administrative expense                                                    | 14,722                 |
| Other changes in fiduciary net position                                                | -                      |
| <b>Total pension expense</b>                                                           | <b><u>\$ 3,143</u></b> |

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 9 - TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

At December 31, 2023, the Plan reported the following deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

|                                                                                        | <b><u>Deferred<br/>Outflows of<br/>Resources</u></b> | <b><u>Deferred<br/>Inflows of<br/>Resources</u></b> |
|----------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|
| Differences between expected<br>and actual experience                                  | \$ -                                                 | \$ -                                                |
| Changes of assumptions                                                                 | -                                                    | -                                                   |
| Net difference between<br>projected and actual earnings<br>on pension plan investments | 141,940                                              | 111,768                                             |
| TOTAL                                                                                  | <b><u>\$ 141,940</u></b>                             | <b><u>\$ 111,768</u></b>                            |

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

| <b><u>Year ended<br/>December 31,</u></b> |          |
|-------------------------------------------|----------|
| 2024                                      | \$ 1,624 |
| 2025                                      | 15,788   |
| 2026                                      | 30,037   |
| 2027                                      | (17,277) |
| 2028                                      | -        |
| Thereafter                                | -        |

**NON-UNIFORM PENSION PLAN** - The Township of Aleppo Non-uniform Pension Plan is a single-employer defined contribution pension plan. The plan was established effective January 1, 1998. The Township entered into a Joinder Agreement with the Pennsylvania State Association of Boroughs Municipal Retirement Trust (PSABMRT), an agent multiple employer plan. The Plan was restated effective January 1, 2018. The Plan is governed by the Aleppo Township Board of Commissioners which may amend plan provisions, and who are responsible for the management of plan assets. The Board of Commissioners has delegated the authority to manage certain Plan assets to PSABMRT. Aleppo Township filed Actuarial Valuation Report Form PC-203A with the Public Employee Retirement Commission. The report dated January 1, 2023, was the most recent one certified by the municipality's Chief Administrative Officer. PSABMRT issues a publicly available financial report that includes financial statements. The report may be obtained by writing to PSABMRT, 2941 North Front Street, Harrisburg, PA 17110.

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 9 - TOWNSHIP PENSION PLANS (Continued)**

**NON-UNIFORM PENSION PLAN (Continued)**

**Plan Membership**

Plan membership as of December 31, 2023, was comprised of:

|                                                                         |                 |
|-------------------------------------------------------------------------|-----------------|
| Active employees                                                        | 4               |
| Retirees and beneficiaries currently receiving benefits                 | 0               |
| Terminated employees entitled to benefits<br>but not yet receiving them | 1               |
| Total                                                                   | <u><u>5</u></u> |

**Benefit Provisions**

The summary of the plan's provisions are as follows:

|                                      |                                                                                                                                              |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <b><u>PARTICIPANTS</u></b> -         | All full-time non-uniformed employees of the Township.                                                                                       |
| <b><u>ELIGIBILITY</u></b> -          | All participants are eligible for retirement benefits provided that they have attained the age of sixty-two                                  |
| <b><u>BENEFITS</u></b> -             | The fair market value of the participant's account paid as a lump sum or applied to the purchase of a single premium annuity contract.       |
| <b><u>TERMINATION OR DEATH</u></b> - | The plan provides the deceased members beneficiary with the fair market value of the member's account.                                       |
| <b><u>FUNDING</u></b> -              | Employee contributions are 2% and Employer contributions are 5% of eligible compensation. The Township's contribution for 2023 was \$11,597. |
| <b><u>VESTING</u></b> -              | Participant are 100% vested after three years of service.                                                                                    |

**FUNDING REQUIREMENTS**

On December 18, 1984, act 205 was passed into law, and is known as the "Municipal Pension Plan Funding Standard and Recovery Act." The act mandates actuarial funding standards, establishes a recovery program for financially distressed pension plans and provides for the distribution of the tax on the premiums of foreign fire insurance companies.

The act requires minimum funding standards based on the most recent actuarial valuation report, including normal cost and administrative expense requirements and an amortization contribution of the unfunded actuarial accrued liability. For financially distressed pension plans, the act provides for delayed implementation of this funding standard over either 10 or 15 years. In addition, supplemental state aid is available to all eligible municipalities and will be paid from the supplemental state assistance account.

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 9 - TOWNSHIP PENSION PLANS (Continued)**

**NON-UNIFORM PENSION PLAN (Continued)**

**FUNDING REQUIREMENTS (Continued)**

In addition to member contributions, the pension plan may also receive an annual allocation from the General Municipal Pension System State Aid Program. The entire proceeds of the insurance premium tax on foreign casualty insurance companies and any investment income earned on those proceeds, and the portion of the proceeds of the insurance premium tax on foreign fire insurance companies which represents the amount of the distributions applicable to paid firefighters, and any investment income earned on the amount of those distributions are specifically designated for municipal pension plans. Any remaining obligation with respect to the pension plan shall be paid by the municipality.

The plan's investment income was used to fund administrative costs. There are no long-term contracts for contributions as of December 31, 2023. In addition, there are no assets legally reserved for purposes other than the payment of plan member benefits.

**Deposits**

At December 31, 2023, the Plan held no deposits.

**Investments**

The Plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The plan has no formal investment policy. It is the policy of the PSABMRT General Balanced Fund to invest approximately 60% of assets in equities, approximately 35% of assets in fixed income investments (with a maximum individual maturity of 40 years) and approximately 5% of assets in real estate.

*Credit Risk* for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan has no investment policy for credit risk. At December 31, 2023, all plan assets were invested in the PSABMRT General Balanced Fund, which is not rated. However, the formal investment policy of the PSABMRT requires fixed income securities within the portfolio to be rated BBB or higher at the time of purchase and requires any asset-backed or mortgage-backed securities within the portfolio to be rated AAA at the time of purchase.

*Concentration of Credit Risk* is the risk of loss attributed to the magnitude of an investment in a single issuer. The Plan places no limit on the amount that may be invested in any one issuer. At December 31, 2023, the Plan had no investments (other than U.S. Government and U.S. Government guaranteed obligations, mutual funds, or other pooled investments) in any one issuer that represent 5% or more of Plan Net Assets.

*Interest Rate Risk* is the risk that a change in interest rates will adversely affect the fair value of an investment. For the General Balanced Fund, approximately 35% of assets will be invested in interest-bearing securities with a maximum individual maturity of 40 years.

**TOWNSHIP OF ALEPPO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10 - RISK AND UNCERTAINTIES**

**INSURANCE**

The Township of Aleppo is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

**LEGAL MATTERS**

The Township of Aleppo, in the normal course of operations, is party to various legal matters normally associated with municipalities such as real estate tax assessment appeals, personnel wage and benefits, and other miscellaneous legal matters. As of December 31, 2023, the Township is unaware of any pending litigation that would be material to the financial position of the Township of Aleppo.

**STATE FUNDING**

The Township of Aleppo's state funded programs, including its pension funds, are subject to program compliance audits by various governmental agencies. The audit scopes of these program compliance audits are different than the scope of financial audits performed by an outside, independent certified public accounting firm. The Township is potentially liable for any expenditure disallowed by the results of these program compliance audits. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**NOTE 11- SEWER SYSTEM AGREEMENT**

On December 28, 2010, the Township of Aleppo entered into an agreement with the Aleppo Township Authority whereby the Authority transferred ownership and control of the Sewer System to the Township for the life of the Township's debt obligations associated with the implementation of the Township's Area Wide Sewer Project. The Project called for the Township to construct lines, pump stations, force mains, interceptors, inter-connects, and other sanitary sewage facilities necessary to expand the Sewer System with public financing. As part of the agreement, the Township has designated the Authority as an Operating Authority to continue to operate and manage the Sewer System. Complete details regarding the responsibilities of both parties are contained within the Agreement, a copy of which can be obtained from the Township business office. The term of the agreement shall be for a period of thirty years.

**NOTE 12 – SUBSEQUENT EVENTS**

Management has determined that there are no events subsequent to December 31, 2023, through the August 12, 2024 date of the 'Independent Auditor's Report' date, which is the date the financial statements were available to be issued, that require additional disclosure in the financial statements.

***SUPPLEMENTARY***  
***INFORMATION***

**TOWNSHIP OF ALEPPO**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL REVENUE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                      | BUDGET            | ACTUAL              | OVER <UNDER><br>BUDGET |
|--------------------------------------|-------------------|---------------------|------------------------|
| <b><u>TAXES:</u></b>                 |                   |                     |                        |
| Real estate tax - current            | \$ 510,000        | \$ 544,849          | \$ 34,849              |
| Real estate tax - prior              | -                 | 1,900               | 1,900                  |
| Real estate tax - delinquent         | 6,000             | 28,771              | 22,771                 |
| Realty transfer tax                  | 30,000            | 59,997              | 29,997                 |
| Earned income tax - current          | 250,000           | 306,481             | 56,481                 |
| LST - current                        | 48,000            | 54,631              | 6,631                  |
| BPT- current                         | 25,000            | 19,650              | (5,350)                |
| RAD Tax                              | 35,000            | 46,420              | 11,420                 |
| <b>TOTAL TAXES</b>                   | <b>\$ 904,000</b> | <b>\$ 1,062,699</b> | <b>\$ 158,699</b>      |
| <b><u>LICENSES AND PERMITS:</u></b>  |                   |                     |                        |
| Cable franchise fee                  | \$ 36,000         | \$ 35,792           | \$ (208)               |
| <b>TOTAL LICENSES AND PERMITS</b>    | <b>\$ 36,000</b>  | <b>\$ 35,792</b>    | <b>\$ (208)</b>        |
| <b><u>FINES AND FORFEITURES:</u></b> |                   |                     |                        |
| Vehicle code violations              | \$ 1,000          | \$ 611              | \$ (389)               |
| Ordinance violations                 | 100               | -                   | (100)                  |
| False Alarm Permits                  | 50                | -                   | (50)                   |
| <b>TOTAL FINES AND FORFEITURES</b>   | <b>\$ 1,150</b>   | <b>\$ 611</b>       | <b>\$ (539)</b>        |
| <b><u>INTEREST AND RENTS:</u></b>    |                   |                     |                        |
| Interest earnings                    | \$ 8,000          | \$ 71,621           | \$ 63,621              |
| Rental - Land                        | 600               | 600                 | -                      |
| Rental - Office                      | 2,400             | 2,400               | -                      |
| <b>TOTAL INTEREST AND RENTS</b>      | <b>\$ 11,000</b>  | <b>\$ 74,621</b>    | <b>\$ 63,621</b>       |
| <b><u>INTERGOVERNMENTAL:</u></b>     |                   |                     |                        |
| Recycling Grant                      | \$ 400            | \$ 584              | \$ 184                 |
| State Snow Removal                   | 20,185            | 20,589              | 404                    |
| Act 205 State Pension Aid            | 9,000             | 12,387              | 3,387                  |
| PURTA                                | 1,000             | 884                 | (116)                  |
| VFC fire relief                      | -                 | 12,030              | 12,030                 |
| Alcoholic Beverage Licenses          | -                 | 200                 | 200                    |
| Act 13 Impact Fees                   | -                 | 1,121               | 1,121                  |
| County Snow Removal                  | 10,490            | 10,804              | 314                    |
| P.I.L.O.T.                           | 256,549           | 256,550             | 1                      |
| <b>TOTAL INTERGOVERNMENTAL</b>       | <b>\$ 297,624</b> | <b>\$ 315,149</b>   | <b>\$ 17,525</b>       |
| <b><u>CHARGES FOR SERVICES:</u></b>  |                   |                     |                        |
| Engineering/Legal Fees               | \$ 1,000          | -                   | \$ (1,000)             |
| Zoning Permit Fees                   | -                 | 435                 | 435                    |
| Zoning Board Fees                    | 300               | 600                 | 300                    |
| Subdivision/Land                     | 600               | 450                 | (150)                  |
| Municipal Lien Letters               | 600               | 585                 | (15)                   |
| Alarm Permit Fee                     | -                 | 25                  | 25                     |
| Building Permit                      | 6,000             | 10,444              | 4,444                  |
| Occupancy Permit                     | 1,000             | 1,395               | 395                    |
| Sale of Recycling Bins               | 60                | 15                  | (45)                   |
| <b>TOTAL CHARGES FOR SERVICES</b>    | <b>\$ 9,560</b>   | <b>\$ 13,949</b>    | <b>\$ 4,389</b>        |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF ALEPPO**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL REVENUE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                        | <u>BUDGET</u>                  | <u>ACTUAL</u>                  | <u>OVER &lt;UNDER&gt;<br/>BUDGET</u> |
|----------------------------------------|--------------------------------|--------------------------------|--------------------------------------|
| <b>REVENUE (CONTINUED)</b>             |                                |                                |                                      |
| <b><u>MISCELLANEOUS:</u></b>           |                                |                                |                                      |
| Miscellaneous                          | \$ 2,000                       | \$ 1,600                       | \$ (400)                             |
| <b>TOTAL MISCELLANEOUS</b>             | <b><u>\$ 2,000</u></b>         | <b><u>\$ 1,600</u></b>         | <b><u>\$ (400)</u></b>               |
| <b><u>OTHER FINANCIAL SOURCES:</u></b> |                                |                                |                                      |
| Reimbursement of VFC W/C Ins           | \$ 8,000                       | \$ 8,656                       | \$ 656                               |
| Transfer from Capital Improvement Fund | 500,000                        | 401,983                        | (98,017)                             |
| Refund of Prior Year Expense           | -                              | 20,876                         | 20,876                               |
| <b>TOTAL FINANCIAL SOURCES</b>         | <b><u>\$ 508,000</u></b>       | <b><u>\$ 431,515</u></b>       | <b><u>\$ (76,485)</u></b>            |
| <br><b>TOTAL REVENUE</b>               | <br><b><u>\$ 1,769,334</u></b> | <br><b><u>\$ 1,935,936</u></b> | <br><b><u>\$ 166,602</u></b>         |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF ALEPPO**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                       | BUDGET            | ACTUAL            | OVER <UNDER><br>BUDGET |
|---------------------------------------|-------------------|-------------------|------------------------|
| <b>GENERAL GOVERNMENT:</b>            |                   |                   |                        |
| <b>BOARD OF COMMISSIONERS:</b>        |                   |                   |                        |
| Salaries - elected officials          | \$ 14,455         | \$ 14,455         | \$ -                   |
| FICA                                  | 1,164             | 1,106             | (58)                   |
| Bonding                               | 10,000            | 9,327             | (673)                  |
| Due/Memberships                       | 7,000             | 6,295             | (705)                  |
| Meetings                              | 6,000             | 2,068             | (3,932)                |
| <b>TOTAL BOARD OF COMMISSIONERS</b>   | <b>\$ 38,619</b>  | <b>\$ 33,251</b>  | <b>\$ (5,368)</b>      |
| <b>FINANCIAL ADMINISTRATION:</b>      |                   |                   |                        |
| Salaries - management                 | \$ 94,348         | \$ 95,349         | \$ 1,001               |
| Salaries - wages-staff                | 28,771            | 23,427            | (5,344)                |
| Part-time - wages                     | 2,000             | -                 | (2,000)                |
| Health Ins                            | 24,252            | 24,240            | (12)                   |
| Pension                               | 7,756             | 6,617             | (1,139)                |
| FICA                                  | 9,911             | 8,982             | (929)                  |
| PAUC                                  | 1,000             | 558               | (442)                  |
| Disability Insurance                  | 2,000             | 1,912             | (88)                   |
| Office supplies                       | 2,200             | 1,375             | (825)                  |
| Office equipment                      | 2,500             | 1,218             | (1,282)                |
| Computer Supplies                     | 600               | 266               | (334)                  |
| Other operating supplies              | 500               | -                 | (500)                  |
| Auditing Service                      | 7,500             | 7,889             | 389                    |
| Consultant - Video Recording          | 2,400             | 2,650             | 250                    |
| Cellular/Pager                        | 900               | -                 | (900)                  |
| Postage                               | 1,200             | 802               | (398)                  |
| Computer equip/maint.                 | 1,500             | -                 | (1,500)                |
| Advertising                           | 5,000             | 6,124             | 1,124                  |
| Printing                              | 1,000             | 112               | (888)                  |
| Worker's Comp                         | 400               | 167               | (233)                  |
| Machinery/equip                       | 1,700             | 1,763             | 63                     |
| eCode update                          | 7,000             | -                 | (7,000)                |
| Due/fees                              | 1,500             | 200               | (1,300)                |
| Contracted Services                   | 4,500             | 4,869             | 369                    |
| Internet                              | 1,500             | 1,138             | (362)                  |
| Website Hosting                       | 1,000             | 278               | (722)                  |
| Meetings/Conf                         | 3,000             | 3,208             | 208                    |
| Community                             | 3,000             | 547               | (2,453)                |
| Other services/charges                | 3,000             | 2,472             | (528)                  |
| Computer hardware/software            | 7,000             | 7,180             | 180                    |
| <b>TOTAL FINANCIAL ADMINISTRATION</b> | <b>\$ 228,938</b> | <b>\$ 203,343</b> | <b>\$ (25,595)</b>     |
| <b>TAX COLLECTION:</b>                |                   |                   |                        |
| Salaries - elected officials          | \$ 3,145          | \$ 3,145          | \$ -                   |
| FICA                                  | 253               | 237               | (16)                   |
| Postage                               | 50                | -                 | (50)                   |
| Printing                              | 50                | -                 | (50)                   |
| Bonding                               | 700               | 468               | (232)                  |
| Due/fees                              | 100               | -                 | (100)                  |
| Commission - Del R.E                  | 3,500             | 3,467             | (33)                   |
| Commission - EIT                      | 3,500             | 4,102             | 602                    |
| Commission - BPT                      | 750               | 393               | (357)                  |
| Commission - LST                      | 1,300             | 1,092             | (208)                  |
| Contracted Services                   | 3,000             | 3,029             | 29                     |
| <b>TOTAL TAX COLLECTION</b>           | <b>\$ 16,348</b>  | <b>\$ 15,933</b>  | <b>\$ (415)</b>        |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF ALEPPO**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                        | BUDGET            | ACTUAL            | OVER <UNDER><br>BUDGET |
|----------------------------------------|-------------------|-------------------|------------------------|
| <b>EXPENDITURES: (CONTINUED)</b>       |                   |                   |                        |
| <b>GENERAL GOVERNMENT: (CONTINUED)</b> |                   |                   |                        |
| <b>LEGAL SERVICES:</b>                 |                   |                   |                        |
| Legal services                         | \$ 50,000         | \$ 47,346         | \$ (2,654)             |
| <b>TOTAL LEGAL SERVICES</b>            | <b>\$ 50,000</b>  | <b>\$ 47,346</b>  | <b>\$ (2,654)</b>      |
| <b>ENGINEER:</b>                       |                   |                   |                        |
| Engineering Service                    | \$ 50,000         | \$ 74,637         | \$ 24,637              |
| <b>TOTAL ENGINEER</b>                  | <b>\$ 50,000</b>  | <b>\$ 74,637</b>  | <b>\$ 24,637</b>       |
| <b>MUNICIPAL BUILDING:</b>             |                   |                   |                        |
| Janitorial supplies                    | \$ 800            | \$ 846            | \$ 46                  |
| Building materials/supplies            | 2,500             | 2,792             | 292                    |
| Small Tools                            | 100               | -                 | (100)                  |
| Telephone                              | 1,500             | 1,180             | (320)                  |
| Electricity                            | 3,000             | 3,842             | 842                    |
| Gas                                    | 3,400             | 3,485             | 85                     |
| Sewer Expense                          | 4,500             | 4,455             | (45)                   |
| Water Expense                          | 2,000             | 1,145             | (855)                  |
| Repair/maint                           | 25,000            | 7,650             | (17,350)               |
| <b>TOTAL MUNICIPAL BUILDING</b>        | <b>\$ 42,800</b>  | <b>\$ 25,395</b>  | <b>\$ (17,405)</b>     |
| <b>TOTAL GENERAL GOVERNMENT</b>        | <b>\$ 426,705</b> | <b>\$ 399,905</b> | <b>\$ (26,800)</b>     |
| <b>PUBLIC SAFETY:</b>                  |                   |                   |                        |
| <b>POLICE PROTECTION:</b>              |                   |                   |                        |
| Pension                                | \$ 9,928          | \$ 9,928          | \$ -                   |
| Contracted Services                    | 123,000           | 111,576           | (11,424)               |
| <b>TOTAL POLICE PROTECTION</b>         | <b>\$ 132,928</b> | <b>\$ 121,504</b> | <b>\$ (11,424)</b>     |
| <b>FIRE PROTECTION:</b>                |                   |                   |                        |
| Workmans Comp Insurance                | \$ 8,000          | \$ 8,936          | \$ 936                 |
| VFC Fire Relief                        | -                 | 12,030            | 12,030                 |
| Hydrant rental                         | 4,600             | 4,500             | (100)                  |
| LST contribution                       | 15,984            | 17,828            | 1,844                  |
| Contribution/grants                    | 99,977            | 99,977            | -                      |
| <b>TOTAL FIRE PROTECTION</b>           | <b>\$ 128,561</b> | <b>\$ 143,271</b> | <b>\$ 14,710</b>       |
| <b>EMERGENCY SERVICES:</b>             |                   |                   |                        |
| Contracted Services                    | \$ 18,280         | \$ 18,480         | \$ 200                 |
| Emergency Notification System          | 2,500             | 1,717             | (783)                  |
| Emergency Management Committee         | 500               | -                 | (500)                  |
| <b>TOTAL EMERGENCY SERVICES</b>        | <b>\$ 21,280</b>  | <b>\$ 20,197</b>  | <b>\$ (1,083)</b>      |
| <b>CODE ENFORCEMENT:</b>               |                   |                   |                        |
| Other operating supplies               | \$ 100            | \$ -              | \$ (100)               |
| Dues/fees                              | 100               | -                 | (100)                  |
| Contracted Services                    | 3,000             | 7,018             | 4,018                  |
| <b>TOTAL CODE ENFORCEMENT</b>          | <b>\$ 3,200</b>   | <b>\$ 7,018</b>   | <b>\$ 3,818</b>        |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF ALEPPO**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                    | BUDGET            | ACTUAL            | OVER <UNDER><br>BUDGET |
|------------------------------------|-------------------|-------------------|------------------------|
| <b>EXPENDITURES: (CONTINUED)</b>   |                   |                   |                        |
| <b>PUBLIC SAFETY: (CONTINUED)</b>  |                   |                   |                        |
| <b>PLANNING/ZONING:</b>            |                   |                   |                        |
| Legal Services                     | \$ 10,000         | \$ 3,583          | \$ (6,417)             |
| Advertising                        | 600               | -                 | (600)                  |
| Dues/Permits                       | 100               | -                 | (100)                  |
| Contracted Services                | 15,000            | 13,500            | (1,500)                |
| Contracted Services - Zoning       | -                 | 787               | 787                    |
| <b>TOTAL PLANNING/ZONING</b>       | <b>\$ 25,700</b>  | <b>\$ 17,870</b>  | <b>\$ (7,830)</b>      |
| <b>TOTAL PUBLIC SAFETY</b>         | <b>\$ 311,669</b> | <b>\$ 309,860</b> | <b>\$ (1,809)</b>      |
| <b>PUBLIC WORKS:</b>               |                   |                   |                        |
| <b>SANITATION:</b>                 |                   |                   |                        |
| Contracted Services                | \$ 139,540        | \$ 140,340        | \$ 800                 |
| <b>TOTAL SANITATION</b>            | <b>\$ 139,540</b> | <b>\$ 140,340</b> | <b>\$ 800</b>          |
| <b>SEWERS:</b>                     |                   |                   |                        |
| 537 Plan - Engineering             | \$ 3,000          | \$ 3,967          | \$ 967                 |
| 537 Plan - Legal                   | 3,000             | -                 | (3,000)                |
| <b>TOTAL SEWERS</b>                | <b>\$ 6,000</b>   | <b>\$ 3,967</b>   | <b>\$ (2,033)</b>      |
| <b>HIGHWAYS:</b>                   |                   |                   |                        |
| Salaries - management              | \$ 57,366         | \$ 57,299         | \$ (67)                |
| Salaries - staff                   | 48,000            | 48,540            | 540                    |
| Wages - part-time                  | 15,000            | 62                | (14,938)               |
| Health Ins.                        | 68,481            | 43,742            | (24,739)               |
| Pension                            | 6,868             | 5,720             | (1,148)                |
| FICA                               | 9,689             | 8,358             | (1,331)                |
| PAUC                               | 1,800             | 568               | (1,232)                |
| Overtime                           | 10,000            | 3,644             | (6,356)                |
| Shift differential                 | 300               | 39                | (261)                  |
| Disability Insurance               | 6,000             | 3,210             | (2,790)                |
| Office supplies                    | 150               | -                 | (150)                  |
| Vehicle Fuel                       | 8,500             | 5,314             | (3,186)                |
| Uniform                            | 2,000             | 2,020             | 20                     |
| Street repair/maint                | 25,000            | 6,923             | (18,077)               |
| Other operating supplies           | 2,000             | 347               | (1,653)                |
| Vehicle parts                      | 3,000             | 2,144             | (856)                  |
| Small tools/minor equip            | 3,500             | 5,032             | 1,532                  |
| Cellular/pager                     | 1,500             | 1,582             | 82                     |
| Worker's Comp                      | 8,000             | 6,769             | (1,231)                |
| Machinery/equip                    | 5,000             | 9,007             | 4,007                  |
| Dues/fees                          | 100               | 28                | (72)                   |
| Contracted Services                | 10,000            | 1,477             | (8,523)                |
| Vehicle Repair                     | 11,000            | 1,572             | (9,428)                |
| Meetings/Conf                      | 100               | -                 | (100)                  |
| Other services/charges             | 200               | -                 | (200)                  |
| Capital Construction               | 500,000           | 479,268           | (20,732)               |
| Wages - part-time                  | 3,000             | 300               | (2,700)                |
| FICA                               | 240               | 52                | (188)                  |
| Electricity                        | 600               | 539               | (61)                   |
| Road Construction                  | -                 | 50                | 50                     |
| <b>TOTAL HIGHWAYS</b>              | <b>\$ 807,394</b> | <b>\$ 693,606</b> | <b>\$ (113,788)</b>    |
| <b>STORMWATER MANAGEMENT</b>       |                   |                   |                        |
| MS4                                | \$ 500            | \$ -              | \$ (500)               |
| Engineering                        | 15,000            | -                 | (15,000)               |
| Repairs/Replacement                | 25,000            | -                 | (25,000)               |
| <b>TOTAL STORMWATER MANAGEMENT</b> | <b>\$ 40,500</b>  | <b>\$ -</b>       | <b>\$ (40,500)</b>     |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF ALEPPO**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                                        | BUDGET              | ACTUAL              | OVER <UNDER><br>BUDGET |
|--------------------------------------------------------|---------------------|---------------------|------------------------|
| <b>TOTAL PUBLIC WORKS</b>                              | <b>\$ 993,434</b>   | <b>\$ 837,913</b>   | <b>\$ (155,521)</b>    |
| <b><u>EXPENDITURES: (CONTINUED)</u></b>                |                     |                     |                        |
| <b><u>PARKS/RECREATION</u></b>                         |                     |                     |                        |
| Professional Services - Design                         | \$ 3,000            | \$ -                | \$ (3,000)             |
| Construction                                           | 15,000              | -                   | (15,000)               |
| <b>TOTAL PARKS/RECREATION</b>                          | <b>\$ 18,000</b>    | <b>\$ -</b>         | <b>\$ (18,000)</b>     |
| <b><u>MISCELLANEOUS:</u></b>                           |                     |                     |                        |
| Miscellaneous                                          | \$ 1,000            | \$ -                | \$ (1,000)             |
| Property Insurance                                     | 37,000              | 34,384              | (2,616)                |
| Public Officials Insurance                             | 500                 | -                   | (500)                  |
| <b>TOTAL MISCELLANEOUS</b>                             | <b>\$ 38,500</b>    | <b>\$ 34,384</b>    | <b>\$ (4,116)</b>      |
| <b><u>OTHER FINANCING USES:</u></b>                    |                     |                     |                        |
| Property Tax Refunds                                   | \$ 4,000            | \$ 1,244            | \$ (2,756)             |
| Transfer to Stormwater Fund                            | -                   | 75,000              | 75,000                 |
| Transfer to Capital Improvements Fund                  | 200,358             | 400,358             | 200,000                |
| <b>TOTAL OTHER FINANCING USES</b>                      | <b>\$ 204,358</b>   | <b>\$ 476,602</b>   | <b>\$ 272,244</b>      |
| <b>TOTAL EXPENDITURES AND OTHER<br/>FINANCING USES</b> | <b>\$ 1,992,666</b> | <b>\$ 2,058,664</b> | <b>\$ 65,998</b>       |

The accompanying notes are an integral part of these financial statements

**ALEPPO TOWNSHIP**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2023**

**SCHEDULE 3**

|                                                | HIGHWAY<br>AID<br>FUND | STORMWATER<br>FUND | TOTAL<br>NON-MAJOR<br>GOVERNMENTAL<br>FUNDS |
|------------------------------------------------|------------------------|--------------------|---------------------------------------------|
| <b>ASSETS:</b>                                 |                        |                    |                                             |
| Investments                                    | \$ 65,685              | \$ 366,477         | \$ 432,162                                  |
| <b>TOTAL ASSETS</b>                            | <b>\$ 65,685</b>       | <b>\$ 366,477</b>  | <b>\$ 432,162</b>                           |
| <br><b>LIABILITIES AND FUND BALANCES</b>       |                        |                    |                                             |
| <b>LIABILITIES:</b>                            |                        |                    |                                             |
| Due to Other Funds                             | \$ -                   | \$ -               | \$ -                                        |
| <b>TOTAL LIABILITIES</b>                       | <b>\$ -</b>            | <b>\$ -</b>        | <b>\$ -</b>                                 |
| <b>FUND BALANCES:</b>                          |                        |                    |                                             |
| Assigned                                       | \$ -                   | \$ 366,477         | \$ 366,477                                  |
| Restricted                                     | 65,685                 | -                  | 65,685                                      |
| <b>TOTAL FUND BALANCES</b>                     | <b>\$ 65,685</b>       | <b>\$ 366,477</b>  | <b>\$ 432,162</b>                           |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <b>\$ 65,685</b>       | <b>\$ 366,477</b>  | <b>\$ 432,162</b>                           |

The accompanying notes are an integral part of these financial statements

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

|                                         | HIGHWAY<br>AID<br>FUND | STORMWATER<br>FUND | TOTAL<br>NON-MAJOR<br>GOVERNMENTAL<br>FUNDS |
|-----------------------------------------|------------------------|--------------------|---------------------------------------------|
| <b><u>REVENUES</u></b>                  |                        |                    |                                             |
| Interest and Rents                      | \$ 3,313               | \$ 17,875          | \$ 21,188                                   |
| Intergovernmental                       | 46,067                 | -                  | 46,067                                      |
| <b>Total Revenue</b>                    | <b>\$ 49,380</b>       | <b>\$ 17,875</b>   | <b>\$ 67,255</b>                            |
| <b><u>EXPENDITURES</u></b>              |                        |                    |                                             |
| Public Works                            | \$ 32,008              | \$ -               | \$ 32,008                                   |
| <b>Total Expenditures</b>               | <b>\$ 32,008</b>       | <b>\$ -</b>        | <b>\$ 32,008</b>                            |
| <b><u>OTHER FINANCING USES</u></b>      |                        |                    |                                             |
| Transfers In                            | \$ -                   | \$ 75,000          | \$ 75,000                                   |
| <b>Total Other Financing Uses</b>       | <b>\$ -</b>            | <b>\$ 75,000</b>   | <b>\$ 75,000</b>                            |
| <b>NET CHANGE IN FUND BALANCES</b>      | <b>\$ 17,372</b>       | <b>\$ 92,875</b>   | <b>\$ 110,247</b>                           |
| FUND BALANCE - JANUARY 1, 2023          | 48,313                 | 273,602            | 321,915                                     |
| <b>FUND BALANCE - DECEMBER 31, 2023</b> | <b>\$ 65,685</b>       | <b>\$ 366,477</b>  | <b>\$ 432,162</b>                           |

The accompanying notes are an integral part of these financial statements

***REQUIRED***

***SUPPLEMENTARY***

***INFORMATION***

**TOWNSHIP OF ALEPPO**  
**POLICE PENSION PLAN**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**

|                                                                        | <u>2023</u>       | <u>2022</u>         | <u>2021</u>         | <u>2020</u>        | <u>2019</u>        | <u>2018</u>         | <u>2017</u>        | <u>2016</u>       | <u>2015</u>        | <u>2014</u>        |
|------------------------------------------------------------------------|-------------------|---------------------|---------------------|--------------------|--------------------|---------------------|--------------------|-------------------|--------------------|--------------------|
| <b>Total Pension Liability-Beginning</b>                               | \$ 795,809        | \$ 808,517          | \$ 807,178          | \$ 819,142         | \$ 835,986         | \$ 836,580          | \$ 817,738         | \$ 797,372        | \$ 753,822         | \$ 717,519         |
| Service Cost                                                           |                   |                     |                     |                    | -                  | -                   | -                  | -                 | -                  | -                  |
| Interest                                                               | 53,715            | 54,291              | 55,122              | 55,035             | 56,003             | 56,593              | 56,699             | 54,637            | 52,692             | 49,764             |
| Changes of Benefit Terms                                               | -                 | -                   | -                   | -                  | -                  | -                   | -                  | -                 | -                  | -                  |
| Differences Between Expected and Actual Experience                     | 4,488             | -                   | 12,229              | -                  | (265)              | -                   | 8,293              | -                 | 6,726              | -                  |
| Changes of Assumptions                                                 | -                 | -                   | 987                 | -                  | -                  | -                   | 13,049             | -                 | -                  | -                  |
| Benefit payments, including Refunds of Members Contributions           | (66,999)          | (66,999)            | (66,999)            | (66,999)           | (72,582)           | (57,187)            | (59,199)           | (34,271)          | (15,868)           | (13,461)           |
| Net Change in Total Pension Liability                                  | <u>\$ (8,796)</u> | <u>\$ (12,708)</u>  | <u>\$ 1,339</u>     | <u>\$ (11,964)</u> | <u>\$ (16,844)</u> | <u>\$ (594)</u>     | <u>\$ 18,842</u>   | <u>\$ 20,366</u>  | <u>\$ 43,550</u>   | <u>\$ 36,303</u>   |
| <b>Total Pension Liability-Ending</b>                                  | <u>\$ 787,013</u> | <u>\$ 795,809</u>   | <u>\$ 808,517</u>   | <u>\$ 807,178</u>  | <u>\$ 819,142</u>  | <u>\$ 835,986</u>   | <u>\$ 836,580</u>  | <u>\$ 817,738</u> | <u>\$ 797,372</u>  | <u>\$ 753,822</u>  |
| <br><b>Plan Fiduciary Net Position-Beginning</b>                       | <br>\$ 711,287    | <br>\$ 945,456      | <br>\$ 880,791      | <br>\$ 830,174     | <br>\$ 733,478     | <br>\$ 879,604      | <br>\$ 814,453     | <br>\$ 790,357    | <br>\$ 813,757     | <br>\$ 776,355     |
| Contributions-employer                                                 | 9,928             | 16,397              | 16,397              | 4,300              | -                  | -                   | 2,269              | 9,228             | 9,228              | 16,268             |
| Contributions-employee                                                 | -                 | -                   | -                   | -                  | -                  | -                   | -                  | -                 | -                  | -                  |
| Net Investment Income                                                  | 133,355           | (172,873)           | 130,282             | 126,202            | 170,928            | (75,999)            | 131,066            | 61,244            | (9,478)            | 35,795             |
| Benefit payments, including Refunds of Employee Contributions          | (66,999)          | (66,999)            | (66,999)            | (66,999)           | (72,582)           | (57,187)            | (59,199)           | (34,271)          | (15,868)           | (13,461)           |
| Administrative Expense                                                 | (14,722)          | (10,694)            | (15,015)            | (12,886)           | (1,650)            | (12,940)            | (8,985)            | (12,105)          | (7,282)            | (1,200)            |
| Other                                                                  | -                 | -                   | -                   | -                  | -                  | -                   | -                  | -                 | -                  | -                  |
| Change in Plan Fiduciary Net Position                                  | <u>\$ 61,562</u>  | <u>\$ (234,169)</u> | <u>\$ 64,665</u>    | <u>\$ 50,617</u>   | <u>\$ 96,696</u>   | <u>\$ (146,126)</u> | <u>\$ 65,151</u>   | <u>\$ 24,096</u>  | <u>\$ (23,400)</u> | <u>\$ 37,402</u>   |
| <b>Plan Fiduciary Net Position-Ending</b>                              | <u>\$ 772,849</u> | <u>\$ 711,287</u>   | <u>\$ 945,456</u>   | <u>\$ 880,791</u>  | <u>\$ 830,174</u>  | <u>\$ 733,478</u>   | <u>\$ 879,604</u>  | <u>\$ 814,453</u> | <u>\$ 790,357</u>  | <u>\$ 813,757</u>  |
| <b>Net Pension Liability-Ending</b>                                    | <u>\$ 14,164</u>  | <u>\$ 84,522</u>    | <u>\$ (136,939)</u> | <u>\$ (73,613)</u> | <u>\$ (11,032)</u> | <u>\$ 102,508</u>   | <u>\$ (43,024)</u> | <u>\$ 3,285</u>   | <u>\$ 7,015</u>    | <u>\$ (59,935)</u> |
| <br><b>RATIOS:</b>                                                     |                   |                     |                     |                    |                    |                     |                    |                   |                    |                    |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 98.2%             | 89.4%               | 116.9%              | 109.1%             | 101.3%             | 87.7%               | 105.1%             | 99.6%             | 99.1%              | 108.0%             |
| <br>Covered-employee Payroll                                           | <br>\$ -          | <br>\$ -            | <br>\$ -            | <br>\$ -           | <br>\$ -           | <br>\$ -            | <br>\$ -           | <br>\$ -          | <br>\$ -           | <br>\$ -           |
| <br>Net Pension Liability as a Percentage of Covered-employee Payroll  | <br>N/A           | <br>N/A             | <br>N/A             | <br>N/A            | <br>N/A            | <br>N/A             | <br>N/A            | <br>N/A           | <br>N/A            | <br>N/A            |

NOTE: Schedule requires information for past 10 calendar years. Most recent actuarial valuation presents information for calendar years 2014 through 2023 only.

See Notes to Required Supplementary Information for an explanation of changes to benefits and actuarial assumptions

**TOWNSHIP OF ALEPPO**  
**POLICE PENSION PLAN**  
**SCHEDULE OF ACTUARIALLY DETERMINED PENSION CONTRIBUTION AND RELATED RATIOS**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**

| <b>Year Ended<br/>December 31</b> | <b>Actuarially<br/>Determined<br/>Contribution</b> | <b>Actual<br/>Contributions</b> | <b>Contribution<br/>Deficiency<br/>(Excess)</b> | <b>Covered<br/>Employee<br/>Payroll</b> | <b>Contributions<br/>as a % of<br/>Covered<br/>Employee<br/>Payroll</b> |
|-----------------------------------|----------------------------------------------------|---------------------------------|-------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------|
| 2014                              | \$ 16,268                                          | \$ 16,268                       | \$ -                                            | \$ -                                    | N/A                                                                     |
| 2015                              | 9,228                                              | 9,228                           | -                                               | -                                       | N/A                                                                     |
| 2016                              | 9,228                                              | 9,228                           | -                                               | -                                       | N/A                                                                     |
| 2017                              | -                                                  | 2,269                           | (2,269)                                         | -                                       | N/A                                                                     |
| 2018                              | -                                                  | -                               | -                                               | -                                       | N/A                                                                     |
| 2019                              | -                                                  | -                               | -                                               | -                                       | N/A                                                                     |
| 2020                              | -                                                  | 4,300                           | -                                               | -                                       | N/A                                                                     |
| 2021                              | 16,397                                             | 16,397                          | -                                               | -                                       | N/A                                                                     |
| 2022                              | 16,397                                             | 16,397                          | -                                               | -                                       | N/A                                                                     |
| 2023                              | 9,928                                              | 9,928                           | -                                               | -                                       | N/A                                                                     |

NOTE: Schedule requires information for past 10 calendar years. Most recent actuarial valuation presents information for calendar years 2014 through 2023 only.

See Notes to Required Supplementary Information for an explanation of changes to benefits and actuarial assumptions

**TOWNSHIP OF ALEPPO**  
**SCHEDULE OF INVESTMENT RETURNS**  
**REQUIRED SUPPLEMENTARY INFORMATION**

Annual money-weighted rate of return, net of investment expense not funded through the MMO.

|      | <b><u>POLICE<br/>PENSION<br/>PLAN</u></b> |
|------|-------------------------------------------|
| 2014 | 5.52%                                     |
| 2015 | -1.17%                                    |
| 2016 | 7.88%                                     |
| 2017 | 16.63%                                    |
| 2018 | -8.94%                                    |
| 2019 | 24.38%                                    |
| 2020 | 15.78%                                    |
| 2021 | 15.31%                                    |
| 2022 | -18.91%                                   |
| 2023 | 19.66%                                    |

**TOWNSHIP OF ALEPPO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**NOTE 1 - FACTORS AND TRENDS USED IN THE ACTUARIAL VALUATION FOR PENSION BENEFITS:**

**Changes in Benefit Terms:** None.

**Changes in Assumptions used in the Measurement of Total Pension Liability:**

Effective 1/1/2009: The interest rate was changed from 7.5% to 7.0%

Effective 1/1/2011: The mortality assumption was updated to the RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment and rates projected to improve with 75% of scale AA.

Effective 1/1/17: The mortality assumption was updated to the RP-2014 Mortality Table with 50% of the Blue Collar Adjustment and rates projected to improve based on the Long-Range Demographic Assumptions for the 2015 SSA's Trustee Report.

Effective 1/1/21: The mortality assumption was updated to the 2010 Public Retirement Plan - Public Safety mortality tables (PubS-2010) and mortality improvement projected from the year 2020 with rates derived from the Long\_Range Demographic Assumptions for the Social Security Administration's 2020 Trustee Report.

**Actuarial Assumptions used in Calculation of Actuarially Determined Contributions:**

Unless otherwise specified, the following actuarial methods and assumptions were used in the calculation of actuarially determined contributions reported in the required supplementary schedules:

Actuarial Valuation Date - January 1, 2021

Actuarial cost method: Entry Age

Amortization method: Level Dollar, closed

Remaining amortization period: Police - 10 years (aggregate)

Asset valuation method: 4-year smoothing

Inflation: 2.55%

Salary increases: N/A

Investment rate of return: 7.0% net of investment expenses not funded through the MMO, and including inflation

Mortality: 2010 Public Retirement Plan - Public Safety mortality tables (PubS-2010). Mortality improvement rates projected from base year 2020 with rates derived from Long-Range Demographic Assumptions for the SSA's 2020 Trustee Report

Retirement Age: Normal Retirement Age,  
or attained age if currently eligible to retire