

**LOWER GWYNEDD TOWNSHIP
SPRING HOUSE, PENNSYLVANIA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024



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**LOWER GWYNEDD TOWNSHIP
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INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Lower Gwynedd Township
Spring House, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 GAAS and *Government Auditing Standards*, we:

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic

financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining and individual fund financial statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 GAAS. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Report on Summarized Comparative Information

The Township's 2023 financial statements were audited by BBD LLP, who joined WithumSmith + Brown (Withum) on April 1, 2024 and subsequently join CliftonLarsonAllen, LLP on July 1, 2025, who expressed an unmodified opinion on those audited financial statements dated June 25, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2025 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lower Gwynedd Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Lower Gwynedd Township's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

King of Prussia, PA
August 28, 2025

**LOWER GWYNEDD TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

Management's discussion and analysis (MD&A) of Lower Gwynedd Township, Spring House, Pennsylvania (the "Township") financial statements provides an overview of the Township's financial performance for fiscal year ended December 31, 2024. Readers should also review the basic financial statements and related notes to enhance their understanding of the Township's financial performance.

TOWNSHIP PROFILE

The Township was established in 1891 and operates as a Township of a second class under the Township Code of Pennsylvania which is governed by an elected five-member Board of Supervisors. The Township is located in south central Montgomery County, Pennsylvania. The Township encompasses 9.4 square miles, which includes the geographic areas of Gwynedd, Gwynedd Valley, Penllyn and Spring House. From these villages has grown a community joined in a commitment to provide a safe, productive and prosperous environment in which to reside, raise a family and conduct business. With the City of Philadelphia situated approximately 17 miles to the east and easy access to the Pennsylvania Turnpike, Schuylkill Expressway, Interstate 476 and the Route 202 and Route 422 corridors, Lower Gwynedd Township is truly strategically located for the projected growth into the 21st Century.

FINANCIAL HIGHLIGHTS

- On a government-wide basis the assets and deferred outflows of resources of the Township exceeded liabilities and deferred inflows of resources resulting in total net position at the close of the 2024 fiscal year of \$64,741,546. During the 2024 fiscal year, the Township had an increase in total net position of \$4,460,771. The net position of the governmental activities increased by \$4,653,513 and net position of business-type activities decreased by \$192,742.
- As of the close of the 2024 fiscal year, the Township's governmental funds reported combined ending fund balances of \$24,636,556, an increase of \$7,812,483 in comparison with the prior year.
- The General Fund reported a decrease in fund balance of \$143,266, bringing the cumulative balance to \$7,869,057 or 72.58% of total General Fund expenditures and other financing uses at the conclusion of the 2024 fiscal year.
- General Fund revenues and other financing sources were \$23,652 or 0.22% less than budgeted amounts and General Fund expenditures and other financing uses were \$549,226 or 5.34% more than budgeted amounts resulting in a net negative variance of \$572,878.
- The Township's 2024 total real estate tax rate of 1.223 mills has remained the same since 2012.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**LOWER GWYNEDD TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Township's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the Township is improving or deteriorating. To assess the Township's overall health, the reader will need to consider additional nonfinancial factors such as changes in the Township's tax base and the condition of the Township's assets.

The Statement of Activities presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish the functions of the Township that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

In the government-wide financial statements, the Township's activities are divided into two categories:

Governmental Activities

Most of the Township's basic services are included here, such as general administration, public safety, health and human services, public works, culture and recreation and community development.

Business-Type Activities

The Township's business-type activities charge a fee to customers to help cover all or most of the cost of certain services it provides. The Township's sewer system is reported as business-type activities.

The government-wide financial statements can be found on pages 16 and 17 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Township's funds. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Township's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**LOWER GWYNEDD TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

Governmental Funds

Most of the Township's basic services are included in the governmental 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, governmental fund financial statements focus on short-term inflows and outflows of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Township's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the governmental near-term financing decisions. Both the Balance Sheet – Governmental Funds and Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Township maintains 10 individual governmental funds. Information is presented separately in the Balance Sheet – Governmental Funds and Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds for each of the five major funds and the nonmajor governmental funds.

The Township adopts an annual appropriated budget for its General, Traffic Impact and Highway Aid Funds. A budgetary comparison schedule has been provided for the General, Traffic Impact and Highway Aid Funds to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 18 through 22 of this report.

Proprietary Funds

Township maintains one type of proprietary fund. All of the Township's proprietary funds are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Township uses enterprise funds to account for the Sewer Operating Fund, Sewer Reserve Fund and the Stormwater Fund.

The proprietary fund financial statements can be found on pages 23 through 26 of this report.

Fiduciary Funds

The Township is the trustee, or fiduciary, for its employees' pension plans, other postemployment benefit plan and escrows funds. Fiduciary funds are not reflected in the government-wide financial statements because the Township cannot use these assets to finance its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The Township has an Escrow Fund, Other Postemployment Benefits Trust Fund and three pension trust funds (Police, Nonuniform Defined Benefit and Nonuniform Defined Contribution).

The fiduciary fund financial statements can be found on pages 27 and 28 of this report.

**LOWER GWYNEDD TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

The notes to the financial statements can be found on pages 29 through 60 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which consists of the budgetary comparison schedule for the General Fund, Traffic Impact Fund and Highway Aid Fund and schedules concerning the Township's net pension liability and pension contributions and changes in its net other post-employment benefits liability and OPEB contributions, as well as additional analysis which consists of combining and individual fund financial statements.

The required supplementary information and additional analysis can be found on pages 61 through 70 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted above, net position may serve over time as a useful indicator of the Township's financial condition. At the close of the 2024 fiscal year the Township's assets and deferred outflows exceeded liabilities and deferred inflows by \$64,741,546. The following table presents condensed information for the Statement of Net Position of the Township at December 31, 2024 and 2023.

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Assets						
Current Assets	\$ 25,213,368	\$ 18,083,802	\$ 8,954,402	\$ 8,507,788	\$ 34,167,770	\$ 26,591,590
Noncurrent Assets	36,513,805	34,014,582	2,379,842	2,514,221	38,893,647	36,528,803
Total Assets	61,727,173	52,098,384	11,334,244	11,022,009	73,061,417	63,120,393
Deferred Outflows						
Deferred Charges - OPEB	63,411	86,433	-	-	63,411	86,433
Deferred Charges - Pensions	909,609	2,440,147	-	-	909,609	2,440,147
Total Deferred Outflows	973,020	2,526,580	-	-	973,020	2,526,580
Liabilities						
Current Liabilities	568,451	1,239,926	625,272	91,809	1,193,723	1,331,735
Noncurrent Liabilities	6,763,193	2,390,980	-	-	6,763,193	2,390,980
Total Liabilities	7,331,644	3,630,906	625,272	91,809	7,956,916	3,722,715
Deferred Inflows						
Deferred Credits - Lease Receivable	701,156	760,076	-	-	701,156	760,076
Deferred Credits - OPEB	350,422	351,024	-	-	350,422	351,024
Deferred Credits - Pensions	427,628	532,383	-	-	427,628	532,383
Total Deferred Inflows	1,479,206	1,643,483	-	-	1,479,206	1,643,483
Net Position (Deficit)						
Net Investment in Capital Assets	35,524,440	33,254,506	2,379,842	2,477,434	37,904,282	35,731,940
Restricted	2,411,836	2,346,345	-	-	2,411,836	2,346,345
Unrestricted	16,067,812	13,749,724	8,357,616	8,452,766	24,425,428	22,202,490
Total Net Position (Deficit)	<u>\$ 54,004,088</u>	<u>\$ 49,350,575</u>	<u>\$ 10,737,458</u>	<u>\$ 10,930,200</u>	<u>\$ 64,741,546</u>	<u>\$ 60,280,775</u>

The Township's total assets as of December 31, 2024 were \$72,974,665 of which \$33,276,785 or 45.60% consisted of unrestricted cash and \$38,077,253 or 52.18% consisted of the Township's investment in capital assets. The Township's total liabilities as of December 31, 2024 were \$7,841,678 of which \$5,054,481 or 64.46% consisted of general obligation debt and \$1,558,889 or 19.88% consisted of the actuarially determined net pension and OPEB liabilities.

**LOWER GWYNEDD TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

The Township had unrestricted net position of \$24,425,428 on December 31, 2024. The Township's unrestricted net position increased by \$2,222,938 during 2024 primarily due to the results of current year operations.

A portion of the Township's net position reflects its restricted net position which totaled \$2,411,836 as of December 31, 2024. The restricted net position relates to the net position of special revenue funds.

The largest portion of the Township's net position reflects its net investment in capital assets net of accumulated depreciation less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to residents of the Township; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. For the year ended December 31, 2024, the Township's net investment in capital assets increased by \$2,172,342 due to asset additions being more than depreciation for the year.

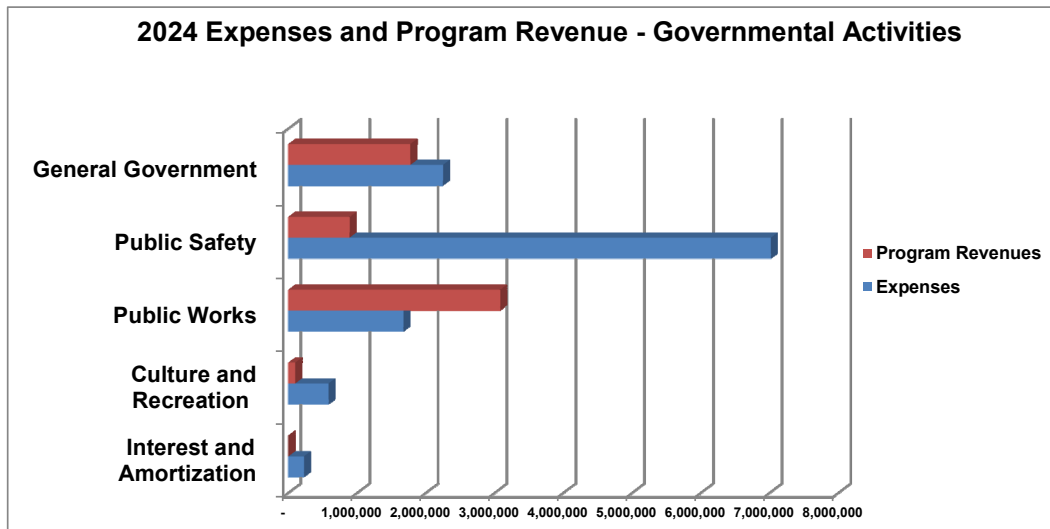
The following table presents condensed information for the Statement of Activities of the Township for 2024 and 2023:

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	\$ 1,049,268	\$ 1,129,060	\$ 2,928,869	\$ 2,852,393	\$ 3,978,137	\$ 3,981,453
Operating Grants and Contributions	1,145,022	891,751	64,497	194,200	1,209,519	1,085,951
Capital Grants and Contributions	3,639,495	776,605	-	-	3,639,495	776,605
General Revenues						
Property Taxes Levied for General Purposes	1,744,798	1,726,267	-	-	1,744,798	1,726,267
Earned Income Taxes Levied for General Purposes	5,691,265	5,180,565	-	-	5,691,265	5,180,565
Other Taxes	1,658,110	1,752,997	-	-	1,658,110	1,752,997
Franchise Fees	254,538	265,870	-	-	254,538	265,870
Investment Income	1,029,218	787,899	308,311	283,131	1,337,529	1,071,030
Gain (Loss) on Sale or Disposal of Assets	149,592	-	-	-	149,592	-
Miscellaneous	10,005	23,625	-	-	10,005	23,625
Total Revenues	16,371,311	12,534,639	3,301,677	3,329,724	19,672,988	15,864,363
Expenses						
General Government	2,242,693	2,416,330	-	-	2,242,693	2,416,330
Public Safety	7,016,503	6,822,571	-	-	7,016,503	6,822,571
Public Works - Highways and Streets	1,670,430	1,733,782	-	-	1,670,430	1,733,782
Culture and Recreation	582,112	869,141	-	-	582,112	869,141
Interest and Amortization	221,125	-	-	-	221,125	-
Sewer and Stormwater	-	-	3,479,354	2,360,252	3,479,354	2,360,252
Total Expenses	11,732,863	11,841,824	3,479,354	2,360,252	15,212,217	14,202,076
Change in Net Position (Deficit) Before Transfers	4,638,448	692,815	(177,677)	969,472	4,460,771	1,662,287
Transfers	15,065	7,877	(15,065)	(7,877)	-	-
Change in Net Position (Deficit)	<u>\$ 4,653,513</u>	<u>\$ 700,692</u>	<u>\$ (192,742)</u>	<u>\$ 961,595</u>	<u>\$ 4,460,771</u>	<u>\$ 1,662,287</u>

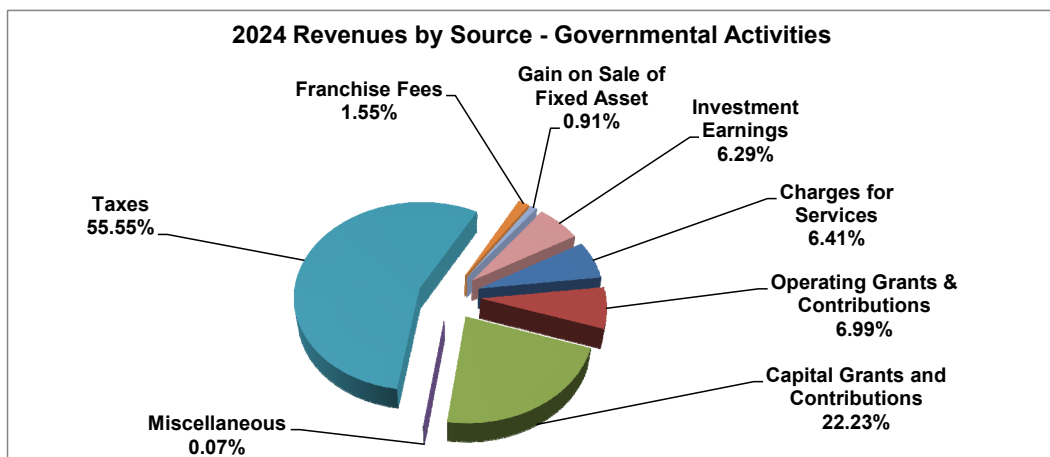
Overall, the Township's financial position has been improving, but challenges such as increased medical costs and pension contributions, rising costs associated with inflation and residential and commercial development and negotiated contracts have a potential to offset these gains in future fiscal years. Management of the Township continues to implement cost efficiencies and revenue-generating strategies to combat these factors.

**LOWER GWYNEDD TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

The Statement of Activities provides detail that focuses on how the Township finances its services. The Statement of Activities compares the costs of the Township functions and programs with the resources those functions and programs generate themselves in the form of program revenues. As demonstrated by the following graph, all of the Township's governmental activities are not self-supporting, raising enough program revenue to cover their costs, as most traditional governmental services are not.



To the degree that the Township's functions or programs cost more than they raise, the Statement of Activities shows how the Township chose to finance the difference through general revenues. The following chart shows that the Township relies on tax revenues to finance its governmental activities.



The governmental fund financial statements provide detailed information of the Township's major funds. Some funds are required to be established by State statute while other funds are established by the Township to manage monies restricted for a specific purpose. As of December 31, 2024, the Township's governmental funds reported a combined fund balance of \$24,636,556 which is an increase of \$7,812,483 from the prior year. The following table summarizes the Township's total governmental fund balances as of December 31, 2024 and 2023 and the total 2024 change in governmental fund balances.

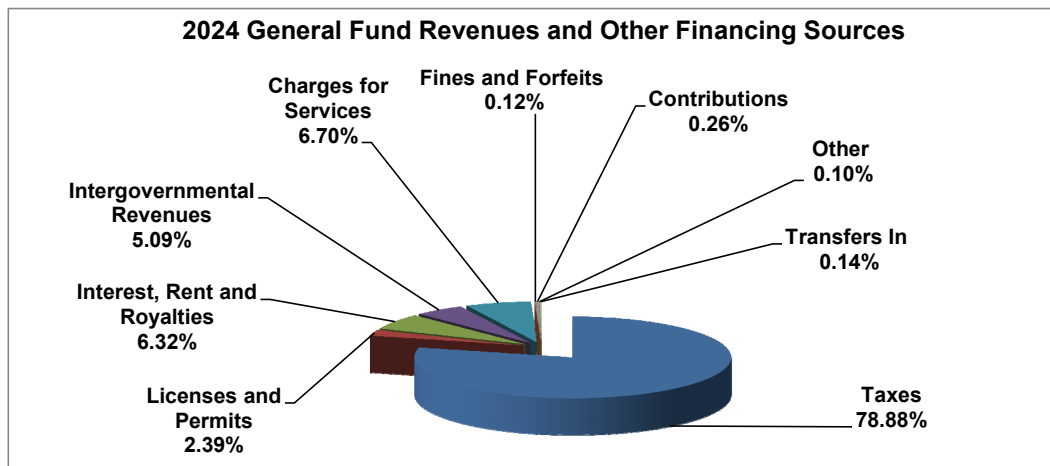
**LOWER GWYNEDD TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>
General Fund	\$ 7,869,057	\$ 8,012,323	\$ (143,266)
Open Space Fund	2,372,250	2,250,871	121,379
Capital Reserve Fund	11,983,413	4,214,534	7,768,879
Traffic Impact Fund	1,762,165	1,819,129	(56,964)
Highway Aid Fund	465,447	400,572	64,875
Nonmajor Governmental Funds	184,224	126,644	57,580
	<u>\$ 24,636,556</u>	<u>\$ 16,824,073</u>	<u>\$ 7,812,483</u>

GENERAL FUND

The General Fund is the Township's primary operating fund. At the conclusion of the 2024 fiscal year the fund balance for the General Fund was \$7,869,057 representing a decrease of \$143,266 in relation to the prior year. This decrease was due to an unbudgeted transfer of prior year reserves of \$1,217,814 to the Capital Funds. The following analysis has been provided to assist the reader in understanding the financial activities of the General Fund during the 2024 fiscal year.

The Township's reliance upon tax revenues is demonstrated by the graph below that indicates 78.88% of General Fund revenues are derived from local taxes.



General Fund Revenues and Other Financing Sources

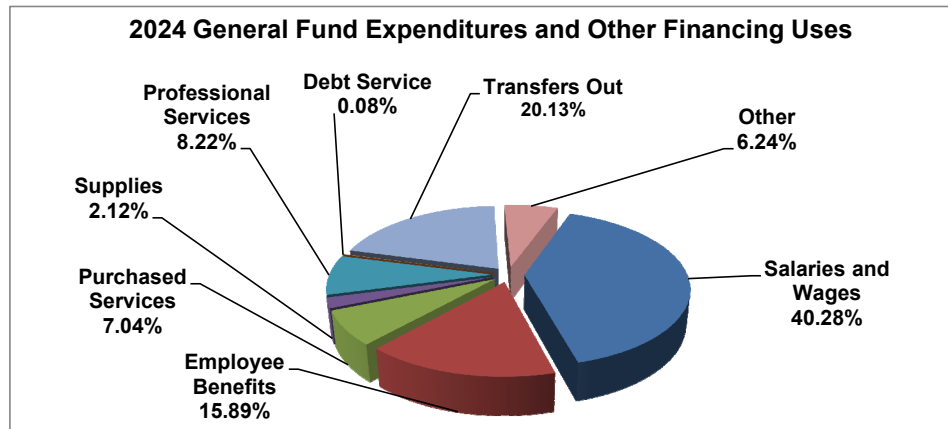
	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Taxes	\$ 8,438,684	\$ 8,009,632	\$ 429,052	5.36%
Licenses and Permits	256,158	321,798	(65,640)	-20.40%
Interest, Rents and Royalties	676,452	582,792	93,660	16.07%
Intergovernmental Revenues	544,725	486,864	57,861	11.88%
Charges for Services	716,294	721,025	(4,731)	-0.66%
Fines and Forfeits	13,210	11,451	1,759	15.36%
Contributions	27,547	16,441	11,106	67.55%
Other	10,005	23,625	(13,620)	-57.65%
Transfers In	15,065	8,209	6,856	83.52%
	<u>\$ 10,698,140</u>	<u>\$ 10,181,837</u>	<u>\$ 516,303</u>	<u>5.07%</u>

**LOWER GWYNEDD TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

Taxes increased by \$429,052 or 5.36% primarily due an increase in earned income tax.

Interest, rents and royalties increased by \$93,660 or 16.07% commensurate with interest rates and amounts available for investment.

As the graph below illustrates, the largest portion of General Fund expenditures is for salaries and benefits. The Township is a service entity and as such is labor intensive.



General Fund Expenditures and Other Financing Uses

	2024	2023	\$ Change	% Change
Salaries and Wages	\$ 4,366,852	\$ 4,021,544	\$ 345,308	8.59%
Employee Benefits	1,722,424	2,148,619	(426,195)	-19.84%
Supplies	229,340	256,771	(27,431)	-10.68%
Purchased Services	763,185	556,938	206,247	37.03%
Professional Services	890,825	1,027,689	(136,864)	-13.32%
Other	676,402	175,363	501,039	285.72%
Debt Service	9,564	-	9,564	100.00%
Transfers Out	2,182,814	1,665,000	517,814	31.10%
	<u>\$ 10,841,406</u>	<u>\$ 9,851,924</u>	<u>\$ 989,482</u>	<u>10.04%</u>

Salaries and wages increased by \$345,309 or 8.59% primarily because of scheduled salary increases within the Township's collective bargaining agreement negotiated with the police and an increase in salaries and wages for non-uniformed employees.

Employee benefit costs decreased by \$426,195 or 19.84% primarily due to the Police moving to a high-deductible health plan as of January 1, 2024.

Transfers out to other funds to subsidize capital projects and other activities decreased in direct correlation with budgeted appropriations.

**LOWER GWYNEDD TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

CAPITAL PROJECTS FUNDS

Capital project funds account for financial resources that are restricted, committed or assigned to be used for capital expenditures or for the acquisition, construction of capital facilities, improvements and/or equipment. The Open Space Fund accounts for the purchase of land to maintain open space within the Township. During 2024, the fund balance for the Open Space Fund increased by \$121,379 for a cumulative balance of \$2,372,250 as of December 31, 2024 which is assigned for the purchase of open space. The Capital Reserve Fund is used to set funds aside for construction projects and purchases of equipment by the Township. During 2024, the fund balance for the Capital Reserve Fund increased by \$7,768,879 for a cumulative balance of \$11,983,413 as of December 31, 2024, of which \$4,916,095 is restricted and \$7,067,318 is assigned for capital purchases and improvements.

SPECIAL REVENUE FUNDS

Special revenue funds are maintained to account for the proceeds of specific revenue sources that are to be expended for specified purposes. The Traffic Impact Fund receives traffic impact fees and those funds are used to improve traffic conditions within the Township. During 2024, the fund balance for the Traffic Impact Fund decreased by \$56,964 for a cumulative balance of \$1,762,165 as of December 31, 2024 which is restricted for future traffic improvement projects. The Highway Aid Fund accounts for appropriations from the state gas tax through the Pennsylvania Department of Transportation to be used for road improvements, snow and ice removal and road related capital projects through the Public Works Department. During 2024, the fund balance for the Highway Aid Fund increased by \$64,875 for a cumulative balance of \$465,447 as of December 31, 2024 which is restricted for road projects.

NONMAJOR GOVERNMENTAL FUNDS

The Nonmajor Governmental Funds consist of special revenue funds and a debt service fund. The nonmajor special revenue funds include the Street Lighting Fund, Fire Protection Fund, Fire Hydrant Fund and Recreation Fund. Major revenue sources for these funds include taxes, intergovernmental revenues and charges for services. During 2024, the Nonmajor Governmental Funds fund balance increased by \$57,580 for a cumulative balance of \$184,224 as of December 31, 2024. More detailed information regarding the Nonmajor Governmental Funds can be found in the combining and individual fund financial statements on pages 64 and 65.

GENERAL FUND BUDGET INFORMATION

The Township maintains its financial records and prepares its financial reports on the modified accrual basis of accounting. The Township budgets and expends funds according to procedures mandated by Township code of the Commonwealth of Pennsylvania. An annual operating budget is prepared by management and submitted to the Board of Supervisors for approval prior to the beginning of the fiscal year on January 1 each year. The most significant budgeted fund is the General Fund.

General Fund revenues and other financing sources were \$23,653 or 0.22% less than budgeted amounts and General Fund expenditures and other financing uses were \$549,225 or 5.34% more than budgeted amounts resulting in a net negative variance of \$572,878. Revenues and other financing sources were less than budget primarily due transfer taxes collected being lower than budgeted due to current housing market conditions. Expenditures were more than anticipated primarily due to unbudgeted prior year reserves transfer of \$1,217,814 to the Capital Funds.

**LOWER GWYNEDD TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

More detailed information regarding the General Fund budget can be found in the Budgetary Comparison Schedule – General Fund on pages 55 and 56. The Budgetary Comparison Schedule – General Fund shows the original budget, final budget and actual revenues, expenditures and other financing sources for the fiscal year. There were no differences between the original and final budgets.

BUSINESS-TYPE ACTIVITIES AND PROPRIETARY FUNDS

The Township sewer system was constructed by the Lower Gwynedd Township Municipal Authority (the "Authority") at the request of the Board of Supervisors. On December 16, 2015, the Authority's 2003 Sewer Revenue Bonds were redeemed with the intention to dissolve the Authority, which occurred on April 7, 2016. The Township is now directly responsible for the operation, maintenance and repair of the sewer system. All activities associated with the sewer system area accounted for within the Sewer Operating and Reserve Funds. Sewer rates for 2024 were based on metered water consumption at \$88.00 for the first 12,000 gallons and \$5.80 for each gallon thereafter per quarter. Sewer rates were last raised 10 percent beginning January 1, 2017. Prior to the 2017 rate increase, rates remained unchanged since July 2010. In 2020, the Township established a Stormwater Fund to account for stormwater management activities, that are financed primarily through user charges and developer contributions.

The net position of the Township's business type activities and proprietary funds decreased by \$192,742 during 2024. The net position of the business-type activities and proprietary funds totaled \$10,737,458 at December 31, 2024.

CAPITAL ASSETS

The Township's investment in capital assets as of December 31, 2024 amounted to \$38,077,253, net of accumulated depreciation. This investment in capital assets includes land, infrastructure, buildings and improvements and furniture and equipment. The total net increase in the Township's investment in capital assets for 2024 was \$2,345,313 or 6.56%. Much of this increase was the result of the completion of the Bethlehem Pike and Norristown Road Intersection that was completed and placed in service in 2024.

Current year capital additions were \$4,290,623, depreciation expense was \$1,313,902 and the net book value of disposed of capital assets was \$631,408.

The Township has elected to use the modified approach to record the current costs of preserving infrastructure in lieu of depreciation. The roads and streets are maintained at a high standard, and the related maintenance costs are expensed. Only expenditures that increase capacity or efficiency of the infrastructure are capitalized.

NONCURRENT LIABILITIES

During 2024, the Township issued \$4,995,000 of general obligation bonds, Series of 2024, for the purpose of providing funding for the acquisition, development and design of a property for use as the Township's new public works facility and to pay for the cost of issuing the bonds.

At the end of the current fiscal year, the Township had total general obligation debt of \$5,054,481 consisting of \$4,995,000 in bonds payable and bond premiums of \$59,481. The entire amount is backed by the full faith and credit of the Township.

**LOWER GWYNEDD TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

The Township currently has three pension plans which benefit full-time employees; a defined benefit plan for non-uniformed employees hired before 2014, a defined contribution plan for non-uniformed employees hired on or after January 1, 2014, and a defined benefit plan for police officers. The Township also has an OPEB Trust that funds retiree health insurance for police officers.

The Township reports its defined benefit pension liabilities and its net liability for post-employment benefits on its statement of position. The Township's net pension liabilities and net liability for post-employment benefits are actuarially determined liabilities. The Township's net pension liabilities were \$1,535,117 as of December 31, 2024, which decreased by \$786,031 or 33.86% during the current year. The Township's net liability for post-employment benefits is a liability of \$23,772 as of December 31, 2024, which decreased by \$46,060 or 65.96% during the current year. The current year decrease in the net pension liabilities and net liability for post-employment benefits resulted from investment income consistent with market conditions in 2024.

Other noncurrent liabilities consist of the Township's liability for right-to-use leases payable which totaled \$34,585 as of December 31, 2024.

FACTORS BEARING ON THE TOWNSHIP'S FUTURE

Next Year's Budget

The Township uses a conservative approach to budgeting which entails budgeting at the lower end of acceptable range for revenues. If revenues exceed expenditures, the excess is transferred to Capital Funds per the Township's fund balance policy. The local economy has thrived over the past few years, and the conservative budgeting approach has resulted in additional cash reserves in the General Fund and Capital Funds. The reserves will help the Township with future economic uncertainties and pay for both anticipated and unanticipated expenditures. The Township also implemented an Investment Policy for its cash reserves

Receipts are monitored closely in order to proactively adjust to economic conditions. The Township had a modest real estate tax increase in 2012 from 1.117 mills to 1.223 mills and no increase since then.

The 2025 fiscal plan includes the following:

- No tax increases
- Approximately 50% of General Fund revenues are derived from earned income taxes. All municipalities have limited taxing options for taxing sources which are established by the Commonwealth. These limited options result in a strong reliance on earned income taxes, which could result in unanticipated shortfalls should there be a downturn in the economy. To lessen the impact of any unforeseen economic downturn, the Township has adopted a fund balance policy which provides for 25 percent of future anticipated expenditures to be reserved as unassigned fund balance.
- A contribution of \$448,011 to the Police Pension Plan is included in the 2025 General Fund budget.
- The 2025 budget includes a \$25,000 contribution to the OPEB Plan.

**LOWER GWYNEDD TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024**

- The 2025 General Fund budget includes a transfer of \$500,000 from the General Fund to the Capital Funds where the funds will be used to maintain, enhance and replace Township assets and planned improvements per the Five Year Capital Plan.
- The 2025 General Fund budget includes a transfer of \$278,343 to cover debt service for the Bond Issuance.

Economic Factors

The Township is located in the southeastern section of Montgomery County, 15 miles from Philadelphia. The Township is served by a network of major roads, including state routes 63, 202 and 309 and the Pennsylvania Turnpike, which offers convenient access to the City of Philadelphia, as well as major suburban employment centers in Conshohocken and King of Prussia. The Township is also served by two SEPTA passenger rail stations within its borders, Penllyn and Gwynedd Valley Stations.

Strong local industries and proximity to major employment centers and educational institutions play an important role in the Township's economy. The Township is home to Gwynedd Mercy University; Wissahickon High, Middle, and Elementary Schools; and the prestigious Gwynedd Mercy Academy Elementary and High Schools. Wissahickon High School is ranked 18th of all Pennsylvania high schools in the most recent U.S. News and World Report rankings. The largest employer in the Township is Janssen Pharmaceutical Companies, a subsidiary of Johnson & Johnson, with 2,000 employees. Other noted employers in the Township are Wissahickon School District, Gwynedd Mercy University, Berkadia Mortgage, Acts Retirement Life Community, Foulkeways at Gwynedd and Whole Foods.

Spring House Innovation Park, the former Dow Chemical site on Norristown Road, offers 600,000 square feet of workspace and continues to redevelop. The site is owned by Beacon Capital Partners, which has been successful in attracting new companies to the location for life sciences, research and development, financial services, technology and start-up bio-tech companies.

Ambler Yards completed redevelopment of 14 buildings into shared workspaces at the former BASF chemical plant. Their innovative designs and amenities have attracted more than 30 companies, employing over 600 people.

The Township's population grew steadily in decades past, slowing in recent years. According to the U.S. Census Bureau, the population in 1980 was 6,902. In 2010, the Township's population was 11,405. In 2021, the estimated population was 12,066 people. The Montgomery County Planning Commission is projecting that the Township's population will grow to 12,651 by 2045.

In conclusion, the Township's financial position continues to be strong. The 2025 Budget and Fiscal Plan includes the resources to continue to improve services and to meet future needs. The Township continues to adhere to the fund balance policy and has been able to maintain its General Fund fund balance above the prescribed range of 25 percent of anticipated expenditures.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Lower Gwynedd Township, P.O. Box 625, Spring House, PA 19477-0625.

LOWER GWYNEDD TOWNSHIP
STATEMENT OF NET POSITION
DECEMBER 31, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	Governmental Activities	Business-Type Activities	Totals	
			2024	2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 24,582,870	\$ 8,693,915	\$ 33,276,785	\$ 26,195,351
Accounts Receivable	614,518	-	614,518	101,800
Taxes Receivable	15,084	-	15,084	58,083
Sewer Fees Receivable	-	261,383	261,383	236,356
Internal Balances	896	(896)	-	-
Total Current Assets	25,213,368	8,954,402	34,167,770	26,591,590
NONCURRENT ASSETS				
Restricted Cash Held in Escrow	-	28,486	28,486	36,787
Lease Receivable	701,156	-	701,156	760,076
Capital Assets, Net	35,697,411	2,379,842	38,077,253	35,731,940
Net Pension Asset	115,238	-	115,238	-
Total Noncurrent Assets	36,513,805	2,408,328	38,922,133	36,528,803
Total Assets	61,727,173	11,362,730	73,089,903	63,120,393
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charges - OPEB	63,411	-	63,411	86,433
Deferred Charges - Pensions	909,609	-	909,609	2,440,147
Total Deferred Outflows of Resources	973,020	-	973,020	2,526,580
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts Payable and Other Current Liabilities	566,357	596,786	1,163,143	792,256
Escrow Deposits	-	28,486	28,486	36,787
Accrued Interest Payable	2,094	-	2,094	-
Deferred Revenue	-	-	-	502,692
Total Current Liabilities	568,451	625,272	1,193,723	1,331,735
NONCURRENT LIABILITIES				
Due Within One Year	246,118	-	246,118	-
Due in More Than One Year	6,517,075	-	6,517,075	2,390,980
Total Noncurrent Liabilities	6,763,193	-	6,763,193	2,390,980
Total Liabilities	7,331,644	625,272	7,956,916	3,722,715
DEFERRED INFLOWS OF RESOURCES				
Deferred Credits on Lease Receivable	701,156	-	701,156	760,076
Deferred Credits - OPEB	350,422	-	350,422	351,024
Deferred Credits - Pensions	312,883	-	312,883	532,383
Total Deferred Inflows of Resources	1,364,461	-	1,364,461	1,643,483
NET POSITION				
Net Investment in Capital Assets	35,524,440	2,379,842	37,904,282	35,731,940
Restricted	2,411,836	-	2,411,836	2,346,345
Unrestricted (Deficit)	16,067,812	8,357,616	24,425,428	22,202,490
Total Net Position	\$ 54,004,088	\$ 10,737,458	\$ 64,741,546	\$ 60,280,775

See accompanying Notes to Financial Statements.

**LOWER GWYNEDD TOWNSHIP
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals	
							2024	2023
GOVERNMENTAL ACTIVITIES								
General Government	\$ 2,242,693	\$ 289,078	\$ 237,687	\$ 1,244,597	\$ (471,331)	\$ -	\$ (471,331)	\$ (2,035,833)
Public Safety	7,016,503	707,264	180,557	-	(6,128,682)	-	(6,128,682)	(5,697,683)
Public Works - Highways and Streets	1,670,430	9,030	671,837	2,394,898	1,405,335	-	1,405,335	(527,597)
Culture and Recreation	582,112	43,896	54,941	-	(483,275)	-	(483,275)	(783,295)
Interest and Amortization Expense Related to Noncurrent Liabilities	221,125	-	-	-	(221,125)	-	(221,125)	-
Total Governmental Activities	11,732,863	1,049,268	1,145,022	3,639,495	(5,899,078)	-	(5,899,078)	(9,044,408)
BUSINESS-TYPE ACTIVITIES								
Sewer and Stormwater	3,479,354	2,928,869	64,497	-	-	(485,988)	(485,988)	686,341
Total Primary Government	<u>\$ 15,212,217</u>	<u>\$ 3,978,137</u>	<u>\$ 1,209,519</u>	<u>\$ 3,639,495</u>	<u>(5,899,078)</u>	<u>(485,988)</u>	<u>(6,385,066)</u>	<u>(8,358,067)</u>
GENERAL REVENUES								
Taxes:								
Real Estate Taxes					1,744,798	-	1,744,798	1,726,267
Earned Income Taxes					5,691,265	-	5,691,265	5,180,565
Realty Transfer Taxes					485,599	-	485,599	648,045
Local Services Taxes					424,708	-	424,708	391,091
Business Privilege and Mercantile Taxes					747,803	-	747,803	713,861
Franchise Fees					254,538	-	254,538	265,870
Investment Earnings					1,029,218	308,311	1,337,529	1,071,030
Gain (Loss) on Disposal of Capital Assets					149,592	-	149,592	-
Miscellaneous					10,005	-	10,005	23,625
Total General Revenues					10,537,526	308,311	10,845,837	10,020,354
TRANSFERS					15,065	(15,065)	-	-
CHANGE IN NET POSITION					4,653,513	(192,742)	4,460,771	1,662,287
NET POSITION								
Beginning of Year					49,350,575	10,930,200	60,280,775	58,618,488
End of Year					<u>\$ 54,004,088</u>	<u>\$ 10,737,458</u>	<u>\$ 64,741,546</u>	<u>\$ 60,280,775</u>

See accompanying Notes to Financial Statements.

LOWER GWYNEDD TOWNSHIP
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	General Fund	Open Space Fund	Capital Reserve Fund	Traffic Impact Fund	Highway Aid Fund	Nonmajor Governmental Funds	Totals	
							2024	2023
ASSETS								
Cash and Cash Equivalents	\$ 8,787,832	\$ 2,372,250	\$ 11,981,896	\$ 655,950	\$ 465,447	\$ 319,495	\$ 24,582,870	\$ 18,175,155
Accounts Receivable	614,518	-	-	-	-	-	614,518	101,800
Taxes Receivable	9,275	-	-	-	-	5,809	15,084	58,083
Lease Receivable	701,156	-	-	-	-	-	701,156	760,076
Due from Other Funds	124,944	-	81,811	1,119,303	-	409	1,326,467	389,812
Total Assets	<u>\$ 10,237,725</u>	<u>\$ 2,372,250</u>	<u>\$ 12,063,707</u>	<u>\$ 1,775,253</u>	<u>\$ 465,447</u>	<u>\$ 325,713</u>	<u>\$ 27,240,095</u>	<u>\$ 19,484,926</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND RESOURCES								
LIABILITIES								
Accounts Payable and Accrued Expenses	\$ 459,475	\$ -	\$ 80,294	\$ 13,088	\$ -	\$ 13,500	\$ 566,357	\$ 737,234
Due to Other Funds	1,201,523	-	-	-	-	124,048	1,325,571	641,048
Deferred Revenues	-	-	-	-	-	-	-	502,692
Total Liabilities	<u>1,660,998</u>	<u>-</u>	<u>80,294</u>	<u>13,088</u>	<u>-</u>	<u>137,548</u>	<u>1,891,928</u>	<u>1,880,974</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred Revenue on Lease Receivable	701,156	-	-	-	-	-	701,156	760,076
Unavailable Revenues - Property Taxes	6,514	-	-	-	-	3,941	10,455	19,803
Total Deferred Inflows of Resources	<u>707,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,941</u>	<u>711,611</u>	<u>779,879</u>

See accompanying Notes to Financial Statements.

LOWER GWYNEDD TOWNSHIP
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	General Fund	Open Space Fund	Capital Reserve Fund	Traffic Impact Fund	Highway Aid Fund	Nonmajor Governmental Funds	Totals	
							2024	2023
FUND BALANCES								
Restricted for:								
Streets and Highways	\$ -	\$ -	\$ -	\$ -	\$ 465,447	\$ -	\$ 465,447	\$ 400,572
Street Lighting	-	-	-	-	-	38,387	38,387	29,226
Fire Protection	-	-	-	-	-	174,128	174,128	61,793
Fire Hydrant	-	-	-	-	-	45,166	45,166	59,526
Recreation	-	-	-	-	-	(73,457)	(73,457)	(23,901)
Traffic Impact Fees	-	-	-	1,762,165	-	-	1,762,165	1,819,129
Capital Projects	-	-	4,916,095	-	-	-	4,916,095	-
Assigned for:								
Open Space	-	2,372,250	-	-	-	-	2,372,250	2,250,871
Capital Projects	-	-	7,067,318	-	-	-	7,067,318	4,214,534
Unassigned	7,869,057	-	-	-	-	-	7,869,057	8,012,323
Total Fund Balances	<u>7,869,057</u>	<u>2,372,250</u>	<u>11,983,413</u>	<u>1,762,165</u>	<u>465,447</u>	<u>184,224</u>	<u>24,636,556</u>	<u>16,824,073</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,237,725</u>	<u>\$ 2,372,250</u>	<u>\$ 12,063,707</u>	<u>\$ 1,775,253</u>	<u>\$ 465,447</u>	<u>\$ 325,713</u>	<u>\$ 27,240,095</u>	<u>\$ 19,484,926</u>

See accompanying Notes to Financial Statements.

LOWER GWYNEDD TOWNSHIP
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO NET POSITION (DEFICIT)
OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION (DEFICIT)
DECEMBER 31, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

Total Governmental Fund Balances	\$ 24,636,556
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet.	35,697,411
Some of the Township's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources on the governmental funds balance sheet.	10,455
Deferred outflows of resources and deferred inflows of resources related to pensions and other post-employment benefits are not reported as assets and liabilities in the governmental funds balance sheet.	194,970
Accrued interest payable on long-term liabilities is included in the statement of net position, but is excluded from the governmental funds balance sheet until due and payable.	(2,094)
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds balance sheet.	<u>(6,647,955)</u>
Net Position of Governmental Activities	<u><u>\$ 53,889,343</u></u>

See accompanying Notes to Financial Statements.

LOWER GWYNEDD TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	General Fund	Open Space Fund	Capital Reserve Fund	Traffic Impact Fund	Highway Aid Fund	Nonmajor Governmental Funds	Totals	
							2024	2023
REVENUES								
Taxes	\$ 8,438,684	\$ -	\$ -	\$ -	\$ -	\$ 664,838	\$ 9,103,522	\$ 8,664,125
Licenses and Permits	256,158	-	-	-	-	-	256,158	321,798
Fines and Forfeits	13,210	-	-	-	-	-	13,210	11,451
Interest, Rent and Royalties	676,452	121,379	383,699	89,224	25,523	11,974	1,308,251	1,063,060
Intergovernmental Revenues	544,725	-	1,715,483	2,123,757	368,214	-	4,752,179	1,646,390
Charges for Services	716,294	-	-	-	-	43,895	760,189	791,443
Contributions	27,547	-	-	-	-	-	27,547	17,042
Miscellaneous	10,005	-	-	-	-	-	10,005	23,625
Total Revenues	10,683,075	121,379	2,099,182	2,212,981	393,737	720,707	16,231,061	12,538,934
EXPENDITURES								
Current:								
General Government	1,889,599	-	86,166	-	-	-	1,975,765	1,973,913
Public Safety	5,834,569	-	172,505	-	-	319,091	6,326,165	5,967,437
Public Works - Sanitation	-	-	-	-	-	-	-	6,850
Public Works - Highways and Streets	905,966	-	1,584,756	2,269,945	328,862	9,295	5,098,824	2,476,148
Culture and Recreation	-	-	165,289	-	-	499,741	665,030	893,389
Debt Service	9,564	-	217,455	-	-	-	227,019	-
Total Expenditures	8,639,698	-	2,226,171	2,269,945	328,862	828,127	14,292,803	11,317,737
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,043,377	121,379	(126,989)	(56,964)	64,875	(107,420)	1,938,258	1,221,197
OTHER FINANCING SOURCES (USES)								
Refunds of Prior Year Expenditures (Revenues)	(18,894)	-	-	-	-	-	(18,894)	-
Proceeds from Bond Issuance	-	-	4,995,000	-	-	-	4,995,000	-
Premium on Bond Issuance	-	-	59,481	-	-	-	59,481	-
Proceeds from Right-to-Use Lease Agreement	-	-	42,573	-	-	-	42,573	-
Transfers In	15,065	-	2,017,814	-	-	165,000	2,197,879	1,706,864
Transfers Out	(2,182,814)	-	-	-	-	-	(2,182,814)	(1,698,987)
Proceeds from Sale of Capital Assets	-	-	781,000	-	-	-	781,000	-
Total Other Financing Sources (Uses)	(2,186,643)	-	7,895,868	-	-	165,000	5,874,225	7,877
NET CHANGE IN FUND BALANCES	(143,266)	121,379	7,768,879	(56,964)	64,875	57,580	7,812,483	1,229,074
FUND BALANCES								
Beginning of Year	8,012,323	2,250,871	4,214,534	1,819,129	400,572	126,644	16,824,073	15,594,999
End of Year	\$ 7,869,057	\$ 2,372,250	\$ 11,983,413	\$ 1,762,165	\$ 465,447	\$ 184,224	\$ 24,636,556	\$ 16,824,073

See accompanying Notes to Financial Statements.

LOWER GWYNEDD TOWNSHIP
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO CHANGE IN NET POSITION (DEFICIT) OF
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Net Change in Fund Balances - Governmental Funds \$ 7,812,483

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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense and the net book value of disposed of capital assets in the current period.

Capital Outlay Expenditures	\$ 4,108,190	
Net Book Value of Disposed Capital Assets	(631,408)	
Depreciation Expense	<u>(1,033,877)</u>	2,442,905

Because some tax will not be collected for several months after the Township's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred inflows of resources decreased by this amount this year.

Deferred Inflows of Resources December 31, 2023	(19,803)	
Deferred Inflows of Resources December 31, 2024	<u>10,455</u>	(9,348)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on the change in net position of governmental activities. Also, governmental funds report the effect of premiums, discounts and similar items when long-term debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of Debt	(4,995,000)	
Proceeds from Bond Premiums	(59,481)	
Issuance of Lease	(42,573)	
Repayment of Right-to-Use Lease Payable	<u>7,988</u>	(5,089,066)

Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in the governmental funds.

Current Year Change in Accrued Interest Payable	(2,094)	
Change in Net OPEB Liability and Related Deferred Inflows and Outflows	23,640	
Change in Net Pension Liability and Related Deferred Inflows and Outflows	<u>(525,007)</u>	<u>(503,461)</u>

Change in Net Position of Governmental Activities		<u><u>\$ 4,653,513</u></u>
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LOWER GWYNEDD TOWNSHIP
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	Sewer Operating Fund	Sewer Reserve Fund	Stormwater Fund	Totals	
				2024	2023
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 3,418,804	\$ 4,524,827	\$ 750,284	\$ 8,693,915	\$ 8,020,196
Sewer Fees Receivable	261,383	-	-	261,383	236,356
Due from Other Funds	-	-	-	-	379,819
Total Current Assets	3,680,187	4,524,827	750,284	8,955,298	8,636,371
RESTRICTED ASSETS					
Cash Held in Escrow	28,486	-	-	28,486	36,787
NONCURRENT ASSETS					
Capital Assets, Net	2,379,842	-	-	2,379,842	2,477,434
Total Noncurrent Assets	2,379,842	-	-	2,379,842	2,477,434
Total Assets	6,088,515	4,524,827	750,284	11,363,626	11,150,592
LIABILITIES					
Accounts Payable and Accrued Expenses	559,076	20,857	16,853	596,786	55,022
Escrow Deposits	28,486	-	-	28,486	36,787
Due to Other Funds	896	-	-	896	128,583
Total Liabilities	588,458	20,857	16,853	626,168	220,392
NET POSITION					
Investment in Capital Assets	2,379,842	-	-	2,379,842	2,477,434
Unrestricted	3,120,215	4,503,970	733,431	8,357,616	8,452,766
Total Net Position	\$ 5,500,057	\$ 4,503,970	\$ 733,431	\$ 10,737,458	\$ 10,930,200

See accompanying Notes to Financial Statements.

LOWER GWYNEDD TOWNSHIP
STATEMENT REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	Sewer Operating Fund	Sewer Reserve Fund	Stormwater Fund	Totals	
				2024	2023
OPERATING REVENUES					
Charges for Services	\$ 2,884,273	\$ -	\$ 34,728	\$ 2,919,001	\$ 2,846,296
Other Operating Revenue	9,868	-	-	9,868	6,097
Total Operating Revenues	2,894,141	-	34,728	2,928,869	2,852,393
OPERATING EXPENSES					
Professional Fees	18,747	-	-	18,747	22,690
Engineering Fees	-	-	204,152	204,152	79,421
Rent	127,200	-	-	127,200	127,200
General Operating Expenses	686,553	-	-	686,553	512,748
Insurance	147,597	-	-	147,597	130,156
Workers' Compensation	4,209	-	-	4,209	1,685
Depreciation	280,026	-	-	280,026	252,141
Maintenance Expense	749,844	21,969	-	771,813	174,898
Treatment Expenses	1,239,057	-	-	1,239,057	1,059,313
Total Operating Expenses	3,253,233	21,969	204,152	3,479,354	2,360,252
OPERATING INCOME	(359,092)	(21,969)	(169,424)	(550,485)	492,141
NONOPERATING REVENUES					
Intergovernmental Revenues	-	-	64,497	-	44,200
Contributions	-	-	-	-	150,000
Interest Income	28,641	236,917	42,753	308,311	283,131
Total Nonoperating Revenues	28,641	236,917	107,250	477,331	477,331
INCOME BEFORE TRANSFERS	(330,451)	214,948	(62,174)	(242,174)	969,472
Transfers In	82,433	-	-	82,433	715,017
Transfers Out	(15,065)	(82,433)	-	(97,498)	(722,894)
CHANGE IN NET POSITION	(263,083)	132,515	(62,174)	(257,239)	961,595
NET POSITION					
Beginning of Year	5,763,140	4,371,455	795,605	10,930,200	9,968,605
End of Year	\$ 5,500,057	\$ 4,503,970	\$ 733,431	\$ 10,672,961	\$ 10,930,200

See accompanying Notes to Financial Statements.

LOWER GWYNEDD TOWNSHIP
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	Sewer Operating Fund	Sewer Reserve Fund	Stormwater Fund	Totals	
				2024	2023
OPERATING ACTIVITIES					
Cash Received from Users	\$ 2,859,246	\$ -	\$ 34,728	\$ 2,893,974	\$ 2,865,599
Other Cash Receipts	9,868	-	-	9,868	6,097
Payments to and on Behalf of Employees	(569,056)	-	-	(569,056)	(422,600)
Payments to Vendors and Others	(1,643,424)	(5,314)	(187,638)	(1,836,376)	(2,376,349)
Receipts (Return) of Escrow Deposits, Net	(8,301)	-	-	(8,301)	(97,841)
Net Cash Provided (Used) by Operating Activities	648,333	(5,314)	(152,910)	490,109	(25,094)
NONCAPITAL FINANCING ACTIVITIES					
Transfers Out	(15,065)	(82,433)	-	(97,498)	(722,894)
Transfers In	82,433	-	-	82,433	715,017
Intergovernmental Revenues	-	-	64,497	64,497	44,200
Contributions	-	-	-	-	150,000
Net Cash Provided (Used) by Noncapital Financing Activities	67,368	(82,433)	64,497	49,432	186,323
CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(182,434)	-	-	(182,434)	(123,301)
Proceeds from Sale of Capital Assets	-	-	-	-	5,379
Net Cash Provided (Used) by Capital and Related Financing Activities	(182,434)	-	-	(182,434)	(117,922)
INVESTING ACTIVITIES					
Interest Income	28,641	236,917	42,753	308,311	283,131
NET CHANGE IN CASH AND RESTRICTED CASH	561,908	149,170	(45,660)	665,418	326,438
CASH AND RESTRICTED CASH					
Beginning of Year	2,885,382	4,375,657	795,944	8,056,983	7,730,545
End of Year	<u>\$ 3,447,290</u>	<u>\$ 4,524,827</u>	<u>\$ 750,284</u>	<u>\$ 8,722,401</u>	<u>\$ 8,056,983</u>

See accompanying Notes to Financial Statements.

LOWER GWYNEDD TOWNSHIP
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	Sewer Operating Fund	Sewer Reserve Fund	Stormwater Fund	Totals	
				2024	2023
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (359,092)	\$ (21,969)	\$ (169,424)	\$ (550,485)	\$ 492,141
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Depreciation	280,026	-	-	280,026	252,141
(Increase) Decrease In:					
Sewer Fees Receivable	(25,027)	-	-	(25,027)	19,303
Due from Other Funds	377,412	-	2,407	379,819	(4,631)
Increase (Decrease) In:					
Accounts Payable and Accrued Expenses	511,002	16,655	14,107	541,764	(122,108)
Due to Other Funds	(127,687)	-	-	(127,687)	(564,099)
Escrow Deposits	(8,301)	-	-	(8,301)	(97,841)
Net Cash Provided (Used) by Operating Activities	<u>\$ 648,333</u>	<u>\$ (5,314)</u>	<u>\$ (152,910)</u>	<u>\$ 490,109</u>	<u>\$ (25,094)</u>
RECONCILIATION OF CASH AND RESTRICTED CASH					
Cash and Cash Equivalents	\$ 3,418,804	\$ 4,524,827	\$ 750,284	\$ 8,693,915	\$ 8,020,196
Cash Held in Escrow	28,486	-	-	28,486	36,787
Total Cash and Restricted Cash	<u>\$ 3,447,290</u>	<u>\$ 4,524,827</u>	<u>\$ 750,284</u>	<u>\$ 8,722,401</u>	<u>\$ 8,056,983</u>

See accompanying Notes to Financial Statements.

LOWER GWYNEDD TOWNSHIP
STATEMENT OF NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	Custodial Fund		Trust Funds	
	Escrow Fund			
	2024	2023	2024	2023
ASSETS				
Cash and Cash Equivalents	\$ 1,763,905	\$ 1,636,138	\$ 647,028	\$ 508,368
Investments	-	-	29,047,066	26,668,261
Accrued Income	-	-	2,066	2,073
Total Assets	<u>\$ 1,763,905</u>	<u>\$ 1,636,138</u>	<u>\$ 29,696,160</u>	<u>\$ 27,178,702</u>
LIABILITIES AND NET POSITION				
LIABILITIES	\$ -	\$ -	\$ -	\$ -
NET POSITION				
Restricted for Developers	1,763,905	1,636,138	-	-
Held in Trust for Pension Benefits	-	-	28,442,262	26,080,707
Held in Trust for Other Postemployment Benefits	-	-	1,253,898	1,097,995
Total Net Position	<u>\$ 1,763,905</u>	<u>\$ 1,636,138</u>	<u>\$ 29,696,160</u>	<u>\$ 27,178,702</u>

See accompanying Notes to Financial Statements.

LOWER GWYNEDD TOWNSHIP
STATEMENT OF CHANGES NET POSITION – FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2023)

	Custodial Fund		Trust Funds	
	Escrow Fund			
	2024	2023	2024	2023
ADDITIONS				
Contributions:				
Employer Contributions	\$ -	\$ -	\$ 572,372	\$ 419,694
Employee Contributions	-	-	151,577	160,239
Developer Contributions	725,555	2,018,916	-	-
Total Contributions	725,555	2,018,916	723,949	579,933
Investment Income:				
Net Realized and Unrealized Gain on Investments	-	-	1,859,498	2,877,673
Interest and Dividends, Net of Expenses	-	-	1,056,128	563,997
Total Investment Income	-	-	2,915,626	3,441,670
Total Additions	725,555	2,018,916	3,639,575	4,021,603
DEDUCTIONS				
Return of Developer Contributions	597,788	2,314,510	-	-
Administrative Expenses	-	-	-	21,399
Benefits Paid	-	-	1,122,117	984,169
Total Deductions	597,788	2,314,510	1,122,117	1,005,568
CHANGE IN NET POSITION	127,767	(295,594)	2,517,458	3,016,035
NET POSITION				
Beginning of Year	1,636,138	1,931,732	27,178,702	24,162,667
End of Year	<u>\$ 1,763,905</u>	<u>\$ 1,636,138</u>	<u>\$ 29,696,160</u>	<u>\$ 27,178,702</u>

See accompanying Notes to Financial Statements.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lower Gwynedd Township (the Township), Montgomery County, Pennsylvania, was established in 1891 and operates as a Township of a second class under the Township code of the Commonwealth of Pennsylvania. The Township is governed by an elected five-member Board of Supervisors and provides the following services: general government; public safety – police, fire, ambulance, codes and planning and zoning; public works – sanitation and highways and streets; and culture and recreation and community development.

The financial statements of the Township have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are as follows:

Reporting Entity

GASB has established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the Township as a reporting entity, management has addressed all potential component units which may or may not fall within the Township's accountability. The criteria used to evaluate component units for possible inclusion as part of the Township's reporting entity are financial accountability and the nature and significance of the relationship. Based upon the application of these criteria, the following component units are required to be included in the Township's reporting entity.

Blended Component Units

The Police Pension Plan and Nonuniform Pension Plan are a single employer defined benefit pension plans that provide pension benefits for all regular full-time employees. The Other Postemployment Benefits Plan is a single employer plan that provides postretirement medical benefits to regular full-time police officers. Although the Police Pension Plan, the Nonuniform Pension Plan and the Other Postemployment Benefits Plan are separate legal entities, they are reported as if they are part of the Township as they are governed by a board comprised of members appointed by the Board of Supervisors or by the Board of Supervisors themselves and the Township is responsible for funding the Police Pension Plan, Nonuniform Pension Plan and the Other Postemployment Benefits Plan. The activities of the Police Pension Plan, Nonuniform Pension Plan and the Other Postemployment Benefits Plan are blended as fiduciary funds and do not issue separate financial statements.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Township as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities. These statements include the financial activities of the primary government except for fiduciary funds.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flow. This 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 as further defined below. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements of governmental funds.

The government-wide statement of net position presents the financial position of the Township which is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is classified in one of three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowing attributable to acquiring, constructing or improving those assets. The net position of the Township is reported as restricted when constraints placed on net position use is either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

The statement of net position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The government-wide statement of activities presents a comparison between expenses and program revenues for each function of the business-type activities of the Township and for each governmental function. Expenses are those that are specifically associated with a service or program and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each function is self-financing or draws from the general revenues of the Township.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

Except for interfund activity and balances between the funds that underlie governmental activities and the funds that underlie business-type activities, which are reported as transfers and internal balances, the effect of interfund activity has been removed from these statements.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements report detailed information about the Township. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All other governmental funds are grouped together and presented in a separate column as nonmajor governmental funds. Fiduciary fund financial statements are presented by fund type.

Governmental Funds

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. The Township reports the following major governmental funds:

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

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays which include the acquisition or construction of capital facilities and other capital assets, including those financed by general obligation bond proceeds. The Township reports the following major Capital Projects Funds:

The Open Space Fund is used to account for financial resources to be used for the acquisition of open space.

The Capital Reserve Fund is used to account for financial resources to be used for the acquisition or construction of major capital assets (other than those financed by the Open Space Fund and Proprietary Funds).

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Township reports the following major Special Revenue Funds:

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Governmental Funds (Continued)

The Traffic Impact Fund accounts for revenues received from transportation impact fees and similar revenues. Expenditures consist of improvements to the Township's roadways either by major capital installations or minor repairs.

The Highway Aid Fund accounts for revenues received from the Municipal Liquid Fuels Program. Expenditures consist of projects to support construction, reconstruction, maintenance and repair of public roads or streets.

Revenue Recognition

In applying the "susceptible to accrual concept" under the modified accrual basis, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Deferred inflows of resources are reported in connection with receivables for tax revenues that are not considered to be available to liquidate liabilities of the current period. Revenue from federal, state and other grants designated for payment of specific Township expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as unearned revenues until earned. Other receipts are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, special termination benefits, other postemployment benefits and claims and judgments are recorded only when payment is due. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Funds

Like the government-wide financial statements, proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Allocations of certain costs, such as depreciation, are recorded in proprietary funds. The Township reports the following major proprietary funds:

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Funds (Continued)

The Sewer Operating Fund is used to account for activities that are financed and operated in a manner similar to private business, with the intent that the costs (expenses, including depreciation) of providing goods or services on a continuing basis be financed or recovered, primarily through user charges.

The Sewer Reserve Fund is used for the accumulation of resources for capital expenditures to the sewer system.

The Stormwater Fund is used to account for stormwater management activities within the Township that are financed primarily through user charges and developer contributions.

These funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the Township's proprietary funds are charges for services. Operating expenses for the Township's proprietary funds include the cost of sales and service, administrative and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Funds

Fiduciary funds reporting focuses on net assets and changes in net assets. 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. The Township has four trust funds, consisting of a Police Pension Fund, Nonuniformed Employees' Pension Fund, Other Postemployment Benefits and Defined Contribution Fund. Custodial funds held by the Township are used to account for assets held on behalf of individuals and/or other governmental units. The Township has one custodial fund consisting of an developer escrow fund. The Township reports the following fiduciary funds:

Pension Trust Funds are used to account for assets held by the Township in a trustee capacity and include the Police Pension Fund, Nonuniformed Employees' Pension Fund, Other Postemployment Benefits and Defined Contribution Fund.

The Custodial Fund accounts for deposits received and held in escrow from developers and other entities to be used for legal, administrative and other fees.

Cash and Cash Equivalents

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are stated at fair value based upon quoted market prices.

Fair Value Measurements of Assets and Liabilities

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Township. Unobservable inputs reflect the Township's assumptions about the inputs market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Township has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not require a significant degree of judgment.

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

Level 3 – Valuations based on inputs that are unobservable, that is, inputs that reflect the Township's own assumptions.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans).

Taxes

Property taxes are levied on March 1 and are payable in the following periods:

March 1 to April 30	Discount period, 2% of gross levy
May 1 to June 30	Face period
July 1 to collection	Penalty period, 10% of gross levy
December 31	Lien date

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxes (Continued)

The Montgomery County Board of Assessments determines assessed valuations of property, and the Township's taxes are billed and collected by an elected tax collector. The tax on real estate for fiscal 2024 was 1.223 mills (\$1.223 for \$1,000 of assessed valuation), consisting of 0.877 mills for general purposes, 0.146 mills for fire protection, 0.170 mills for recreation, and 0.030 mills for fire hydrants. The Township experiences very small losses from uncollectible property taxes. Property taxes constitute a lien against real property and usually can be collected in full when title transfers. Only balances that remain after tax sales are written off each year. Accordingly, an allowance for doubtful accounts has not been established by the Township for property taxes receivable.

Other taxes levied in 2024 consisted of the following:

Real estate transfer tax	0.50% of gross sales price
Earned income tax	0.50% for general purposes
Local services tax	\$52.00 per year for everyone working in the Township
Business privilege tax	1% of gross receipts
Mercantile tax	Based on total retail and wholesale sales
Prepaid items	

Certain prepayments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and fund financial statements.

Unearned Revenues

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the Township as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Property, plant and equipment (net of salvage value) of the Township is depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	5 to 30 Years
Infrastructure	5 to 40 Years
Furniture and Equipment	5 to 30 Years
Sewer System and Equipment	5 to 25 Years

The Township has adopted the modified approach for valuing its road and street infrastructure. The Township completes an annual assessment of conditions and maintains all infrastructure at an overall good or better condition level. As a result, costs have been estimated for the entire road and street infrastructure system. If the yearly assessment maintains this overall condition level, no depreciation will be recorded. Annual maintenance costs for the roads and streets will be expensed.

Impairment of Long-Lived Assets

The Township evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstances is outside the normal life cycle of the capital asset. If a capital asset is considered to be impaired, the amount of impairment is measured by the method that most reflects the decline in service utility of the capital asset at the lower of carrying value or fair value for impaired capital assets that will no longer be used by the Township. No impairment losses were recognized in the year ended December 31, 2024.

Compensated Absences

The Township recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the governmental and proprietary fund financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The Township's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (continued)

Sick Leave

The Township's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the Township and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, the face amount of debt issued is reported as other financing sources and uses. Notes payable are reported net of the applicable premium or discount. Premiums and discounts are deferred and amortized over the life of the notes. Deferred amounts on refunding are recorded as a deferred outflow of resources and amortized over the life of the old debt or the life of the new debt, whichever is shorter. All amounts are amortized using the straight-line method.

Pension

The Township administers the Police Pension Fund and the Nonuniform Pension Fund, both contributory, single-employer defined benefit pension plans. GASB establishes standards for the measurement, recognition, and display of pension expense and related liabilities, deferred outflows and deferred inflows of resources related to pension, certain required supplementary information, and note disclosures.

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

Other Postemployment Benefits (OPEB)

The Township administers the Police Post-Employment Benefits Plan, a contributory, single-employer postretirement benefits plan. GASB establishes standards for the measurement, recognition, and display of OPEB expense and related liabilities, deferred outflows and deferred inflows of resources related to other postemployment benefits, certain required supplementary information, and note disclosures. The District provides OPEB under the following two plans:

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Postemployment Benefits (OPEB) (continued)

with the benefit terms. For this purpose, benefit payments (including refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows for Pension and OPEB

Deferred outflows of resources for pension relate to the Township's net pension liability and pension expense and arise from the difference between expected and actual experience, changes in assumptions, and the difference between projected and actual earnings on pension plan investments. These amounts are deferred and amortized over either a closed 5-year period or the average remaining service life of all employees depending on what gave rise to the deferred outflow.

Deferred outflows of resources for other OPEB liabilities relate to the Township's liability for OPEB other than pensions and related expenses and arise from the differences between expected and actual experience, changes in assumptions, and net difference between projected and actual investment earnings. These amounts are deferred and amortized over either a closed 5-year period or the average remaining service life of all employees depending on what gave rise to the deferred outflow.

Deferred Inflows for Pension and OPEB

Deferred inflows of resources for pension relate to the Township's net pension liability and pension expense and arise from differences between expected and actual experience. These amounts are deferred and amortized over either a closed 5-year period or the average remaining service life of all employees depending on what gave rise to the deferred inflow.

Deferred inflows of resources for OPEB liabilities relate to the Township's liability for OPEB other than pensions and related expenses and arise from the differences between expected and actual experience and changes in assumptions. These amounts are deferred and amortized over either a closed 5-year period or the average remaining service life of all employees depending on what gave rise to the deferred inflow.

Fund Equity

As prescribed by GASB, governmental funds report fund balance in classifications based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. The Township reports the following fund balance classifications:

Nonspendable

Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form – such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact – such as a trust that must be retained in perpetuity.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

Restricted

Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed

Committed fund balances are amounts that can only be used for specific purposes determined by a formal action of the Township's highest level of decision-making authority, the Board of Supervisors. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes those constraints by taking the same type of formal action (e.g., resolution).

Assigned

Assigned fund balances are amounts that are constrained by the Township's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Township Manager or (b) an appointed body (e.g., finance committee) or (c) an official to which the Township has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

Assigned fund balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund or the capital projects fund are assigned for purposes in accordance with the nature of their fund type.

Unassigned

Unassigned fund balance is the residual classification for the General Fund. This classification represents General Fund balance that has not been assigned to other funds, and that has not been restricted, committed or assigned to specific purposes within the General Fund.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use externally restricted resources first, then unrestricted resources—committed, assigned or unassigned—in order as needed.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. Assigned fund balance is intended to be used by the Township for a specific purposes but does not meet the criteria to be classified as restricted or committed. The Township has a fund balance policy target range of 25% to 35% of budgeted expenditures. In the event the General Fund unassigned fund balance shall exceed the maximum target range of 35%, the Township Manager will present a plan for consideration by the Board of Supervisors to take action to reduce the unassigned fund balance to within the target range.

Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. However, presentation of prior year totals by fund and activity type has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Summarized comparative information should be read in conjunction with the Township's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Use of Estimates

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

Implementation of New Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections*, became effective for the Township during the year ended December 31, 2024. GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The implementation did not have a material impact on the Township's financial statements.

GASB Statement No. 101, *Compensated Absences*, became effective for the Township during the year ended December 31, 2024. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. GASB Statement No. 101 will require that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The implementation did not have a material impact on the Township's financial statements.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

GASB Statement No. 102, *Certain Risk Disclosures*, will be effective for the Township for the year ended December 31, 2026. The objective of GASB Statement No. 102 is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective for the Township for the year ended December 31, 2027. The objective of GASB Statement No. 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective for the Township for the year ended December 31, 2026. The objective of GASB Statement No. 104 is to improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Township code of the Commonwealth of Pennsylvania requires that an annual budget for all funds be adopted no later than December 31 for the succeeding fiscal year beginning January 1. The Township is required to publish notice by advertisement at least once in one newspaper of general circulation in the Township, and within 20 days of final action, that the budget has been prepared and is available for public inspection at the Township offices. Notice that public hearings will be held on the proposed budget must be included in the advertisement.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

The Township is legally required to maintain budgetary controls at the major function level. Appropriations lapse at the end of the fiscal period. Budgetary information reflected in the financial statements is presented at the level of budgetary control and include the effect of approved budget amendments.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS

State statutes authorize the Township to invest in U.S. Treasury bills, time or share accounts of institutions insured by the Federal Deposit Insurance Corporation or in certificates of deposit when they are secured by proper bond or collateral, repurchase agreements, state treasurer's investment pools or mutual funds.

Custodial Credit Risk – Deposits

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

At December 31, 2024, the carrying amount of the Township's deposits was \$35,716,204 and the bank balance was \$35,862,171. Of the bank balance, \$811,036 was covered by federal depository insurance and \$5,928,871 was collateralized by the Township's depositories in accordance with Act 72 and the collateral was held by the depositories' agent in pooled public funds. The remaining cash deposits of the Township are in the Pennsylvania Local Government Investment Trust (PLGIT). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT acts like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized statistical rating organization and is subject to an independent annual audit. As of December 31, 2024, PLGIT was rated AAA by a nationally recognized statistical rating agency.

Investments

As of December 31, 2024, the Township's pension and other postemployment benefits trust funds had the following investments:

<u>Description</u>	<u>Fair Value</u>
Equity Mutual Funds	\$ 19,284,115
Fixed Income Mutual Funds	9,602,572
Real Estate Investment Trust (REIT)	160,379
Total	<u>\$ 29,047,066</u>

Mutual funds were valued using Level 1 inputs while REITs were valued using Level 3 inputs.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Township's pension trust funds consist of uninsured, unregistered investments held by a counterparty's trust department but not in the Township's name and subject to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of December 31, 2024, the fixed income mutual funds are considered to be exposed to interest rate risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill their obligations. The Township limits its type of investments permitted as defined in the state statutes. The Township has no investments subject to credit risk as of December 31, 2024.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. As of December 31, 2024, the Township had no investments subject to concentration of credit risk.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 CAPITAL ASSETS

The Township's capital asset activity for the year ended December 31, 2024 was as follows:

	Balance January 1, 2024	Additions	Deletions	Balance December 31, 2024
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 11,813,666	\$ -	\$ 468,989	\$ 11,344,677
Infrastructure	13,287,675	-	-	13,287,675
Construction in Progress	518,404	88,554	405,253	201,705
Total Capital Assets Not Being Depreciated	25,619,745	88,554	874,242	24,834,057
Capital Assets Being Depreciated:				
Infrastructure	9,652,468	4,029,924	19,449	13,662,943
Buildings and Building Improvements	10,071,773	62,626	216,542	9,917,857
Right-to-Use Lease Asset	-	42,573	-	42,573
Furniture and Equipment	3,598,040	289,766	12,505	3,875,301
Total Capital Assets Being Depreciated	23,322,281	4,424,889	248,496	27,498,674
Less Accumulated Depreciation for:				
Infrastructure:	(5,531,004)	(470,016)	(243)	(6,000,777)
Buildings and Building Improvements	(7,382,416)	(344,322)	(74,471)	(7,652,267)
Right-to-Use Lease Asset	-	(8,515)	-	(8,515)
Furniture and Equipment	(2,774,100)	(211,024)	(11,363)	(2,973,761)
Total Accumulated Depreciation	(15,687,520)	(1,033,877)	(86,077)	(16,635,320)
Total Capital Assets Being Depreciated, Net	7,634,761	3,391,012	162,419	10,863,354
Governmental Activities, Net	<u>\$ 33,254,506</u>	<u>\$ 3,479,566</u>	<u>\$ 1,036,661</u>	<u>\$ 35,697,411</u>
Business-Type Activities				
Sewer System and Equipment	\$ 22,011,099	\$ 182,433	\$ -	\$ 22,193,532
Less: Accumulated Depreciation	(19,533,665)	(280,025)	-	(19,813,690)
Total Capital Assets Being Depreciated, Net	2,477,434	(97,592)	-	2,379,842
Business-Type Activities, Net	<u>\$ 2,477,434</u>	<u>\$ (97,592)</u>	<u>\$ -</u>	<u>\$ 2,379,842</u>

Depreciation expense was charged to functions/programs of the Township as follows:

Governmental Activities	
General Government	\$ 177,821
Public Safety	464,713
Public Works	343,148
Culture and Recreation	48,195
Total Depreciation Expense - Governmental Activities	<u>\$ 1,033,877</u>
Business-Type Activities	
Sewer	<u>\$ 280,025</u>

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 INTERNAL RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2024 is as follows:

Receivable To	Amount	Payable From	Amount
Nonmajor Governmental Funds	\$ 409	General Fund	\$ 409
General Fund	896	Sewer Fund	896
General Fund	124,048	Nonmajor Governmental Funds	124,048
Capital Reserve Fund	81,811	General Fund	81,811
Traffic Impact Fund	1,119,303	General Fund	1,119,303
Total	<u>\$ 1,326,467</u>	Total	<u>\$ 1,326,467</u>

Interfund balances between funds represent temporary loans recorded to final allocations of costs. The balances are generally repaid shortly after year-end.

A summary of interfund transfers for the year ended December 31, 2024 is as follows:

Transfers In	Amount	Transfers Out	Amount
General Fund	\$ 15,065	Sewer Fund	\$ 15,065
Nonmajor Governmental Fund	165,000	General Fund	165,000
Capital Reserve Fund	2,017,814	General Fund	2,017,814
Sewer Fund	82,433	Sewer Reserve Fund	82,433
Total	<u>\$ 2,280,312</u>	Total	<u>\$ 2,280,312</u>

Interfund transfers primarily represent budgeted appropriations from the General Fund and Sewer Fund to subsidize capital projects and activities within other funds.

NOTE 6 LEASE RECEIVABLE

The Township has entered into a long-term lease agreement as lessor or property which expired March 2024 and was extended through March 2029. An initial lease receivable for the original lease was recorded in the amount of \$703,075 and \$710,393 for the lease extension. The lease receivable for the lease extension has an imputed interest rate of 5% and has a lease term of five years. As of December 31, 2024, the value of the lease receivable and deferred inflows of resources was \$701,156. The term of the lease was five years as of the contract commencement. Future minimum lease payments under this lease is as follows:

The future minimum lease payments to be received under the leases and the net present value of the future minimum lease payments to be received as of December 31, 2024 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 155,314
2026	159,197
2027	163,180
2028	167,256
2029	56,209
Total	<u>701,156</u>
Less: Amount Representing Interest	<u>(73,125)</u>
Present Value of Minimum Lease Payments	<u>\$ 628,031</u>

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 NONCURRENT LIABILITIES

The following summarizes the changes in noncurrent liabilities for the year ended December 31, 2024:

	Balance January 1, 2024	Additions	Deletions	Balance December 31, 2024	Amount Due Within One Year
Governmental Activities					
General Obligation Debt:					
Bonds Payable	\$ -	\$ 4,995,000	\$ -	\$ 4,995,000	\$ 235,000
Bond Premiums	-	59,481	-	59,481	2,974
Total General Obligation Debt	-	5,054,481	-	5,054,481	237,974
Other Noncurrent Liabilities:					
Right-to-Use Lease Liability	-	42,573	7,988	34,585	8,144
Police Net OPEB Liability	69,832	-	46,060	23,772	-
Police Net Pension Liability	2,236,582	-	586,227	1,650,355	-
Nonuniform Net Pension Liability (Asset)	84,566	-	199,804	(115,238)	-
Total Other Noncurrent Liabilities	2,390,980	42,573	840,079	1,593,474	8,144
Total Governmental Activities	<u>\$ 2,390,980</u>	<u>\$ 5,097,054</u>	<u>\$ 840,079</u>	<u>\$ 6,647,955</u>	<u>\$ 246,118</u>

NOTE 8 GENERAL OBLIGATION DEBT

General obligation debt is a direct obligation of the Township for which full faith and credit are pledged and is payable from unrestricted sources. The District has not pledged any assets as collateral for general obligation debt. General obligation debt was issued to finance capital expenditures.

General obligation debt outstanding as of December 31, 2024 consisted of the following:

Description	Interest Rate(s)	Original Issue Amount	Final Maturity	Principal Outstanding
General Obligation Bond:				
Series of 2024	4.00% - 5.00%	\$ 4,995,000	8/1/2044	<u>\$ 4,995,000</u>
Total General Obligation Bonds				<u>\$ 4,995,000</u>

Annual debt service requirements to maturity on these obligations are as follows:

Year Ending June 30,	Principal Maturities	Interest Maturities	Total Maturities
2025	\$ 235,000	\$ 130,302	\$ 365,302
2026	165,000	199,550	364,550
2027	175,000	191,300	366,300
2028	185,000	182,550	367,550
2029	190,000	173,300	363,300
2030-2034	1,095,000	727,000	1,822,000
2035-2039	1,330,000	488,000	1,818,000
2040-2044	1,620,000	199,400	1,819,400
Total	<u>\$ 4,995,000</u>	<u>\$ 2,291,402</u>	<u>\$ 7,286,402</u>

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 GENERAL OBLIGATION DEBT (CONTINUED)

Series of 2024 General Obligation Bonds

In December 2024, the Township issued \$4,995,000 of general obligation bonds, Series of 2024 for the purpose of providing funding for the acquisition, development and design of a property for use as the Township's new public works facility and to pay for the cost of issuing the bonds.

NOTE 9 RIGHT-TO USE LEASES PAYABLE

The Township entered into a long-term lease agreement as lessee for the use of copiers. An initial lease liability was recorded in the amount of \$42,573. As of December 31, 2024, the carrying amount of the lease liability is \$34,584. The lease has an imputed interest rate of 3.93%. The copiers estimated useful life was five years as of the contract commencement. The value of the intangible right-to-use asset as of December 31, 2024 is \$34,058, net of accumulated amortization of \$8,515, and is included with noncurrent assets on the statement of net position.

<u>Year Ending June 30.</u>	<u>Amount</u>
2025	\$ 9,564
2026	9,564
2027	9,564
2028	9,564
Less: Amount Representing Interest	(3,671)
Present Value of Minimum Lease Payments	<u>\$ 34,585</u>

NOTE 10 POSTEMPLOYMENT RETIREMENT PLAN

The Lower Gwynedd Township Police Postemployment Benefits Plan (OPEB Plan) is a contributory, single-employer postretirement benefits plan that covers all full-time uniformed police officers of the Township. The OPEB Plan provides postretirement medical benefits upon retirement or disability to plan members and their beneficiaries, pursuant to Township ordinances and the collective bargaining agreement between the Township and the police officers. The OPEB Plan can be amended by the Township through its ordinances and union contracts. The OPEB Plan is administered by a plan administrator appointed by the Board of Supervisors of the Township.

Plan Membership

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

Active Employees	22
Retirees and Beneficiaries Currently Receiving Benefits	3
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	-
Total	<u><u>25</u></u>

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 POSTEMPLOYMENT RETIREMENT PLAN (CONTINUED)

Funding Policy

The Township's contributions are funded on a pay-as-you-go basis. The contribution requirements of retirees are established and may be amended by the Board of Supervisors.

Financial Statements

As of December 31, 2024, the OPEB Plan's statement of fiduciary net position was as follows:

	<u>Other Postemployment Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 14,168
Investments	1,239,676
Accrued Income	<u>54</u>
Total Assets	1,253,898
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
LIABILITIES	-
NET POSITION	
Restricted for Pension Benefits	-
Restricted for OPEB	<u>1,253,898</u>
Total Net Position	<u><u>\$ 1,253,898</u></u>

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 POSTEMPLOYMENT RETIREMENT PLAN (CONTINUED)

Financial Statements (Continued)

For the year ended December 31, 2024, the OPEB Plan's statement of changes in fiduciary net position was as follows:

	Other Postemployment Fund
ADDITIONS	
Contributions:	
Employer Contributions	\$ 35,549
Employee Contributions	-
Total Contributions	<u>35,549</u>
Investment Income:	
Net Realized and Unrealized Gain on Investments	90,966
Interest and Dividends, Net of Expenses	<u>29,388</u>
Total Investment Income	<u>120,354</u>
Total Additions	155,903
DEDUCTIONS	
Benefits Paid	<u>-</u>
Total Deductions	<u>-</u>
CHANGE IN NET POSITION	155,903
NET POSITION	
Beginning of Year	<u>1,097,995</u>
End of Year	<u><u>\$ 1,253,898</u></u>

Other Postemployment Benefits Trust

Basis of Accounting

The OPEB Plan's financial statements are prepared using the accrual basis of accounting. OPEB plan member contributions by retired officers toward their postretirement benefits reduce the employer cost and the resulting liability. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with terms of the OPEB plan.

Annual OPEB Cost

The annual OPEB cost was determined as part of the January 1, 2023 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 6.50% investment rate of return (net of administrative costs) and (b) 2.50% inflation and 5.50% salary increases. The unfunded actuarial accrued liability is being amortized on the level dollar closed basis.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 POSTEMPLOYMENT RETIREMENT PLAN (CONTINUED)

Other Postemployment Benefits Trust (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability is 6.50% based upon the expected rate of return, net of expected investment expenses. The plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Township's funding policy is to fund the rate subsidies through the General Fund and pay only the actual premiums for retired members from the OPEB trust.

Rate of Return

The long-term expected rate of return on OPEB Plan investments was determined using the building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation.

The annual money-weighted rate of return on OPEB Plan investments, net of investment expenses, was 10.92%. The money-weighted rate of return expresses investment performance, net of expenses, adjusted for the changing amounts actually invested.

A schedule of plan investments by asset class, target allocations, and long-term expected rate of return is as follows:

<u>OPEB - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	42.00 %	
International Equity	23.00	
Fixed Income	35.00	
Total	<u>100.00 %</u>	<u>7.13 %</u>

Net OPEB Liability

The Township's net OPEB liability has been measured as of December 31, 2024. The total OPEB liability was determined by an actuarial valuation as of January 1, 2023. No significant events or changes in assumptions occurred between the valuation date and the fiscal year-end. The net OPEB liability is \$23,772 measured as the difference between the total OPEB liability of \$1,277,670 and the fiduciary net position of \$1,253,898.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 POSTEMPLOYMENT RETIREMENT PLAN (CONTINUED)

Other Postemployment Benefits Trust (Continued)

The Township's change in total OPEB liability, plan fiduciary net position, and net OPEB liability (asset) for the year ended December 31, 2024 were as follows:

	Total Pension Liability (A)	Net Pension Plan Fiduciary Position (B)	Net Pension Liability (Asset) (A) - (B)
Balance as of December 31, 2023	\$ 1,167,827	\$ 1,097,995	\$ 69,832
Changes for the Year:			
Service Cost	33,348	-	33,348
Interest on Total OPEB Liability	76,655	-	76,655
Changes in Actuarial Assumptions	10,246	-	10,246
Differences Between Expected and Actual Experience	-	47,828	(47,828)
Employer Contributions	-	45,955	(45,955)
Net Investment Income	-	72,526	(72,526)
Benefit Payments	(10,406)	(10,406)	-
Net Changes	109,843	155,903	(46,060)
Balance as of December 31, 2024	<u>\$ 1,277,670</u>	<u>\$ 1,253,898</u>	<u>\$ 23,772</u>

Sensitivity of the Net OPEB Liability (Asset) to Change in Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) for December 31, 2024, calculated using current healthcare cost trends as well as what the net OPEB liability would be if healthcare cost trends were one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Trend Rate	1% Increase
Net OPEB Liability (Asset)	<u>\$ (103,051)</u>	<u>\$ 23,772</u>	<u>\$ 168,016</u>

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the Township calculated using the discount rate 6.50%, as well as what the net pension liability would be if it were calculated using the discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net OPEB Liability (Asset)	<u>\$ 121,772</u>	<u>\$ 23,772</u>	<u>\$ (66,477)</u>

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the Township recognized OPEB expense of \$22,315. At December 31, 2024, the Township had deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 10 POSTEMPLOYMENT RETIREMENT PLAN (CONTINUED)

Other Postemployment Benefits Trust (Continued)

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB
(continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 48,753	\$ 197,907
Changes of Assumptions	9,132	152,515
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	5,526	-
Total	<u>\$ 63,411</u>	<u>\$ 350,422</u>

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

<u>Year Ended December 31,</u>	<u>Amount</u>
2025	\$ (30,791)
2026	(15,717)
2027	(62,611)
2028	(48,958)
2029	(40,638)
Thereafter	(88,296)
Total	<u>\$ (287,011)</u>

Other Postemployment Benefits Trust (Continued)

Actuarial Methods and Significant Assumptions

- Investment return – 6.50% (including inflation)
- Discount rate – 6.50%
- Inflation – 2.50%
- Salary increases – 5.50% per year
- Mortality rates – SOA Pub-2010 public safety headcount-weighted mortality margin for mortality improvements: scale MP-2021

NOTE 11 EMPLOYEE RETIREMENT PLANS

Police Pension Fund

The Lower Gwynedd Township Police Pension Fund accounts for a contributory, single-employer defined benefit pension plan (the Police Pension Plan) that covers all full-time uniformed police officers of the Township. The Police Pension Plan provides retirement, disability and death benefits to plan members and their beneficiaries, pursuant to Act 600 of 1956, as amended.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Police Pension Fund (Continued)

Management of the plan is vested in Investment Advisory Committee, which consists up to eleven member-four Township residents appointed by the Township, two members of the Board of Supervisors, the Township Manager, the Assistant Township Manager, the Finance Director, one nonuniform employee and one police officer. The Investment Advisory Committee is responsible for advising, reviewing, monitoring and making recommendations to the Board of Supervisors of the Township as of the administrative, operation and investment of the plan.

Plan Membership

Membership in the Police Pension Plan consisted of the following at December 31, 2024:

Active Employees	19
Retirees and Beneficiaries Currently Receiving Benefits (Including DROP Members)	17
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	1
Total	<u>37</u>

Benefit Provisions

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

Members are eligible for normal retirement after attainment of age 50 (age 55 for any employee hired on or after January 1, 2013) and 25 years of service and early retirement after 20 years of service. Normal retirement benefits are calculated as 50% of average compensation during the final 36 months of employment plus a service increment of \$400 per month for each completed year of benefit service in excess of 25 years, up to a maximum increment of three years of \$1,200 per year. This benefit will be reduced for early commencement. If a member leaves the employment of the Township or ceases to be a member for any reason, they will be vested in their benefit after 12 years of full-time service and their vested benefit would be equal to 50% of monthly average compensation multiplied by years of service at termination divided by the service they would have had if they worked until normal retirement.

If a member is totally and permanently disabled in the line of duty, they are eligible for disability payments equal to 50% of their salary at the time of disability.

If a member is eligible for retirement at the time of death, a monthly death benefit is payable to their surviving spouse or eligible dependent child, equal to 50% of the normal monthly retirement benefit.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Police Pension Fund (Continued)

Financial Statements

As of December 31, 2024, the Police Pension Plan's statement of fiduciary net position was as follows:

	<u>Police Pension Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 542,215
Investments	20,563,812
Accrued Income	<u>1,681</u>
Total Assets	21,107,708
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
LIABILITIES	-
NET POSITION	
Restricted for Pension Benefits	21,107,708
Restricted for OPEB	<u>-</u>
Total Net Position	<u><u>\$ 21,107,708</u></u>

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Police Pension Fund (Continued)

Financial Statements (Continued)

For the year ended December 31, 2024, the Police Pension Plan's statement of changes in fiduciary net position was as follows:

	<u>Police Pension Fund</u>
ADDITIONS	
Contributions:	
Employer Contributions	\$ 448,845
Employee Contributions	151,577
Total Contributions	<u>600,422</u>
Investment Income:	
Net Realized and Unrealized Gain on Investments	1,561,515
Interest and Dividends, Net of Expenses	496,729
Total Investment Income	<u>2,058,244</u>
Total Additions	2,658,666
DEDUCTIONS	
Benefits Paid	<u>748,031</u>
Total Deductions	<u>748,031</u>
CHANGE IN NET POSITION	1,910,635
NET POSITION	
Beginning of Year	<u>19,197,073</u>
End of Year	<u><u>\$ 21,107,708</u></u>

Basis of Accounting

The Police Pension Plan's financial statements are prepared using the accrual basis of accounting. Contributions are recognized in the period when due and benefits and refunds are recognized when due and payable.

Method Used to Value Investments

Investments in the Police Pension Plan are reported at fair value. Investments that do not have an established market value are reported at estimated fair value.

Contributions

Annual contributions to the Police Pension Plan are based upon the minimum municipal obligation (the MMO). The MMO is derived from the Police Pension Plan's biennial actuarial valuation. Members in the Police Pension Plan are required to contribute 5.00% of total compensation. This contribution is established by the Plan's governing ordinance. The Commonwealth of Pennsylvania provides an allocation of funds, which

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Police Pension Fund (Continued)

Contributions (Continued)

must be used, for pension funding. Any financial requirement established by the MMO which exceeds the state and employee contribution must be funded by the Township.

Administrative Costs

Administrative costs, including the investment manager, custodial trustee and actuarial services are charged to the Plan and funded through investment earnings.

Annual Pension Cost

The annual required contribution was determined as part of the January 1, 2023 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 6.50% investment rate of return (net of administrative costs) and (b) 3.00% inflation and 5.50% salary increases. The unfunded actuarial accrued liability is being amortized on the level dollar closed basis.

Discount Rate

The discount rate used to measure the total pension liability is 6.50%. The Police Pension Plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer's funding policy requires the full funding of the entry age normal cost, plus plan expenses, as well as an amortization of the unfunded liability.

Rate of Return

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation.

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses not funded through the MMO was 10.95%. The money-weighted rate of return expresses investment performance, net of expenses, adjusted for the changing amounts actually invested.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Police Pension Fund (Continued)

Rate of Return (Continued)

A schedule of plan investments by asset class, target allocations, and long-term expected rate of return is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	42.00 %	
International equity	23.00	
Fixed income	33.00	
Cash	2.00	
Total	<u>100.00 %</u>	<u>7.07 %</u>

Net Pension Liability

The Township's net pension liability has been measured as of December 31, 2024. The total pension liability was determined by an actuarial valuation as of January 1, 2023, and by rolling forward the liabilities from the January 1, 2023 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year-end. The net pension liability was a liability of \$1,650,355 measured as the difference between the total pension liability of \$22,758,063 and the fiduciary net position of \$21,107,708.

The Township's change in total pension liability, plan fiduciary net position, and net pension liability for the year ended December 31, 2024 were as follows:

	<u>Total Pension Liability (A)</u>	<u>Net Pension Plan Fiduciary Position (B)</u>	<u>Net Pension Liability (Asset) (A) - (B)</u>
Balance as of December 31, 2023	\$ 21,433,655	\$ 19,197,073	\$ 2,236,582
Changes for the Year:			
Service Cost	703,562	-	703,562
Interest on Total Pension Liability	1,368,877	-	1,368,877
Employer Contributions	-	448,845	(448,845)
Member Contributions	-	151,577	(151,577)
Net Investment Income	-	2,058,244	(2,058,244)
Benefit Payments	(748,031)	(748,031)	-
Net Changes	<u>1,324,408</u>	<u>1,910,635</u>	<u>(586,227)</u>
Balance as of December 31, 2024	<u>\$ 22,758,063</u>	<u>\$ 21,107,708</u>	<u>\$ 1,650,355</u>

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Police Pension Fund (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Township calculated using the discount rate 6.50%, as well as what the net pension liability (asset) would be if it were calculated using the discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability (Asset)	<u>\$ 4,585,407</u>	<u>\$ 1,650,355</u>	<u>\$ (764,590)</u>

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

For the year ended December 31, 2024, the Township recognized pension expense of \$853,867. At December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 312,883
Changes in Assumptions	580,650	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	214,214	-
Total	<u>\$ 794,864</u>	<u>\$ 312,883</u>

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

<u>Year Ended December 31,</u>	<u>Amount</u>
2025	\$ 428,746
2026	654,040
2027	(435,050)
2028	(165,755)
Total	<u>\$ 481,981</u>

Deferred Retirement Option Program

An active member who has met the eligibility requirements for normal retirement may elect to participate in the Deferred Retirement Option Program (DROP) for a period of no more than 48 months. The member's monthly pension shall be calculated as of their date of participation in the program and shall be distributed in a lump sum at retirement. The DROP balance at December 31, 2024 was \$139,739.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Police Pension Fund (Continued)

Actuarial Methods and Significant Assumptions

- Investment return – 6.50% as of December 31, 2024
- Discount rate – 6.50% as of December 31, 2024
- Inflation – 3.00%
- Salary increases – 5.50% per year
- Mortality rates – Pub-2010 safety amount-weighted mortality table, projected from 2010 mortality improvement scale MP-2021

Nonuniform Pension Fund

The Lower Gwynedd Township Nonuniform Pension Fund accounts for a contributory, single-employer defined benefit pension plan (the Nonuniform Pension Plan) that covers all full-time nonuniformed employees of the Township.

Management of the plan is vested in Investment Advisory Committee, which consists up to eleven member-four Township residents appointed by the Township, two members of the Board of Supervisors, the Township Manager, the Assistant Township Manager, the Finance Director, one nonuniform employee and one police officer. The Investment Advisory Committee is responsible for advising, reviewing, monitoring and making recommendations to the Board of Supervisors of the Township as of the administrative, operation and investment of the plan.

Plan Membership

Membership in the Nonuniform Pension Plan consisted of the following at December 31, 2024:

Active Employees	7
Retirees and Beneficiaries Currently Receiving Benefits	13
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	7
Total	<u><u>27</u></u>

Benefit Provisions

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

Members are eligible for normal retirement after attainment of age 65 and age 60 for early retirement. Normal retirement benefits are calculated as 50% of average compensation during the final 36 months of employment reduced for service less than 25 years. Members will be vested in their benefit after 10 years of full-time service. This benefit will be reduced for early commencement. If a member leaves the employment of the Township or ceases to be a member for any reason, the benefit will be reduced by one half of 1% for each month that the early retirement death precedes the normal retirement date.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Nonuniform Pension Fund (Continued)

Benefit Provisions (Continued)

If a member is eligible for retirement at the time of death, a monthly death benefit is payable to their surviving spouse or eligible dependent child, equal to 50% of the normal monthly retirement benefit.

Financial Statements

As of December 31, 2024, the Nonuniform Pension Plan's statement of fiduciary net position was as follows:

	Nonuniformed Fund
ASSETS	
Cash and Cash Equivalents	\$ 90,645
Investments	6,815,993
Accrued Income	331
	<hr/>
Total Assets	6,906,969
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
LIABILITIES	-
NET POSITION	
Restricted for Pension Benefits	6,906,969
Restricted for OPEB	-
	<hr/>
Total Net Position	<u><u>\$ 6,906,969</u></u>

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Nonuniform Pension Fund (Continued)

Financial Statements (Continued)

For the year ended December 31, 2024, the Nonuniform Pension Plan's statement of changes in fiduciary net position was as follows:

	<u>Nonuniformed Fund</u>
ADDITIONS	
Contributions:	
Employer Contributions	\$ 6,028
Employee Contributions	<u>-</u>
Total Contributions	6,028
Investment Income:	
Net Realized and Unrealized Gain on Investments	164,558
Interest and Dividends, Net of Expenses	<u>530,011</u>
Total Investment Income	<u>694,569</u>
Total Additions	700,597
DEDUCTIONS	
Benefits Paid	<u>374,086</u>
Total Deductions	<u>374,086</u>
CHANGE IN NET POSITION	326,511
NET POSITION	
Beginning of Year	<u>6,580,458</u>
End of Year	<u><u>\$ 6,906,969</u></u>

Basis of Accounting

The Nonuniform Pension Plan's financial statements are prepared using the accrual basis of accounting. Contributions are recognized in the period when due and benefits and refunds are recognized when due and payable.

Method Used to Value Investments

Investments in the Nonuniform Pension Plan are reported at fair value. Investments that do not have an established market value are reported at estimated fair value.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Nonuniform Pension Fund (Continued)

Contributions

Annual contributions to the Nonuniform Pension Plan are based upon the minimum municipal obligation (the MMO). The MMO is derived from the Nonuniform Pension Plan's biennial actuarial valuation. Members in the Nonuniform Pension Plan are not required to make contributions to the Nonuniform Pension Plan. This contribution is established by the Plan's governing ordinance. The Commonwealth of Pennsylvania provides an allocation of funds, which must be used, for pension funding. Any financial requirement established by the MMO which exceeds the state and employee contribution must be funded by the Township.

Administrative Costs

Administrative costs, including the investment manager, custodial trustee and actuarial services are charged to the Plan and funded through investment earnings.

Annual Pension Cost

The annual required contribution was determined as part of the January 1, 2023 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 6.50% investment rate of return (net of administrative costs) and (b) 3.00% inflation and 5.00% salary increases. The unfunded actuarial accrued liability is being amortized on the level dollar closed basis.

Discount Rate

The discount rate used to measure the total pension liability is 6.50%. The Nonuniform Pension Plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer's funding policy requires the full funding of the entry age normal cost, plus plan expenses, as well as an amortization of the unfunded liability.

Rate of Return

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Nonuniform Pension Fund (Continued)

Rate of Return (Continued)

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses not funded through the MMO was 10.99%. The money-weighted rate of return expresses investment performance, net of expenses, adjusted for the changing amounts actually invested.

A schedule of plan investments by asset class, target allocations, and long-term expected rate of return is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	42.00 %	
International Equity	23.00	
Fixed Income	33.00	
Cash	2.00	
Total	<u>100.00 %</u>	<u>7.07 %</u>

Net Pension Asset

The Township's net pension asset has been measured as of December 31, 2024. The total pension liability was determined by an actuarial valuation as of January 1, 2023, and by rolling forward the liabilities from the January 1, 2023 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year-end. The net pension asset was an asset of \$115,238 measured as the difference between the total pension liability of \$6,791,730 and the fiduciary net position of \$6,906,968.

The Township's change in total pension liability (asset), plan fiduciary net position, and net pension liability (asset) for the year ended December 31, 2024 were as follows:

	<u>Total Pension Liability (A)</u>	<u>Net Pension Plan Fiduciary Position (B)</u>	<u>Net Pension Liability (Asset) (A) - (B)</u>
Balance as of December 31, 2023	\$ 6,665,025	\$ 6,580,459	\$ 84,566
Changes for the Year:			
Service Cost	79,723	-	79,723
Interest on Total Pension Liability	421,069	-	421,069
Changes in Actuarial Assumptions	-	-	-
Employer Contributions	-	6,028	(6,028)
Member Contributions	-	-	-
Net Investment Income	-	694,568	(694,568)
Benefit Payments	(374,086)	(374,086)	-
Net Changes	126,706	326,510	(199,804)
Balance as of December 31, 2024	<u>\$ 6,791,731</u>	<u>\$ 6,906,969</u>	<u>\$ (115,238)</u>

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Nonuniform Pension Fund (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Township calculated using the discount rate 6.50%, as well as what the net pension liability would be if it were calculated using the discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability (Asset)	<u>\$ 648,331</u>	<u>\$ (115,238)</u>	<u>\$ (760,723)</u>

Pension Expense and Deferred Inflows of Resources Related to Pension

For the year ended December 31, 2024, the Township recognized pension expense of \$126,013. At December 31, 2024, the Township reported deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 114,745	\$ -
Total	<u>\$ 114,745</u>	<u>\$ -</u>

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

<u>Year Ended December 31,</u>	<u>Amount</u>
2025	\$ 113,597
2026	205,734
2027	(148,792)
2028	(55,794)
Total	<u>\$ 114,745</u>

Actuarial Methods and Significant Assumptions

- Investment return – 6.50% as of December 31, 2024
- Discount rate – 6.50% as of December 31, 2024
- Inflation – 3.00%
- Salary increases – 5.00% per year
- Mortality rates – Pub-2010 general amount-weighted mortality table, projected from 2010 mortality improvement scale MP-2021

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 12 NONUNIFORM DEFINED CONTRIBUTION PLAN

The Township sponsors a defined contribution pension plan (the Defined Contribution Plan). The Defined Contribution Plan covers all full-time employees of the Township, except for police officers. The assets of the Defined Contribution Plan, totaled \$427,585 as of December 31, 2024, are invested separately, and the Defined Contribution Plan's assets may be used only for the payment of benefits to the members of the Defined Contribution Plan. Investments are managed by the Defined Contribution Plan's administrator under several different investment options, or combinations thereof.

Eligibility

Full-time nonuniformed employees are eligible to join the Defined Contribution Plan after six months of employment.

Contributions

The Township contributes 4.00% of compensation after five months, 6.00% after three years, 8.00% after six years and 10% after 10 years. Employees are not required to contribute to the Nonuniform Pension Plan. The Township's contributions totaled \$81,950 for 2024.

Death Benefits

If a member dies while an active member of the Defined Contribution Plan, his account will be 100% vested and payable to the member's spouse or designated beneficiary or beneficiaries.

Vesting

If a member in the Defined Contribution Plan terminates other than by retirement, disability or death, the percentage of his employer contribution account to which he will be entitled depends upon the number of years of credited service. Employees are fully vested after five years of continuous service.

Forfeiture

When a member terminates before becoming 100% vested, the portion of his account to which he is not entitled is used to reduce future Township contributions to the Defined Contribution Plan. There was a balance of \$27,122 in forfeitures as of December 31, 2024.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 13 DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The deferred compensation plan, available to those employees who meet the eligibility requirements set forth in the deferred compensation plan, permits employees to defer a portion of their salary until future years. Assets of the deferred compensation plan totaled \$9,956,625 as of December 31, 2024 are not available to employees until termination, retirement, death, disability or unforeseeable emergency. All amounts of compensation deferred under the deferred compensation plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants. The Township has no liability for losses under the plan. Investments are managed by the plan's administrator under several different investment options or combinations thereof. The choice of the investment option(s) is made by the participants. The Township has no management control over the assets of the deferred compensation plan. Accordingly, the assets of the deferred compensation plan are not included in these financial statements.

NOTE 14 CONTINGENCIES AND COMMITMENTS

Government Grants and Awards

The Township receives federal, state and local funding under a number of programs. Payments made by these sources under contractual agreements are provisional and subject to redetermination based on filing of reports and audits of those reports. Final settlements due from or to these sources are recorded in the year in which the related services are performed. Any adjustments resulting from subsequent examinations are recognized in the year in which the results of such examinations become known. Township officials do not expect any significant adjustments as a result of these examinations.

Litigation

The Township is a defendant in various matters of litigation and claims. These matters result from the normal course of business. It is not presently possible to determine the ultimate outcome or settlement cost, if any, of these matters.

NOTE 15 RISK MANAGEMENT

Health Insurance

The Township participates in a healthcare trust with other governmental entities from Pennsylvania and Delaware. The healthcare trust is a public entity risk pool is designed to provide healthcare coverage for eligible employees, spouses and dependents. The Trust was established for the sole and exclusive benefit of the employees of the member governmental entities. While the healthcare trust is self-funded, each member governmental entity receives a fully-insured equivalent rate which is guaranteed for 12 months and represents a total risk transfer to the healthcare trust. The Township is not responsible for any additional assessments upon termination. The healthcare trust assumes the risk for all claims including large claims and purchases commercial reinsurance for claims over \$1 million.

**LOWER GWYNEDD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 15 RISK MANAGEMENT (CONTINUED)

Property and Liability

The Township, with other governmental entities from Pennsylvania and Delaware, participate in a property and liability trust, which is a public entity risk pool currently operating as a common risk management and insurance program. The Township and the other participating members pay an annual premium to the property and liability trust for the purpose of seeking prevention or lessening of casualty losses to participating members from injuries to persons or property which might result in claims being made against participating members and to the property and liability trust's insurance risks, reserves, claims and losses and providing self-insurance and reinsurance thereof. It is the intent of the participating members of the property and liability trust, that the property and liability trust will utilize funds contributed by the participating members to provide self-insurance and reimbursement to the members for certain losses, to defend and protect each participating member of the property and liability trust against certain liabilities and losses, and to purchase excess and aggregate stop-loss insurance. As of December 31, 2024, the Township is not aware of any additional assessments relating to the property and liability trust.

Workers' Compensation

The Township and other Pennsylvania municipalities participate in a workers' compensation trust, which is a cooperative voluntary arrangement. The Township and the other participating members pay an annual premium to the workers' compensation trust for the purpose of seeking prevention or lessening of claims due to injuries of employees of the participating members and pooling workers' compensation and occupational disease insurance risks, reserves, claims and losses and providing self-insurance and reinsurance thereof. It is the intent of the participating members of the workers' compensation trust that the workers' compensation trust will utilize funds contributed by the participating members, which shall be held in trust, to provide self-insurance and reimbursement to the members for their obligations to pay compensation as required under the Workers' Compensation Act and the Pennsylvania Occupational Disease Act and to purchase excess and aggregate insurance. As of December 31, 2024, the Township is not aware of any additional assessments relating to the workers' compensation trust.

Other Risks

The Township is exposed to other risks of loss, including errors and omissions. The Township has purchased a commercial insurance policy to safeguard its assets from risk of loss due to errors and omissions. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 16 SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 28, 2025, the date the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2024 that required recognition or disclosure in the financial statements.

LOWER GWYNEDD TOWNSHIP
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes:			
Real Estate Taxes	\$ 1,075,000	\$ 1,089,309	\$ 14,309
Real Estate Transfer Taxes	730,000	485,599	(244,401)
Earned Income Taxes	5,615,000	5,691,265	76,265
Mercantile Taxes	260,000	255,316	(4,684)
Local Services Taxes	430,000	424,708	(5,292)
Business Privilege Tax	400,000	492,487	92,487
Total Taxes	8,510,000	8,438,684	(71,316)
Licenses and Permits	303,700	256,158	(47,542)
Fines and Forfeits	11,500	13,210	1,710
Interest, Rents and Royalties	611,529	676,452	64,923
Intergovernmental Revenues	507,617	544,725	37,108
Charges for Services	732,053	716,294	(15,759)
Contributions	30,000	27,547	(2,453)
Miscellaneous	5,000	10,005	5,005
Total Revenues	10,711,399	10,683,075	(28,324)
EXPENDITURES			
Current:			
General Government:			
Executive	744,203	765,945	(21,742)
Auditing Services/Financial Administration	415,092	323,139	91,953
Tax Collection	112,310	106,917	5,393
Solicitor/Legal Services	160,000	172,575	(12,575)
Other General Government Administration	89,735	223,280	(133,545)
General Government Buildings and Plants	289,044	297,743	(8,699)
Total General Government	1,810,384	1,889,599	(79,215)
Public Safety:			
Police	5,156,612	4,829,613	326,999
Fire Relief	137,473	137,086	387
Ambulance/Rescue	30,000	30,000	-
Planning and Zoning	826,378	837,870	(11,492)
Total Public Safety	6,150,463	5,834,569	315,894

See accompanying Notes to Required Supplementary Information.

LOWER GWYNEDD TOWNSHIP
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Works - Highways and Streets:			
General Services - Administration	\$ 815,102	\$ 811,402	\$ 3,700
Winter Maintenance - Snow Removal	44,000	9,909	34,091
Repairs of Tools and Machinery	83,200	84,655	(1,455)
Total Public Works - Highways and Streets	942,302	905,966	36,336
Debt Service:			
Principal	7,988	7,988	-
Interest	1,576	1,576	-
Total Debt Service	9,564	9,564	-
Total Expenditures	8,912,713	8,639,698	273,015
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,798,686	2,043,377	244,691
OTHER FINANCING SOURCES (USES)			
Refund of Prior Year Receipts	-	(18,894)	(18,894)
Transfers In	10,394	15,065	4,671
Transfers Out	(1,379,468)	(2,182,814)	(803,346)
Total Other Financing Sources (Uses)	(1,369,074)	(2,186,643)	(817,569)
NET CHANGE IN FUND BALANCE	<u>\$ 429,612</u>	(143,266)	<u>\$ (572,878)</u>
FUND BALANCE			
Beginning of Year		8,012,323	
End of Year		<u>\$ 7,869,057</u>	

See accompanying Notes to Required Supplementary Information.

LOWER GWYNEDD TOWNSHIP
BUDGETARY COMPARISON SCHEDULE –TRAFFIC IMPACT FUND
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and Rents	\$ 81,000	\$ 81,000	\$ 89,224	\$ 8,224
Intergovernmental Revenues	2,416,316	2,416,316	2,123,757	(292,559)
Charges for Services	50,000	50,000	-	(50,000)
Total Revenues	2,547,316	2,547,316	2,212,981	(334,335)
EXPENDITURES				
General Government	40,000	40,000	-	40,000
Public Works - Highways and Streets	3,315,000	3,315,000	2,269,945	1,045,055
Total Expenditures	3,355,000	3,355,000	2,269,945	1,085,055
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(807,684)	(807,684)	(56,964)	750,720
OTHER FINANCING SOURCES (USES)				
Transfers In	800,000	800,000	-	(800,000)
NET CHANGE IN FUND BALANCE	<u>\$ (7,684)</u>	<u>\$ (7,684)</u>	(56,964)	<u>\$ (49,280)</u>
FUND BALANCE				
Beginning of Year			<u>1,819,129</u>	
End of Year			<u>\$ 1,762,165</u>	

See accompanying Notes to Required Supplementary Information.

LOWER GWYNEDD TOWNSHIP
BUDGETARY COMPARISON SCHEDULE – HIGHWAY AID FUND
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Interest and Rents	\$ 36,000	\$ 36,000	\$ 25,523	\$ (10,477)
Intergovernmental Revenues	370,000	370,000	368,214	(1,786)
Total Revenues	406,000	406,000	393,737	(12,263)
EXPENDITURES				
Public Works - Highways and Streets	445,000	445,000	328,862	116,138
Total Expenditures	445,000	445,000	328,862	116,138
NET CHANGE IN FUND BALANCE	<u>\$ (39,000)</u>	<u>\$ (39,000)</u>	64,875	<u>\$ 103,875</u>
FUND BALANCE				
Beginning of Year			<u>400,572</u>	
End of Year			<u>\$ 465,447</u>	

See accompanying Notes to Required Supplementary Information.

LOWER GWYNEDD TOWNSHIP
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	2024		2023		2022		2021		2020		2019		2018		2017		2016		2015	
	Police Pension Fund	Nonuniform Pension Fund	Police Pension Fund	Nonuniform Pension Fund	Police Pension Fund	Nonuniform Pension Fund	Police Pension Fund	Nonuniform Pension Fund	Police Pension Fund	Nonuniform Pension Fund	Police Pension Fund	Nonuniform Pension Fund	Police Pension Fund	Nonuniform Pension Fund	Police Pension Fund	Nonuniform Pension Fund	Police Pension Fund	Nonuniform Pension Fund	Police Pension Fund	Nonuniform Pension Fund
Total Pension Liability																				
Service Cost	\$ 703,562	\$ 79,723	\$ 666,884	\$ 75,926	\$ 486,546	\$ 110,634	\$ 461,181	\$ 105,365	\$ 499,396	\$ 115,034	\$ 425,522	\$ 98,099	\$ 414,155	\$ 101,256	\$ 392,583	\$ 96,435	\$ 350,814	\$ 145,646	\$ 331,689	\$ 145,184
Interest on Total Pension Liability	1,368,877	421,069	1,286,331	412,991	1,266,098	422,724	1,193,013	406,828	1,054,415	374,928	1,059,256	383,255	1,034,221	355,733	989,430	338,964	924,958	324,467	874,124	296,908
Changes of Assumptions	-	-	1,211,794	336,167	-	-	18,861	10,047	923,072	293,367	109,015	175,118	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	-	(652,975)	(214,303)	-	-	63,749	(115,151)	24,845	14,750	(720,111)	(31,323)	-	-	(171,384)	(89,588)	-	-	(14,569)	66,752
Benefit Payments, Excluding Drop Payments	(748,031)	(374,086)	(618,524)	(355,206)	(599,213)	(325,640)	(621,054)	(244,580)	(587,666)	(229,932)	(502,568)	(240,690)	(497,964)	(224,829)	(509,059)	(202,217)	(510,965)	(171,621)	(514,424)	(110,499)
Net Change in Total Pension Liability	1,324,408	126,706	1,893,510	255,575	1,153,431	207,718	1,115,750	162,509	1,914,062	568,147	371,114	384,459	950,412	232,160	681,550	143,594	764,807	298,492	676,820	398,345
Total Pension Liability - Beginning	21,433,655	6,665,024	19,540,145	6,409,449	18,386,714	6,201,731	17,270,964	6,039,222	15,356,902	5,471,075	14,985,788	5,086,616	14,035,376	4,854,456	13,353,826	4,710,862	12,589,019	4,412,370	11,912,199	4,014,025
Total Pension Liability - Ending	\$ 22,758,063	\$ 6,791,730	\$ 21,433,655	\$ 6,665,024	\$ 19,540,145	\$ 6,409,449	\$ 18,386,714	\$ 6,201,731	\$ 17,270,964	\$ 6,039,222	\$ 15,356,902	\$ 5,471,075	\$ 14,985,788	\$ 5,086,616	\$ 14,035,376	\$ 4,854,456	\$ 13,353,826	\$ 4,710,862	\$ 12,589,019	\$ 4,412,370
Plan Fiduciary Net Position																				
Employer Contributions	\$ 448,845	\$ 6,028	\$ 315,262	\$ 26,173	\$ 288,801	\$ 33,755	\$ 420,930	\$ 177,229	\$ 511,213	\$ 202,993	\$ 1,106,711	\$ 237,625	\$ 769,672	\$ 178,934	\$ 806,378	\$ 177,765	\$ 764,786	\$ 207,493	\$ 761,497	\$ 260,654
Employee Contributions	151,577	-	160,239	-	110,273	-	113,734	-	113,893	-	121,645	-	108,160	-	104,613	-	99,622	-	92,219	-
Net Investment Income (Loss)	2,058,244	694,568	2,434,015	847,750	(3,407,249)	(1,251,104)	2,507,227	930,606	2,415,476	911,706	2,656,624	1,021,166	(666,023)	(257,996)	1,912,527	797,736	716,596	308,276	4,056	3,298
Benefit Payments, Excluding Drop Benefits	(748,031)	(374,086)	(618,524)	(355,206)	(599,213)	(325,640)	(621,054)	(244,580)	(587,666)	(229,932)	(502,568)	(240,690)	(497,964)	(224,829)	(509,059)	(202,217)	(510,965)	(171,621)	(514,424)	(110,499)
Net Change in Plan Fiduciary Net Position	1,910,635	326,510	2,280,992	518,717	(3,607,388)	(1,542,989)	2,420,837	863,255	2,452,916	884,767	3,382,412	1,018,101	(306,155)	(303,891)	2,314,459	773,284	1,070,039	344,148	343,348	153,453
Fiduciary Net Position - Beginning	19,197,073	6,580,458	16,906,081	6,061,741	20,513,469	7,604,730	18,092,632	6,741,475	15,639,716	5,856,708	12,257,304	4,838,607	12,563,459	5,142,498	10,249,000	4,369,214	9,178,961	4,025,066	8,835,613	3,871,613
Fiduciary Net Position - Ending	\$ 21,107,708	\$ 6,906,968	\$ 19,197,073	\$ 6,580,458	\$ 16,906,081	\$ 6,061,741	\$ 20,513,469	\$ 7,604,730	\$ 18,092,632	\$ 6,741,475	\$ 15,639,716	\$ 5,856,708	\$ 12,257,304	\$ 4,838,607	\$ 12,563,459	\$ 5,142,498	\$ 10,249,000	\$ 4,369,214	\$ 9,178,961	\$ 4,025,066
Net Pension Liability (Asset) - Ending	\$ 1,650,355	\$ (115,238)	\$ 2,236,582	\$ 84,566	\$ 2,634,064	\$ 347,708	\$ (2,126,755)	\$ (1,402,999)	\$ (821,668)	\$ (702,253)	\$ (282,814)	\$ (385,633)	\$ 2,728,484	\$ 248,009	\$ 1,471,917	\$ (288,042)	\$ 3,104,826	\$ 341,648	\$ 3,410,058	\$ 387,304
Fiduciary Net Position as a Percent of Total Pension Liability	92.75%	101.70%	89.57%	98.73%	86.52%	94.58%	111.57%	122.62%	104.76%	111.63%	101.84%	107.05%	81.79%	95.12%	89.51%	105.93%	76.75%	92.75%	72.91%	91.22%
Internal Money-Weighted Rate of Return	10.95%	10.99%	14.57%	14.44%	-16.93%	-17.08%	13.94%	13.91%	15.55%	15.68%	21.09%	21.10%	-5.40%	-5.05%	18.31%	18.27%	7.55%	7.54%	0.04%	0.08%
Covered Payroll	\$ 2,707,387	\$ 539,533	\$ 2,823,919	\$ 592,011	\$ 2,533,917	\$ 808,886	\$ 2,279,371	\$ 911,540	\$ 2,184,338	\$ 928,617	\$ 2,449,851	\$ 977,952	\$ 2,170,474	\$ 978,917	\$ 2,089,024	\$ 958,383	\$ 2,008,538	\$ 1,004,002	\$ 1,844,364	\$ 1,395,263
Net Pension Liability (Asset) as a Percent of Covered Payroll	60.96%	-21.36%	79.20%	14.28%	103.95%	42.99%	-93.30%	-153.92%	-37.62%	-75.62%	-11.54%	-39.43%	125.71%	25.34%	70.46%	-30.05%	154.58%	34.03%	184.89%	27.76%

See accompanying Notes to Required Supplementary Information.

LOWER GWYNEDD TOWNSHIP
SCHEDULE OF TOWNSHIP PENSION CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

Police Pension Fund

<u>Fiscal Year Ended December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
2015	\$ 711,497	\$ 761,497	\$ (50,000)	\$ 1,844,364	41.29%
2016	764,786	764,786	-	2,008,538	38.08%
2017	787,378	806,378	(19,000)	2,089,024	38.60%
2018	741,647	769,672	(28,025)	2,170,474	35.46%
2019	561,743	1,106,711	(544,968)	2,449,851	45.17%
2020	477,270	511,213	(33,943)	2,184,338	23.40%
2021	420,930	420,930	-	2,279,371	18.47%
2022	243,202	288,801	(45,599)	2,533,917	11.40%
2023	289,369	315,262	(25,893)	2,823,919	11.16%
2024	448,845	151,577	297,268	2,707,387	5.60%

Nonuniform Pension Fund

<u>Fiscal Year Ended December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
2015	\$ 210,654	\$ 260,654	\$ (50,000)	\$ 1,395,263	18.68%
2016	207,493	207,493	-	1,004,002	20.67%
2017	173,265	177,765	(4,500)	958,383	18.55%
2018	163,365	178,934	(15,569)	978,917	18.28%
2019	170,137	237,625	(67,488)	977,952	24.30%
2020	186,052	202,993	(16,941)	928,617	21.86%
2021	177,229	177,229	-	911,540	19.44%
2022	16,655	33,755	(17,100)	808,886	4.17%
2023	3,792	26,173	(22,381)	592,011	4.42%
2024	-	6,028	(6,028)	539,533	1.12%

See accompanying Notes to Required Supplementary Information.

LOWER GWYNEDD TOWNSHIP
SCHEDULE OF CHANGES IN OPEB LIABILITY
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 33,348	\$ 32,384	\$ 25,977	\$ 26,218	\$ 25,599	\$ 23,846	\$ 28,734
Interest on Total OPEB Liability	76,655	83,993	94,091	92,215	86,596	69,397	77,831
Changes in Actuarial Assumptions	10,246	(144,241)	-	(80,826)	(1,963)	(93,945)	-
Differences Between Expected and Actual Experience	-	(239,881)	-	106,969	-	(41,794)	-
Benefit Payments	(10,406)	(10,439)	(10,439)	(10,960)	(7,137)	(10,490)	(11,427)
Net Change in Total OPEB Liability	109,843	(278,184)	109,629	133,616	103,095	(52,986)	95,138
Total OPEB Liability - Beginning	1,167,827	1,446,011	1,336,382	1,202,766	1,099,671	1,152,657	1,057,519
Total OPEB Liability - Ending	<u>\$ 1,277,670</u>	<u>\$ 1,167,827</u>	<u>\$ 1,446,011</u>	<u>\$ 1,336,382</u>	<u>\$ 1,202,766</u>	<u>\$ 1,099,671</u>	<u>\$ 1,152,657</u>
Plan Fiduciary Net Position							
Net Investment Income	\$ 120,354	\$ 145,376	\$ (184,865)	\$ 141,429	\$ 135,452	\$ 121,732	\$ (32,950)
Employer Contributions	45,955	30,973	25,000	25,000	25,000	225,000	25,000
Administrative Expenses	-	(21,399)	-	-	-	-	-
Benefit Payments	(10,406)	(10,439)	(10,439)	(10,960)	(7,137)	(10,490)	(11,427)
Net Change in Plan Fiduciary Net Position	155,903	144,511	(170,304)	155,469	153,315	336,242	(19,377)
Fiduciary Net Position - Beginning	1,097,995	953,484	1,123,788	968,319	815,004	478,762	498,139
Fiduciary Net Position - Ending	1,253,898	1,097,995	953,484	1,123,788	968,319	815,004	478,762
Net OPEB Liability - Ending	<u>\$ 23,772</u>	<u>\$ 69,832</u>	<u>\$ 492,527</u>	<u>\$ 212,594</u>	<u>\$ 234,447</u>	<u>\$ 284,667</u>	<u>\$ 673,895</u>
Fiduciary Net Position as a Percent of Total Pension Liability	98.14%	94.02%	65.94%	84.09%	80.51%	74.11%	41.54%
Covered Payroll	<u>\$ 3,017,936</u>	<u>\$ 3,020,501</u>	<u>\$ 2,442,710</u>	<u>\$ 2,279,371</u>	<u>\$ 2,470,594</u>	<u>\$ 2,449,851</u>	<u>\$ 2,170,474</u>
Net OPEB Liability as a Percent of Covered Payroll	0.79%	2.31%	20.16%	9.33%	9.49%	11.62%	31.05%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a 10-year trend is available.

See accompanying Notes to Required Supplementary Information.

LOWER GWYNEDD TOWNSHIP
SCHEDULE OF THE TOWNSHIP'S OPEB CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

<u>Fiscal Year Ended December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
2015	\$ 144,116	\$ 48,648	\$ 95,468	\$ 1,844,364	2.64%
2016	132,916	25,000	107,916	2,008,538	1.24%
2017	66,113	199,500	(133,387)	2,089,024	9.55%
2018	111,778	25,000	86,778	2,170,474	1.15%
2019	121,268	225,000	(103,732)	2,449,851	9.18%
2020	127,937	25,000	102,937	2,184,338	1.14%
2021	99,381	25,000	74,381	2,279,371	1.10%
2022	104,847	25,000	79,847	2,442,710	1.02%
2023	80,043	30,973	49,070	3,020,501	1.03%
2024	82,105	35,549	46,556	3,017,936	1.18%

See accompanying Notes to Required Supplementary Information.

LOWER GWYNEDD TOWNSHIP
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Police Pension Fund	Nonuniform Pension Fund	Police Post-Employment Benefits Plan
Valuation Date	1/1/2023	1/1/2023	1/1/2023
Measurement Date	12/31/2024	12/31/2024	12/31/2024
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar Open	Level Dollar Open	Level Percentage of Payroll
Remaining Amortization Period	9 Years	N/A	Closed
Asset Valuation Method	Adjusted Market Value	Adjusted Market Value	Market Value
Actuarial Assumptions:			
Discount Rate*			6.50%
Investment Rate of Return, Per Annum	6.50%	6.50%	6.50%
Projected Salary Increases, Per Annum	5.00%	5.00%	5.50%
Includes Inflation At, Per Annum	3.00%	3.00%	2.50%
Mortality	Pub-2010 safety amount-weighted mortality table, projected from 2010 mortality improvement scale MP-2021	Pub-2010 general amount-weighted mortality table, projected from 2010 mortality improvement scale MP-2021	SOA Pub-2010 public safety headcount-weighted mortality margin for mortality improvements: scale MP-2021
Healthcare Trend	N/A	N/A	Society of Actuaries Getzen Long Term Healthcare Cost Model

* The discount rate for the Police Post-Employment Benefits Plan changed to 6.50% per annum for the December 31, 2024 measurement date from 7.00% per annum for the December 31, 2023 measurement date.

LOWER GWYNEDD TOWNSHIP
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

The Township has elected to use the modified approach to account for maintenance of its street system. The Township annually inspects its streets and roads, and the Township Road Master uses an internal system based on the PASER Pavement Evaluation Program. The Road Master evaluates individual streets and roads based on a numbering system of one through ten, where a rating of ten represents a new or revitalized condition, and a rating of one represents a worn/exhausted condition. These condition ratings also reflect the life expectancy before milling and overlay work is needed. The assessment of condition is made by visual test designed to reveal any condition that would reduce highway-user benefits below the required level of service. The Township's policy is to maintain the street condition at a level of five or better. The following reports the average condition as of December 31, 2024 and for the preceding two periods:

Year	Average Condition
2022	7.174
2023	7.588
2024	7.801

The Budgeted expenditures and amounts actually expended for maintenance and preservation for the past five years are as follows:

Year	Budget	Actual
2020	\$ 624,594	\$ 607,990
2021	350,880	390,067
2022	457,591	444,407
2023	487,000	513,422
2024	715,000	669,904

LOWER GWYNEDD TOWNSHIP
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Street Lighting Fund	Fire Protection Fund	Fire Hydrant Fund	Recreation Fund	Total
ASSETS					
Cash and Cash Equivalents	\$ 38,875	\$ 173,302	\$ 44,997	\$ 62,321	\$ 319,495
Taxes Receivable	198	1,777	365	3,469	5,809
Due from Other Funds	51	297	61	-	409
	<u>51</u>	<u>297</u>	<u>61</u>	<u>-</u>	<u>409</u>
Total Assets	<u>\$ 39,124</u>	<u>\$ 175,376</u>	<u>\$ 45,423</u>	<u>\$ 65,790</u>	<u>\$ 325,713</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 737	\$ -	\$ -	\$ 12,763	\$ 13,500
Due to Other Funds	-	-	-	124,048	124,048
Total Liabilities	<u>737</u>	<u>-</u>	<u>-</u>	<u>136,811</u>	<u>137,548</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Property Taxes	-	1,248	257	2,436	3,941
FUND BALANCES					
Restricted for:					
Street Lighting	38,387	-	-	-	38,387
Fire Protection	-	174,128	-	-	174,128
Fire Hydrant	-	-	45,166	-	45,166
Recreation	-	-	-	(73,457)	(73,457)
Total Fund Balances	<u>38,387</u>	<u>174,128</u>	<u>45,166</u>	<u>(73,457)</u>	<u>184,224</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 39,124</u>	<u>\$ 175,376</u>	<u>\$ 45,423</u>	<u>\$ 65,790</u>	<u>\$ 325,713</u>

LOWER GWYNEDD TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Street Lighting Fund	Fire Protection Fund	Fire Hydrant Fund	Recreation Fund	Total
REVENUES					
Taxes	\$ 16,717	\$ 205,203	\$ 37,878	\$ 405,040	\$ 664,838
Interest and Rents	1,739	5,764	3,221	1,250	11,974
Charges for Services	-	-	-	43,895	43,895
Total Revenues	<u>18,456</u>	<u>210,967</u>	<u>41,099</u>	<u>450,185</u>	<u>720,707</u>
EXPENDITURES					
Current:					
Public Safety - Fire	-	263,632	55,459	-	319,091
Public Works - Highways and Streets	9,295	-	-	-	9,295
Culture and Recreation	-	-	-	499,741	499,741
Total Expenditures	<u>9,295</u>	<u>263,632</u>	<u>55,459</u>	<u>499,741</u>	<u>828,127</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,161	(52,665)	(14,360)	(49,556)	(107,420)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	165,000	-	-	165,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>165,000</u>	<u>-</u>	<u>-</u>	<u>165,000</u>
NET CHANGES IN FUND BALANCES	9,161	112,335	(14,360)	(49,556)	57,580
FUND BALANCES					
Beginning of Year	<u>29,226</u>	<u>61,793</u>	<u>59,526</u>	<u>(23,901)</u>	<u>126,644</u>
End of Year	<u>\$ 38,387</u>	<u>\$ 174,128</u>	<u>\$ 45,166</u>	<u>\$ (73,457)</u>	<u>\$ 184,224</u>

LOWER GWYNEDD TOWNSHIP
COMBINING STATEMENT OF NET POSITION – FIDUCIARY TRUST FUNDS
DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Nonuniformed Fund	Police Pension Fund	Other Postemployment Fund	Defined Contribution Fund	Total
ASSETS					
Cash and Cash Equivalents	\$ 90,645	\$ 542,215	\$ 14,168	\$ -	\$ 647,028
Investments	6,815,993	20,563,812	1,239,676	427,585	29,047,066
Accrued Income	331	1,681	54	-	2,066
	<u>6,906,969</u>	<u>21,107,708</u>	<u>1,253,898</u>	<u>427,585</u>	<u>29,696,160</u>
Total Assets	6,906,969	21,107,708	1,253,898	427,585	29,696,160
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION					
LIABILITIES	-	-	-	-	-
NET POSITION					
Restricted for Pension Benefits	6,906,969	21,107,708	-	427,585	28,442,262
Restricted for OPEB	-	-	1,253,898	-	1,253,898
	<u>6,906,969</u>	<u>21,107,708</u>	<u>1,253,898</u>	<u>427,585</u>	<u>29,696,160</u>
Total Net Position	<u>\$ 6,906,969</u>	<u>\$ 21,107,708</u>	<u>\$ 1,253,898</u>	<u>\$ 427,585</u>	<u>\$ 29,696,160</u>

See accompanying Notes to Required Supplementary Information.

LOWER GWYNEDD TOWNSHIP
COMBINING STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY TRUST FUNDS
YEAR ENDED DECEMBER 31, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	Nonuniformed Fund	Police Pension Fund	Other Postemployment Fund	Defined Contribution Fund	Total
ADDITIONS					
Contributions:					
Employer Contributions	\$ 6,028	\$ 448,845	\$ 35,549	\$ 81,950	\$ 572,372
Employee Contributions	-	151,577	-	-	151,577
Total Contributions	6,028	600,422	35,549	81,950	723,949
Investment Income:					
Net Realized and Unrealized Gain on Investments	164,558	1,561,515	90,966	42,459	1,859,498
Interest and Dividends, Net of Expenses	530,011	496,729	29,388	-	1,056,128
Total Investment Income	694,569	2,058,244	120,354	42,459	2,915,626
Total Additions	700,597	2,658,666	155,903	124,409	3,639,575
DEDUCTIONS					
Benefits Paid	374,086	748,031	-	-	1,122,117
Total Deductions	374,086	748,031	-	-	1,122,117
CHANGE IN NET POSITION	326,511	1,910,635	155,903	124,409	2,517,458
NET POSITION					
Beginning of Year	6,580,458	19,197,073	1,097,995	303,176	27,178,702
End of Year	<u>\$ 6,906,969</u>	<u>\$ 21,107,708</u>	<u>\$ 1,253,898</u>	<u>\$ 427,585</u>	<u>\$ 29,696,160</u>



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

Board of Supervisors
Lower Gwynedd Township
Spring House, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lower Gwynedd Township, Spring House, Pennsylvania (the Township), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 28, 2025.

Report on Internal Control over Financial Reporting

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

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

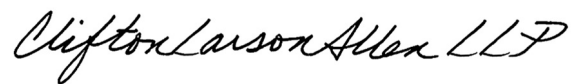
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

King of Prussia, PA
August 28, 2025

