

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PENNSYLVANIA  
Financial Report  
December 31, 2021**

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
December 31, 2021**

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**BUCKS COUNTY, PA**  
**December 31, 2021**

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## **Independent Auditor's Report**

To the Board of Supervisors  
Township of New Britain  
New Britain Township, Pennsylvania

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Township of New Britain, Bucks County, Pennsylvania (the Township), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Township of New Britain, Bucks County, Pennsylvania, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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

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

In performing an audit in accordance with GAAS, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required information on pages 4-14 and 55-68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The schedule of combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of combining and individual nonmajor fund financial statements and fiduciary net position-pension trust funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of combining and individual nonmajor fund financial statements and fiduciary net position-pension trust funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*DunlapSLK, PC*

Chalfont, Pennsylvania  
October 5, 2022

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended December 31, 2021**

Our discussion and analysis of New Britain Township's (the Township) financial performance provides an overview of the Township's financial activities for the year ended December 31, 2021. Please read it in conjunction with the Township's financial statements, which begin on page 15.

**FINANCIAL HIGHLIGHTS**

- The Township's net position increased by \$4,037,219 in 2021 operations. This growth is attributable to an increase in current and other assets of \$3,467,810 and a continuing overall policy of sound financial decision making.
- Total program and general revenues increased by \$218,346, or 2.20% in 2021.
- The total cost of all Township programs for the year ended December 31, 2021, decreased \$217,237 or 3.44% over 2020 expenses.

**USING THIS REPORT**

This report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 15 and 16) provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements start on page 17. For governmental activities, these statements tell how Township services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's major funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside the government.

**Reporting on the Township as a Whole**

The Statement of Net Position and Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer the question of whether the Township is better or worse off because of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These statements report the Township's net position and changes in them. The Township's net position (the difference between assets and liabilities) provides a measurement of the Township's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether the Township's financial health is improving or deteriorating.

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended December 31, 2021**

**USING THIS REPORT (continued)**

**Reporting Significant Funds**

The fund financial statements provide detailed information about the most significant funds, not the Township as a whole. Some funds are required to be established by State law. However, the Board of Supervisors established many other funds to specifically allocate public funds, or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

The Township's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the Township's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance Township programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are described in a reconciliation at the end of the fund financial statements.

**The Township as a Trustee**

The Township is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for escrow deposits received from developers, businesses and individuals for legal and engineering fees, public improvements as required by development agreements for land development, and operation and maintenance agreements for on-lot sewage systems and stormwater management facilities. All the Township's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 21-22. These activities are excluded from the Township's other 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 AS A WHOLE**

The Statement of Net Position provides an overview of the Township's assets, liabilities, and net position. Over time, this statement will provide a good indicator of the Township's fiscal health. Two years of data are presented in the following tables. During 2021, we continued to update the valuation calculations for capital assets such as land, buildings, vehicles, equipment, furniture, traffic signals and storm sewers.



**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended December 31, 2021**

**THE TOWNSHIP AS A WHOLE (continued)**

**Table 1**  
**Net Position**  
**(Governmental and Business-Type Activities Combined)**

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Capital Assets	\$ 17,745,365	\$ 16,780,727	\$964,638	5.75
Current and Other Assets	15,119,917	11,652,107	3,467,810	29.76
Total Assets	<u>32,865,282</u>	<u>28,432,834</u>	<u>4,432,448</u>	15.59
Deferred Pension Outflows	<u>534,380</u>	<u>758,135</u>	<u>(223,755)</u>	(29.51)
Long-Term Liabilities	3,890,865	4,637,458	(746,593)	(16.10)
Other Liabilities	<u>525,854</u>	<u>265,350</u>	<u>260,504</u>	98.17
Total Liabilities	<u>4,416,719</u>	<u>4,902,808</u>	<u>(486,089)</u>	(9.91)
Deferred Pension Inflows	<u>3,257,697</u>	<u>2,600,134</u>	<u>657,563</u>	25.29
Net Position				
Invested in Capital Assets, Net of Related Debt	13,839,945	12,528,338	1,311,607	10.47
Restricted	6,286,081	5,054,002	1,232,079	24.38
Unrestricted	<u>5,599,220</u>	<u>4,105,687</u>	<u>1,493,533</u>	36.38
Total Net Position	<u>\$ 25,725,246</u>	<u>\$ 21,688,027</u>	<u>\$ 4,037,219</u>	18.61

The total net position of the Township shown above is \$25,725,246. Net position increased by 18.61% in 2021.

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended December 31, 2021**

**THE TOWNSHIP AS A WHOLE (continued)**

**Table 2**  
**Changes in Net Position**  
**(Governmental and Business-Type Activities Combined)**

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Program Revenues</b>				
General Government	\$ 273,353	\$ 291,534	\$ (18,181)	(6.24)
Police	181,778	173,656	8,122	4.68
Fire	85,002	94,658	(9,656)	(10.20)
Code Enforcement	189,808	143,701	46,107	32.09
Planning and Zoning	83,017	66,312	16,705	25.19
Highway Maintenance	1,547,654	864,277	683,377	79.07
Street Lighting	35,100	35,430	(330)	(0.93)
Parks and Recreation	379,085	2,022,199	(1,643,114)	(81.25)
<b>General Revenues</b>				
Real Estate Taxes	2,312,372	2,322,058	(9,686)	(0.42)
Transfer Taxes	632,602	412,937	219,665	53.20
Earned Income Taxes	4,233,497	3,353,920	879,577	26.23
Grants and Contributions	37,660	4,171	33,489	802.90
Interest and Rents	49,240	65,276	(16,036)	(24.57)
Miscellaneous	89,234	60,927	28,307	46.46
<b>Total Revenues (forwarded)</b>	<u>\$ 10,129,402</u>	<u>\$ 9,911,056</u>	<u>\$ 218,346</u>	2.20

(Table 2 continues on the next page)

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended December 31, 2021**

**THE TOWNSHIP AS A WHOLE (continued)**

**Table 2**  
**Changes in Net Position**  
**(Governmental and Business-Type Activities Combined)**

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Total Revenues (forwarded)</b>	<u>\$ 10,129,402</u>	<u>\$ 9,911,056</u>	<u>\$ 218,346</u>	2.20
<b>Program Expenses</b>				
Legislative	16,385	15,709	676	4.30
Executive	421,589	479,585	(57,996)	(12.09)
Finance and Tax Collection	146,041	88,739	57,302	64.57
Professional Services	142,726	138,289	4,437	3.21
General Government	234,627	353,755	(119,128)	(33.68)
Police	2,427,754	2,404,242	23,512	0.98
Fire	594,019	703,647	(109,628)	(15.58)
Code Enforcement	155,006	157,660	(2,654)	(1.68)
Planning and Zoning	162,148	127,239	34,909	27.44
Emergency Management	5,047	15,067	(10,020)	(66.50)
Highway Maintenance	1,330,515	1,400,307	(69,792)	(4.98)
Snow and Ice Removal	90,610	17,623	72,987	414.16
Traffic Signals	31,179	36,701	(5,522)	(15.05)
Street Lighting	16,589	14,592	1,997	13.69
Parks and Recreation	291,526	330,600	(39,074)	(11.82)
Conservation and Development	<u>26,422</u>	<u>25,665</u>	<u>757</u>	2.95
<b>Total Expenses</b>	<u>6,092,183</u>	<u>6,309,420</u>	<u>(217,237)</u>	(3.44)
<b>Expenses before Other Sources</b>	4,037,219	3,601,636	435,583	12.09
<b>Gain (Loss) on Disposal of Capital Assets</b>	<u>-</u>	<u>6,850</u>	<u>(6,850)</u>	(100.00)
<b>Change in Net Position</b>	<u>\$ 4,037,219</u>	<u>\$ 3,608,486</u>	<u>\$ 428,733</u>	11.88

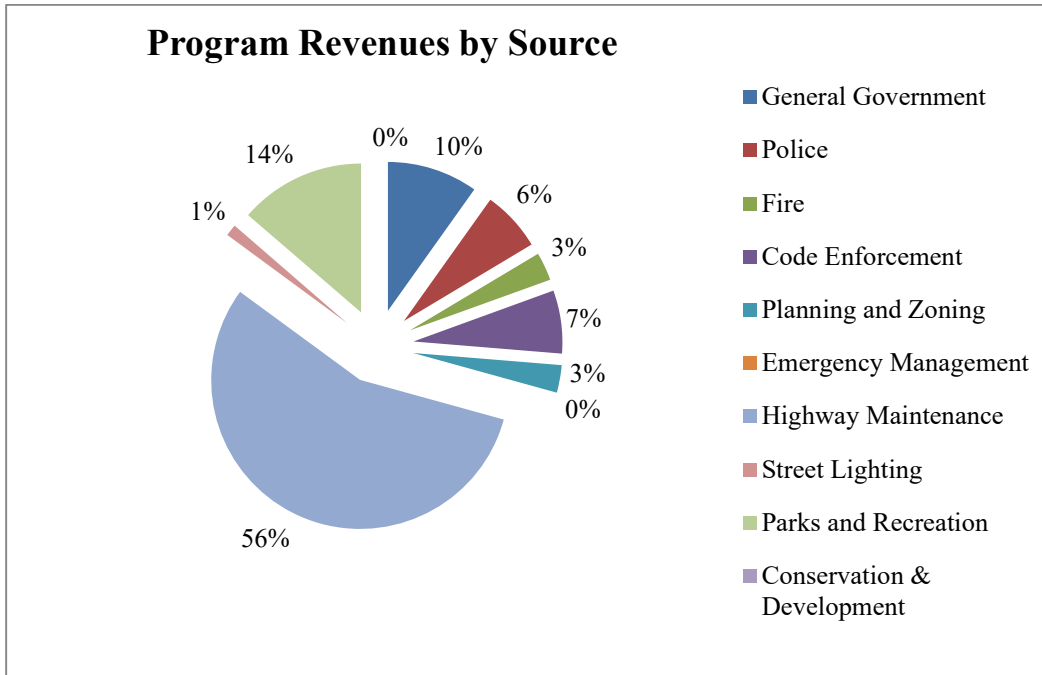
**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Management's Discussion and Analysis (Unaudited)  
Year Ended December 31, 2021**

**THE TOWNSHIP AS A WHOLE (continued)**

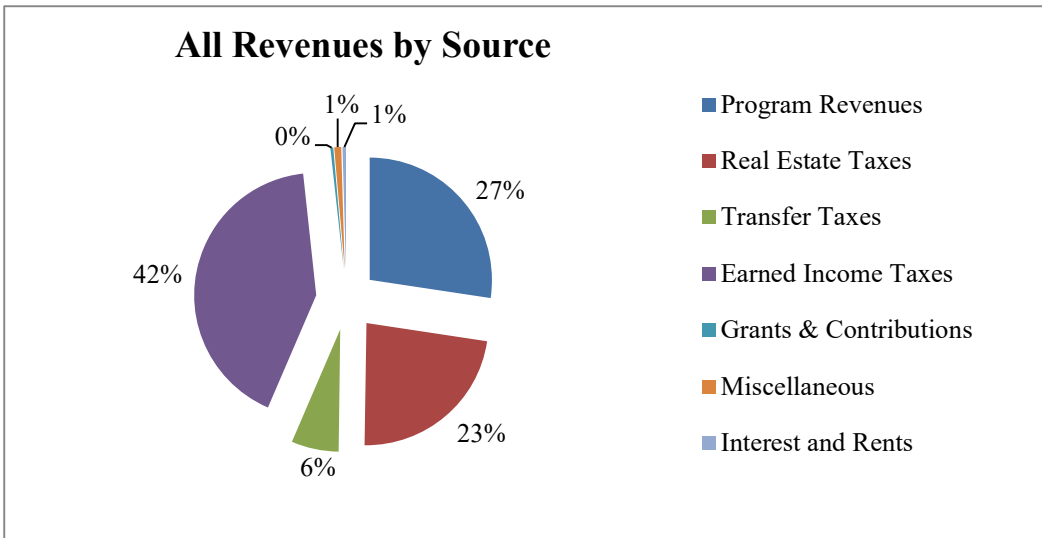
**Revenue Overview**

Total real estate taxes were assessed at 13.0625 mils in 2021, no increase from 2020. This tax generated \$2,312,372 in 2021. Combined revenues from two other major sources - the earned income tax and the real estate transfer tax - were \$4,866,099, an increase over 2020 of about \$1,099,242, or 29.18%.

**Figure 1**



**Figure 2**



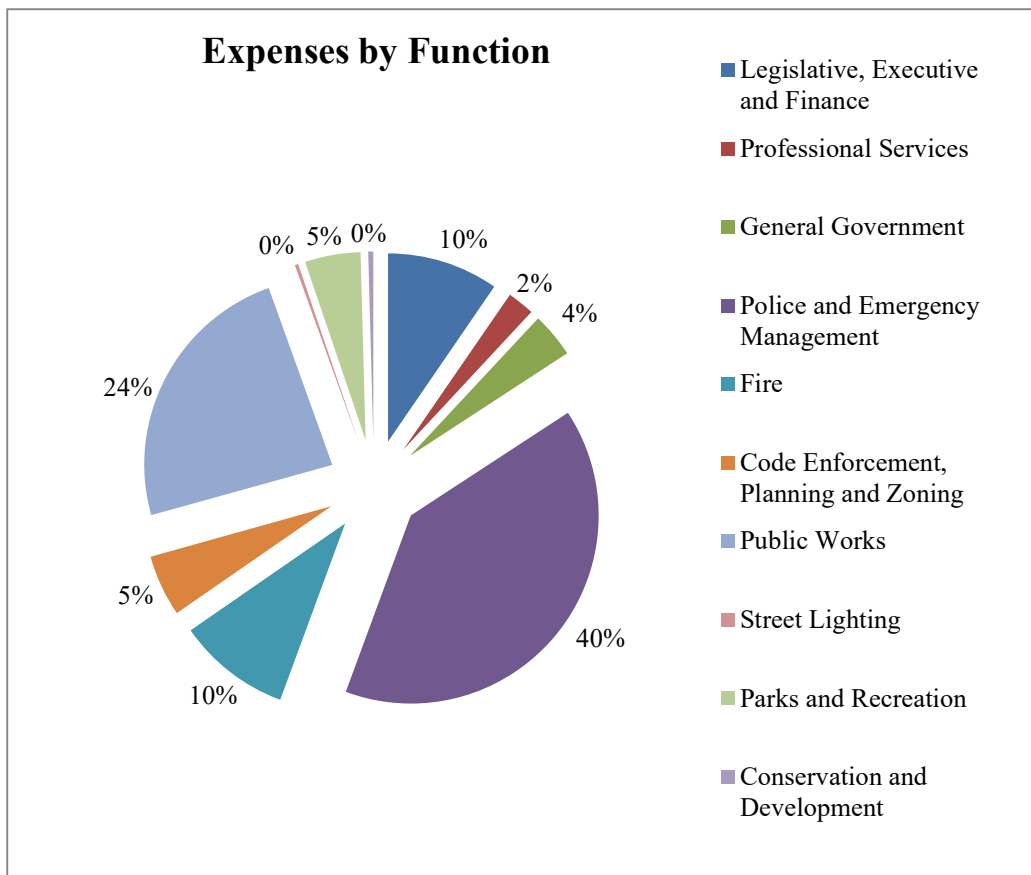
**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Management's Discussion and Analysis (Unaudited)  
Year Ended December 31, 2021**

**THE TOWNSHIP AS A WHOLE (continued)**

**Expense Overview**

Total expenses in all categories were \$6,092,183, down 3.44% from the prior year. Police and Public Works are the largest expense categories, accounting for spending of \$3,758,269. Expenses for police services increased 0.98% and expenses for Public Works decreased 4.98%.

**Figure 3**



**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended December 31, 2021**

**ITEMS OF GENERAL INTEREST**

**Water**

Residents and businesses of the Township are served by North Penn Water Authority (a Board member is appointed by the Supervisors), North Wales Water Authority, Aqua PA (formerly Philadelphia Suburban Water Company), Bucks County Water and Sewer Authority and on-lot water systems. The North Branch Neshaminy Creek Watershed and Lake Galena (both located in New Britain Township) provide the raw water that is treated at the Forest Park Water Treatment Plant that serves over 200,000 households and businesses in Bucks and Montgomery Counties. The Township has no financial or management control of the water companies other than that noted above. A joint water transmission line construction project completed in 2015 by the North Wales Water Authority, the North Penn Water Authority and the Forest Park Water Plant has created redundancy in two of the water systems serving New Britain Township, thereby ensuring water supply, and enhancing fire protection for the Township. A second joint project by these entities expanding toward Plumstead Township is planned for the near future that should bring public water out to Ferry Road.

**Wastewater**

Residents and businesses of the Township are principally served by the Chalfont-New Britain Township Joint Sewer Authority (CNBTJSA) and on-lot sewage disposal systems. A small area near SR313 and Ferry Road, and the Shrine of Czestochowa are served by Bucks County Water and Sewer Authority. The recent CNBTJSA plant expansion completed in early 2015 and approved by PA DEP, provides all the capacity required throughout their service area.

The Board of Supervisors appoints three members of the six-member Board of the CNBTJSA. The CNBTJSA operates as a separate business entity. The Township has no financial or management control of the sewer authorities other than that noted above.

**Fire and Ambulance**

Residents and businesses of the Township are served by the Chalfont Chemical Fire Company, Dublin Fire Company, Doylestown Fire Company, and Hilltown Township Fire Company in designated districts. There are mutual aid agreements and central dispatching throughout the area. Ambulance Services are provided by the Chal-Brit Regional Emergency Medical Service (CBREMS) and Central Bucks Ambulance. In 2021, the Township collected and distributed to these entities on a per-capita basis a 1.25 mill fire protection tax and a 0.5 mill ambulance services tax, as well as 25% each of collected Local Services Taxes. The Township had no other financial or management control of the fire companies. The Township appoints one member of the Board of Directors of Chal-Brit Regional EMS but had no other financial or management control of the ambulance squads.

The Township municipal building is located on Park Avenue and houses both administration and police operations. The building is approximately 20 years old and is generally in good condition. The municipal building roof was replaced in 2020. The exterior was cleaned and painted in 2006. The heating/air conditioning units were replaced in 2020. The interior was painted in 2009 and 2010. Interior and exterior lighting was upgraded to high-efficiency lighting in 2012 and completed in 2013, with capital costs recouped in reduced utility charges within two years.

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended December 31, 2021**

**ITEMS OF GENERAL INTEREST (Continued)**

**Public Facilities**

New security measures were installed in 2015, including limited access entry and video surveillance. An emergency generator with a capacity to run the entire building was installed in 2015, along with new carpeting in late 2015-early 2016. The small office kitchen was remodeled in 2017.

The Township owns two large, developed parks and eight neighborhood parks along with additional open space parcels scattered throughout the municipality. North Branch Park and West Branch Park were the benefactors of normal routine maintenance. In 2016, the Township purchased from Quad Graphics 17.697 acres of land adjacent to Cotton Park on Schoolhouse Road, bringing Park acreage to 41.120 acres. Design of a new facility will be evaluated in the near future. Portions of the Neshaminy Greenway Trail (NGT) have been constructed throughout the Central Bucks region in cooperation with New Britain and Doylestown Townships, and Chalfont and New Britain Boroughs. In 2019, the Township was awarded grants of \$2.6 million to construct a portion of the NGT from Lenape Trail in Chalfont Brough, crossing Bristol Road at Green Valley Way, down Bristol Road, then along the Neshaminy Creek toward Almshouse Road. Construction began in December 2019 and was completed in 2020. In 2019, the Township purchased in fee simple the Coleman property on Upper State Road. Over 40 acres, the Township purchased the property outright to construct a critical missing link in the NGT, allowing the trail to continue along the Neshaminy Creek and cross Upper State Road to align with the CNBTJSA portion of the trail, completing over six miles of multi-municipal mixed-use trail. The Township received grant funding for the final trail segment, with project design scheduled to start in 2022.

The Public Works Department, located at a remote site on Limekiln Pike, benefited from the construction in 2006 of a new building with offices, equipment storage areas, and truck maintenance and storage bays. Additional road salt storage was added in 2012. A portion of the truck bays was recoated in 2013 by Township forces. An emergency generator was added in 2013.

The Township utilized the Liquid Fuels Fund to repave several sections of road and completed a few smaller-scale supplemental paving projects utilizing in-house resources. Liquid Fuels funds allocated to the Township by the State on an annual basis continue to lessen, resulting in fewer road miles being able to be included in the paving program. The Township is evaluating this trend and is looking to develop a data-driven Township-wide paving plan in 2022 to better allocate limited resources.

The Township participated in the Regional Street Light Procurement Program (RSLPP), sponsored by the Commonwealth of Pennsylvania, and managed by the Treasury Department and the Delaware Valley Regional Planning Commission (DVRPC). Streetlights and some poles were purchased from PECO and installed with high-efficiency LED heads. This was done through a seven-year loan through Univest Bank in 2017. The program is designed that the utility and maintenance savings will pay the debt service on the loan. The PECO poles and equipment were purchased in 2016, with the loan. The Township continues to reap the benefits of utility and maintenance savings.

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended December 31, 2021**

**ITEMS OF GENERAL INTEREST (Continued)**

**Public Facilities (Continued)**

To take advantage of low interest rates, and with assistance from PFM Financial Advisors, the Township closed on a \$4,178,000 loan in July 2020 to pay down most existing debt. Funding from the J.P. Morgan Chase Bank was also used for the Neshaminy Greenway Trail, and other parks, trails, and capital projects.

**ANALYSIS OF INDIVIDUAL FUNDS**

**General Fund**

Actual General Fund revenues totaled \$5,967,789, compared with expenses of \$5,420,240, resulting in net excess of revenue over expenses of \$547,549. Actual revenues were more than budgeted by \$466,332, and actual expenses were under budget by \$22,872. Compared with 2020, actual revenues and expenses increased 16.80% and 3.54%, respectively.

**Other Funds**

This category includes Street Lighting, Fire Protection, Park and Recreation, State Highway Aid, Highway Equipment, Capital Improvements and Equipment, and Municipal Building, all of which had routine results during 2021.

**Land Preservation Fund**

The Township was less active in pursuing additional land preservation in 2020 due to the global pandemic. Total acreage preserved throughout the Township exceeds 965 acres to date.

Although the Board of Supervisors discontinued millage dedicated to open space acquisition in 2010 and reduced earned income taxes dedicated to open space acquisition in 2015, the Board continues to actively seek and pursue additional land preservation opportunities throughout the Township.

**Pension Plans**

The Township offers a voluntary 457 deferred compensation retirement plan administered by the AIG-VALIC for those employees who wish to contribute part of their salary on a pre-tax basis. The Township matches employee contributions to the plan up to \$1,000 annually (\$250 per quarter).

Full time employees are also members of either the Police or Non-Uniformed local pension plans. These pension plan assets are managed by the Board of Supervisors with advice from two pension committees and outside financial advisors. The Township is eligible for Act 205 assistance in the form of state aid. The pension plans are periodically audited by the Pennsylvania Department of the Auditor General to ensure compliance with state laws.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

New Britain Township has \$13,839,945 invested in capital assets, net of related debt. This represents a \$1,311,607, or 10.47%, increase over 2020. Infrastructure assets and the related accumulated depreciation and depreciation expense are not included in this report.



**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Management's Discussion and Analysis (Unaudited)  
Year Ended December 31, 2021**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)**

**Capital Planning**

The Township capital planning committee consists of two Supervisors, six staff members, and one resident. This committee has been inactive in recent years. It is expected that the Committee will be involved with a renewed effort to draft a five-year capital plan in early 2022, with a final Plan being considered by the Board mid-year to aid in the development of the annual operating budget.

**Discussion of Future Plans**

Real estate tax millage rates were 13.0625 mills in 2021 and remained the same for 2022.

The Township plans reconstruction of at least one major road each year. For 2022, milling and 1½-inch overlay is planned for: Cedar Hill Road from Butler Avenue to Schoolhouse Road; and Schoolhouse Road from the curve at Cedar Hill Road to the bridge over the West Branch Neshaminy Creek. The Township also has an additional \$100,000 allocated in the 2022 General Fund for supplemental road paving to be completed in-house by the Public Works Department.

**Debt**

The Township incurred debt of \$4,178,000 in 2020 to paydown a portion of the 2005 General Obligation Note, the 2006 and 2017 General Obligation Notes, and to be used for various capital projects included but not limited to improvements to Township parks and trails, parks and recreation community building and the Township property located at 1606 Upper State Road.

**Table 3  
General Long-Term Debt**

Category	Balance 1/1/21	Loan Additions	Reductions	Balance 12/31/21
<b>General Obligation Notes</b>				
2005 General Obligation Note	\$ 189,000	\$ -	\$ 35,000	\$ 154,000
<b>Notes from Direct Borrowings</b>				
2020 General Obligation Note	3,985,000	-	288,000	3,697,000
Capital Lease Obligations	78,389	-	23,969	54,420
Compensated Absences	385,069	-	45,938	339,131
Total	<u>\$ 4,637,458</u>	<u>\$ -</u>	<u>\$ 392,907</u>	<u>\$ 4,244,551</u>

**CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT TEAM**

This Management Discussion and Analysis is intended to provide our citizens, taxpayers, customers, investors, and creditors with a general, plain English overview of important financial matters. For questions on the Discussion and Analysis, please contact Township Manager Matt West at 215-822-1391.

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Statement of Net Position**  
**December 31, 2021**

**Assets**

Current Assets	
Cash	\$ 9,536,625
Taxes Receivable	1,334,466
Other Receivable	2,854
Due from Fiduciary Fund	152,768
Total Current Assets	<u>11,026,713</u>

Noncurrent Assets	
Net Capital Assets	17,745,365
Net Pension Asset	4,093,204
Total Noncurrent Assets	<u>21,838,569</u>

<b>Total Assets</b>	<u>32,865,282</u>
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**Deferred Outflows of Resources**

Deferred Pension Outflows	<u>534,380</u>
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**Liabilities**

Current Liabilities	
Current Portion of General Obligation Notes	329,000
Current Portion of Capital Lease Obligation	24,686
Accounts Payable and Accrued Expenses	81,387
Accrued Wages and Payroll Taxes	90,781
Total Current Liabilities	<u>525,854</u>

Noncurrent Liabilities	
General Obligation Notes Payable	3,522,000
Capital Lease Obligation	29,734
Compensated Absences	339,131
Total Noncurrent Liabilities	<u>3,890,865</u>

<b>Total Liabilities</b>	<u>4,416,719</u>
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**Deferred Inflows of Resources**

Deferred Pension Inflows	2,654,593
Deferred Grant Revenue	603,104
Total Deferred Inflows of Resources	<u>3,257,697</u>

**Net Position**

Invested in Capital Assets, Net of Related Debt	13,839,945
Restricted for	
Capital Projects	1,553,617
Land Preservation	2,793,023
Debt Service	879,828
Other Purposes	1,059,613
Unrestricted	<u>5,599,220</u>

<b>Total Net Position</b>	<u>\$ 25,725,246</u>
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See notes to financial statements.

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Statement of Activities**  
**Year Ended December 31, 2021**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
<b>General Government</b>					
Legislative	\$ 16,385	\$ -	\$ -	\$ -	\$ (16,385)
Executive	421,589	-	21,138	-	(400,451)
Finance and Tax Collection	146,041	-	-	-	(146,041)
Professional Services	142,726	-	-	-	(142,726)
General Government	234,627	252,215	-	-	17,588
<b>Public Safety</b>					
Police	2,427,754	47,057	134,721	-	(2,245,976)
Fire	594,019	-	85,002	-	(509,017)
Code Enforcement	155,006	187,008	2,800	-	34,802
Planning and Zoning	162,148	83,017	-	-	(79,131)
Emergency Management	5,047	-	-	-	(5,047)
<b>Highways</b>					
Highway Maintenance	1,330,515	28,700	416,811	1,102,143	217,139
Snow and Ice Removal	90,610	-	-	-	(90,610)
Traffic Signals	31,179	-	-	-	(31,179)
Street Lighting	16,589	35,100	-	-	18,511
Parks and Recreation	291,526	17,280	-	361,805	87,559
Conservation and Development	26,422	-	-	-	(26,422)
Total Governmental Activities	<u>\$ 6,092,183</u>	<u>\$ 650,377</u>	<u>\$ 660,472</u>	<u>\$ 1,463,948</u>	<u>(3,317,386)</u>
<b>General Revenues</b>					
<b>Taxes</b>					
					2,312,372
					632,602
					4,233,497
					37,660
					49,240
					89,234
					<u>7,354,605</u>
					4,037,219
					21,688,027
					<u>\$ 25,725,246</u>

See notes to financial statements.

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Balance Sheet  
Governmental Funds  
December 31, 2021**

	<u>General Fund</u>	<u>Land Preservation Fund</u>	<u>Park and Recreation Fund</u>	<u>Capital Improvements and Equipment Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Cash	\$ 3,717,154	\$ 2,609,324	\$ 504,771	\$ 901,512	\$ 1,803,864	\$ 9,536,625
Taxes Receivable	1,103,567	184,000	5,346	-	41,553	1,334,466
Other Receivable	2,854	-	-	-	-	2,854
Due from (to) Other Funds	(105,918)	(270)	(7,288)	363,301	(97,057)	152,768
<b>Total Assets</b>	<u>\$ 4,717,657</u>	<u>\$ 2,793,054</u>	<u>\$ 502,829</u>	<u>\$ 1,264,813</u>	<u>\$ 1,748,360</u>	<u>\$ 11,026,713</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts Payable	\$ 61,044	\$ 31	\$ 965	\$ -	\$ 2,040	\$ 64,080
Accrued Wages and Payroll Taxes	88,149	-	2,632	-	-	90,781
Accrued Interest Payable	-	-	-	-	17,307	17,307
<b>Total Liabilities</b>	<u>149,193</u>	<u>31</u>	<u>3,597</u>	<u>-</u>	<u>19,347</u>	<u>172,168</u>
<b>Deferred Inflows of Resources</b>						
Deferred Taxes	523,751	80,319	4,524	-	13,515	622,109
Deferred Grant Revenue	603,104	-	-	-	-	603,104
<b>Total Deferred Inflows of Resources</b>	<u>1,126,855</u>	<u>80,319</u>	<u>4,524</u>	<u>-</u>	<u>13,515</u>	<u>1,225,213</u>
<b>Fund Balances</b>						
Restricted	-	2,427,552	33,005	90,576	1,321,818	3,872,951
Assigned	-	285,152	461,703	1,174,237	393,680	2,314,772
Unassigned	3,441,609	-	-	-	-	3,441,609
<b>Total Fund Balances</b>	<u>3,441,609</u>	<u>2,712,704</u>	<u>494,708</u>	<u>1,264,813</u>	<u>1,715,498</u>	<u>9,629,332</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 4,717,657</u>	<u>\$ 2,793,054</u>	<u>\$ 502,829</u>	<u>\$ 1,264,813</u>	<u>\$ 1,748,360</u>	<u>\$ 11,026,713</u>

See notes to financial statements.

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Reconciliation of Total Governmental Fund Balances to**  
**Net Position of Governmental Activities**  
**December 31, 2021**

Total Governmental Fund Balances	\$ 9,629,332
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 Funds, Net of Accumulated Depreciation of \$6,644,450.	17,745,365
Other Long-Term Assets Are Not Available to Pay for Current Period Expenditures, and Therefore Are Deferred in the Funds.	
Taxes Receivable	622,109
Net Pension Asset	4,093,204
Deferred Pension Outflows of Resources Are Not Available in the Current Period	534,380
Long-Term Liabilities Are Not Due and Payable in the Current Period, and Therefore Are Not Reported in the Funds.	
General Obligation Notes Payable	(3,851,000)
Capital Lease Payable	(54,420)
Compensated Absences	(339,131)
Deferred Pension Inflows of Resources Are Not Available in the Current Period	<u>(2,654,593)</u>
Net Position of Governmental Activities	<u><u>\$ 25,725,246</u></u>

See notes to financial statements.

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended December 31, 2021**

	General Fund	Land Preservation Fund	Park and Recreation Fund	Capital Improvements and Equipment Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 4,953,999	\$ 723,839	\$ 436,360	\$ -	\$ 919,139	\$ 7,033,337
Intergovernmental	359,635	-	341,529	-	379,735	1,080,899
Charges for Services	276,755	-	17,280	21,434	36,765	352,234
Fines, Licenses, Permits	321,242	-	-	-	-	321,242
Interest Income and Rents	29,596	2,269	13,027	1,922	2,426	49,240
Miscellaneous Revenues	26,562	-	20,276	-	-	46,838
<b>Total Revenues</b>	<u>5,967,789</u>	<u>726,108</u>	<u>828,472</u>	<u>23,356</u>	<u>1,338,065</u>	<u>8,883,790</u>
<b>Expenditures</b>						
General Governmental	992,506	-	-	-	-	992,506
Public Safety	3,346,186	-	-	-	427,700	3,773,886
Public Works	1,008,842	-	-	16,091	251,656	1,276,589
Park and Recreation	19,540	-	229,389	-	-	248,929
Conservation and Development	-	26,422	-	-	-	26,422
Debt Service - Principal	4,235	-	-	-	342,734	346,969
Debt Service - Interest	410	-	-	-	49,766	50,176
Capital Expenditures	48,521	-	173,966	181,375	51,080	454,942
<b>Total Expenditures</b>	<u>5,420,240</u>	<u>26,422</u>	<u>403,355</u>	<u>197,466</u>	<u>1,122,936</u>	<u>7,170,419</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>547,549</u>	<u>699,686</u>	<u>425,117</u>	<u>(174,110)</u>	<u>215,129</u>	<u>1,713,371</u>
<b>Other Financing Sources (Uses)</b>						
Operating Transfers In (Out)	-	-	-	18,530	(18,530)	-
<b>Net Changes in Fund Balances</b>	547,549	699,686	425,117	(155,580)	196,599	1,713,371
<b>Fund Balances</b>						
Beginning of Year	2,894,060	2,013,018	69,591	1,420,393	1,518,899	7,915,961
End of Year	<u>\$ 3,441,609</u>	<u>\$ 2,712,704</u>	<u>\$ 494,708</u>	<u>\$ 1,264,813</u>	<u>\$ 1,715,498</u>	<u>\$ 9,629,332</u>

See notes to financial statements.

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Reconciliation of the Net Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**  
**Year Ended December 31, 2021**

Net Change in Fund Balances - Total Governmental Funds	\$ 1,713,371
 Amounts Reported for Governmental Activities in the Statement of Activities Are Different Because	
Governmental Funds Report Capital Outlays As Expenditures. However, in the Statement of Activities, the Cost of Those Assets Is Allocated Over Their Estimated Useful Lives As Depreciation Expense. This Is the Amount by Which Capital Expenditures of \$454,942 and Dedications of \$1,102,143 Exceeded Depreciation Expense of \$592,447.	964,638
Revenues in Funds Provide Current Financial Resources Are Not Reported As Revenues in the Statement of Activities.	143,469
Repayment of Notes Payable and Capital Lease Principal Is an Expenditure in the Governmental Funds, but the Repayment Reduces Liabilities in the Statement of Net Position.	346,969
Some Expenses Reported in the Governmental Funds Require the Use of Current Financial Resources, and Therefore Are Not Reported As Expenditures in the Statement of Activities.	
Accrued Compensated Absences	45,938
Pension Benefits Do Not Require the Use of Current Financial Resources and, Therefore, Are Not Reported as Revenues or Expenditures in Governmental Funds.	
Deferred Pension Outflows	(223,755)
Deferred Pension Inflows	(54,459)
Net Pension Asset	<u>1,101,048</u>
Change in Net Position of Governmental Activities	<u>\$ 4,037,219</u>

See notes to financial statements.

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Statement of Fiduciary Net Position  
December 31, 2021**

	<u>Pension Trust Funds</u>	<u>Custodial Funds</u>
<b>Assets</b>		
Cash	\$ 629,195	\$ 1,101,066
Investments	17,633,072	-
Contributions Receivable	18,351	-
Benefit Overpayment and Payment Errors	18,002	-
	<u>18,298,620</u>	<u>1,101,066</u>
<b>Total Assets</b>		
<b>Liabilities</b>		
Due to Other Funds	-	152,768
Refunds of Member Contributions Payable	7,379	-
Total Liabilities	<u>7,379</u>	<u>152,768</u>
<b>Net Position</b>		
Restricted for		
Held in Trust for Pension Benefits	18,291,241	-
Held for Individuals, Organization and Others	-	948,298
	<u>18,291,241</u>	<u>948,298</u>
<b>Total Net Position</b>	<u>\$ 18,291,241</u>	<u>\$ 948,298</u>

See notes to financial statements.



**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended December 31, 2021**

	<u>Pension Trust Funds</u>	<u>Custodial Funds</u>
Additions		
Contributions		
Member	\$ 128,619	\$ -
State	155,858	-
Total Contributions	<u>284,477</u>	<u>-</u>
Escrow Deposits	<u>-</u>	<u>702,402</u>
Investment Income		
Net Appreciation of Fair Value on Investments	1,824,763	-
Interest and Dividends	371,912	451
	<u>2,196,675</u>	<u>451</u>
Less Investment Expense	64,147	-
Net Investment Income	<u>2,132,528</u>	<u>451</u>
Total Additions	<u>2,417,005</u>	<u>702,853</u>
Deductions		
Benefits	704,438	-
Professional Fees	-	375,166
Escrow Releases	-	39,565
Administrative Expenses	-	34,142
Actuarial Fees	11,335	-
Total Deductions	<u>715,773</u>	<u>448,873</u>
Increase in Net Position	1,701,232	253,980
Net Position, Held in Trust		
Beginning of Year	<u>16,590,009</u>	<u>694,318</u>
End of Year	<u>\$ 18,291,241</u>	<u>\$ 948,298</u>

See notes to financial statements.

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Township of New Britain (the Township) was incorporated June 14, 1723, in Bucks County, Pennsylvania. The Township is classified as a “Township of the Second Class” under the laws of the Commonwealth of Pennsylvania and provides the following services as authorized by its charter: public safety, highways and streets, culture-recreation, public improvements, planning and zoning, and general and administrative services. For financial reporting purposes, in accordance with Government Accounting Standards Board (GASB) Statement 14, the Township includes all funds and account groups that are part of the financial reporting entity.

The Township’s statements are prepared in compliance with GASB Statement No. 34, *Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments*. Significant aspects of the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Township’s overall financial position and changes in financial position.
- Financial statements prepared using full accrual accounting for all of the Township’s activities, including infrastructure (roads, bridges, etc.).
- A focus on major funds in the fund financial statements.

**A. Reporting Entity**

The Township of New Britain and the Borough of Chalfont (the Borough) have joined to form the Chalfont-New Britain Joint Sewer Authority (the Authority). The Authority is governed by a six-member board. Members of the Board are appointed equally by the governing boards of the Township and the Borough, with three members from each municipality.

The Authority’s governing board is solely responsible for all decisions made in the operation of the Authority. Additionally, the Authority is responsible for all its financial transactions and neither the Township nor the Borough has authorization to approve any such transactions.

Based upon the above factors, it has been concluded that the Township has no oversight responsibility for the Authority. Accordingly, the Authority’s financial statements have been excluded from the reporting entity.

In addition, the Township provides some financial support to four fire companies and one ambulance company – the Chalfont, Hilltown, Dublin, and Doylestown Volunteer Fire Companies, and the Chalfont Emergency Medical Services. Since there is no fiscal dependency, financial benefit or burden relationship, these companies have been excluded from the reporting entity. The Township levies and collects real estate taxes designated for allocation among the companies. Additionally, on occasion the Township donates funds for various capital projects of the companies, and pays certain expenses on their behalf. Annual appropriations totaled \$427,700 for the year ended December 31, 2021.

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Basis of Presentation**

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures/expenses, as appropriate. Township resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into five generic fund types and two broad fund categories as described in Note 1C.

**C. Basis of Accounting**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Fiduciary funds are also excluded from the government-wide financial statements.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each governmental program. Direct expenses are those that are specifically associated with a service, program, or department and are, therefore, clearly identifiable to a particular function. Indirect expenses for centralized services and administrative overhead are allocated among the programs, functions, and segments using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. 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 program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the Township.

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Accounting (continued)**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (continued)**

Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes result from special revenue funds and the restrictions on their net asset use.

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

**FUND FINANCIAL STATEMENTS**

Fund financial statements report detailed information about the Township. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

**GOVERNMENTAL FUNDS**

Governmental funds utilize the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable. General property and other taxes, and investment earnings are recorded as earned (when they are measurable and available). The Township considers property and earned income taxes as available if they are collected 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service and other long-term obligations which are recognized when paid.

The funds of the financial reporting entity are described below.

**General Fund** - The General Fund is the general operating fund of the Township and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The reporting entity includes the following special revenue funds:

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Accounting (continued)**

**GOVERNMENTAL FUNDS (continued)**

**Special Revenue Funds (continued)**

<u>Fund</u>	<u>Description</u>	<u>Major Fund?</u>
State Highway Aid	Accounts for revenues and expenditures of state liquid fuels funds	No
Street Lighting	Accounts for revenues and expenditures of street light funds	No
Fire and Ambulance Protection	Accounts for revenues and expenditures of fire and ambulance protection funds	No
Land Preservation	Accounts for tax money received for protection of open space	Yes
Park and Recreation	Accounts for tax money received for parks and recreation	Yes

**Capital Projects Funds**

Capital projects funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

<u>Fund</u>	<u>Description</u>	<u>Major Fund?</u>
Capital Improvements and Equipment Fund	Accounts for funds received to be spent for capital projects in the Township	Yes
Highway Equipment	Accounts for tax money received for the purchase of road equipment	No

**Debt Service Fund** - This fund is used to account for financial resources that are restricted, committed or assigned to expenditure for principal and interest. The Capital Infrastructure and Public Works Building Fund accounts for the current debt payments for the public works building and the upcoming payments for the capital infrastructure loan for the reconstruction of the New Galena Road Bridge and culverts.

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Accounting (continued)**

**FIDUCIARY FUNDS**

**Pension Trust Funds and Custodial Funds** – Pension Trust Funds (which include the Police and Non-Uniform Pension Funds) and Custodial Funds (Developer’s Legal and Engineering Escrow Fund) are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The Pension Trust Funds meet the criteria to be considered component units, and are presented as required by accounting standards in the Township’s Fiduciary Fund statements.

**D. Cash and Investments**

Cash and cash equivalents are defined as cash and investments that have a maturity value of less than three months.

Investments in debt and equity securities with readily determinable fair market values are recorded at fair value, as required by Government Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. Realized and unrealized gains and losses are recorded in the statement of changes in fiduciary net assets (fiduciary funds).

**E. Receivables**

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. No allowance for uncollectible accounts has been provided since management considers all accounts to be collectible. The Township is permitted to lien the resident’s property if the resident does not remit payment. Major receivable balances for the governmental activities include real estate taxes, earned income taxes, franchise taxes, grants, and police fines.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as real estate tax, earned income tax, franchise tax, grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. Capital Assets**

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

**Government-wide Statements**

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to December 31, 1984. Infrastructure costs incurred prior to January 1, 2004, have not been and are not required to be capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is shown below.

Classifications	Years
Land and Park Improvements	10-20
Buildings and Improvements	40
Vehicles	5-10
Equipment	5-10
Furniture	10

**Fund Financial Statements**

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital expenditures of the governmental fund upon acquisition.

**G. Compensated Absences**

Township uniformed employees accumulate vacation and sick time in accordance with their contract. Uniformed employees can earn up to six weeks of vacation time each year depending on their years of service. Vacation time can be carried over from year to year up to 75 hours. Upon resignation, an officer is entitled to a pro-rata share of paid vacation time based upon the time served in the particular calendar year.

Uniformed employees are entitled to up to 88 hours of sick leave per year. Sick time can be carried over and accumulated from year to year up to 480 hours. Upon retirement or resignation, the employee is paid at a 50% rate for accumulated sick time up to a maximum of 480 hours. No payment for sick time is made upon termination for cause or resignation without proper notice.

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**G. Compensated Absences (continued)**

The Township's vacation policy for non-uniformed employees encourages the use of all vacation days during the calendar year. Non-uniformed employees can earn up to five weeks vacation each year depending on their length of continuous service, and vacation time can be carried from year to year up to 40 hours. However, the Township has the right to pay the employee for excess accumulated vacation leave. Upon retirement or termination, accumulated vacation leave is paid at 100% of the respective employee's pay rate.

Full time non-uniformed employees are entitled to up to 80 hours of sick leave per year. Part-time employees receive sick leave on a pro-rated basis. Sick leave may be accumulated up to a total of twenty days. Employees who have unused sick leave over twenty days per year are paid at a 50% rate for the amount of time over 20 days. Upon retirement or resignation, the employee is paid out at 50% of his or her accumulated sick time. No payment for sick time is made upon termination for cause or resignation without proper notice. The Township is liable to employees in the amount of \$339,131 for vested sick and vacation pay at December 31, 2021.

**H. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**I. Equity Classifications**

**Government-Wide Statements**

Equity is classified as net position and displayed in three components:

1. **Invested in capital assets, net of related debt** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. **Restricted net position** - Consists of net position with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or b) law through constitutional provisions or enabling legislation.
3. **Unrestricted net position** - All other net positions that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".



**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. Equity Classifications (continued)**

**Fund Statements**

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

Nonspendable – includes amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be kept intact. The Township did not have any nonspendable fund balances at December 31, 2021.

Restricted – includes amounts that are restricted for specific purposes by constitutional provisions, enabling legislation, or externally imposed constraints.

Committed – includes amounts that can only be used for specific purposes with constraints that are established by a formal action of the Board of Supervisors (the Board). The constraint can only be changed or removed by another formal action of the Board. The Township's fund balance policy requires passage of a Resolution or an Ordinance by the Board in order to set aside funds as Committed. The Township did not have any committed fund balances at December 31, 2021.

Assigned – includes amounts that are constrained by the Township's intent to be used for specific purposes, but are neither restricted nor committed. Assigned balances include all remaining government fund amounts, other than the General Fund, that are not classified as nonspendable, restricted or committed, and are intended for a specific purpose. The intent is expressed by the Board, or an individual to whom the Board has designated authority. The Township's fund balance policy grants this authority to the Township Manager, as well as the Board of Supervisors.

Unassigned – this amount is the residual classification for the General Fund, and any negative fund balances in other governmental funds. Other governmental funds can not report any positive unassigned amounts.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts, then unassigned amounts.

The Township does not currently have a formal minimum fund balance policy.

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflow of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Township has one item that qualifies for reporting in this category.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until then. The Township has two types of this item that qualifies for reporting in this category (deferred tax receipts and deferred grant revenue). Accordingly, this item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenue from three sources: property taxes, earned income taxes, and local services taxes. The government wide statement does not report unavailable revenues. Deferred grant revenue is recognized due to the Township receiving American Recovery Act Funds in the amount of \$603,104. The funds were not yet expended, therefore, \$603,104 was recognized as deferred grant revenue in both the fund financial statements as well as the government wide financial statements.

**K. COVID-19**

In March 2020, the World Health Organization declared that the outbreak of a novel coronavirus (COVID-19) constituted a “Public Health Emergency of International Concern”. This outbreak has led to a severe economic downturn worldwide. The extent of the impact of COVID-19 on the Township’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on taxpayers, employees, and vendors all of which are uncertain and cannot be predicted.

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**L. Stewardship, Compliance, and Accountability**

**Budgetary Data**

The following procedures are used by the Township in establishing budgetary data which is reflected in the financial statements.

1. The Township prepares and advertises a proposed budget at least 20 days before the budget is adopted.
2. Public hearings are conducted to obtain comments from taxpayers regarding the proposed budget.
3. The taxes levied by the Township are fixed at such figure within the limit allowed by law, as with all other sources of revenues, and will meet and cover appropriations.
4. The budget is formally adopted by the Board of Supervisors prior to December 31.
5. Amendments may be made by the Board of Supervisors during the year.

**Excess of Expenditures Over Appropriations**

The Township has presented budget to actual comparisons for the general fund and the major special revenue funds. For the year ended December 31, 2021, expenditures exceeded appropriations in various categories by \$159,588 for the general fund, and \$173,966 for the park and recreation fund. These over expenditures were funded by greater than anticipated revenues, or the available fund balance carryforward.

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**2. CASH AND INVESTMENTS**

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash	\$ 9,536,625
Statement of Fiduciary Net Position	
Cash	1,730,261
Investments	<u>17,633,072</u>
Total Cash and Investments	<u>\$ 28,899,958</u>

Cash and investments as of December 31, 2021, consist of the following:

Cash on Hand	\$ 850
Deposits with Financial Institutions	11,266,036
Investments	<u>17,633,072</u>
Total Cash and Investments	<u>\$ 28,899,958</u>

**A. Cash Deposits**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township deposits are entirely insured or collateralized under a pooled asset program to secure public deposits, as required by Act 72 of the Commonwealth of Pennsylvania. As of December 31, 2021, \$10,549,482 of the Township's bank balance of \$11,121,840 was uninsured, but collateralized by securities held by the bank or by its trust department or agent but not in the Township's name.

**B. Investments**

At December 31, 2021, the Township's investments consisted of the following:

Fiduciary Funds	
Money Market Funds	\$ 629,195
Mutual Funds	<u>17,633,072</u>
Total Investments	<u>\$ 18,262,267</u>

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**2. CASH AND INVESTMENTS (continued)**

**B. Investments (continued)**

**Investments Authorized by Pennsylvania Township Code**

The Commonwealth of Pennsylvania Second Class Township Code authorizes the Township to invest in obligations of the U.S. Treasury, short-term obligations of the U.S. Government or its agencies or instrumentalities, obligations of the United States or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

In addition to the investments authorized for governmental funds, fiduciary fund investments may also be made in corporate stocks and bonds, real estate, and other investments consistent with sound business practices and state statutes.

**Custodial Credit Risk**

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. With the exception of money market funds held in the fiduciary funds, all of the Township's investments are invested in securities which are not subject to custodial credit risk because they do not involve a transferable financial instrument. The money market funds of \$629,195 are insured by the Securities Investor Protection Corporation up to \$250,000.

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating organizations such as Moody's Investor Services (Moody's) and Standard & Poor's (S&P). The Township does not have a formal credit risk policy, as all of the Township's investments were invested in mutual funds which have no such rating.

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**2. CASH AND INVESTMENTS (continued)**

**B. Investments (continued)**

**Concentration of Credit Risk**

The investment policy of the Township contains no limitations on the amount that can be invested in any one issuer. At December 31, 2021, the Township had the following investments that represented 5% or more of the police and non-uniform pension plans' total investments:

	<u>Fair Value</u>
Vanguard Allworld Ex Us ETF	\$4,279,550
Vanguard Growth ETF	\$3,211,246
Vanguard Value ETF	\$3,134,914
Vanguard Total Bond Market	\$2,468,428
Vanguard Mid Cap ETF	\$1,059,588
Vanguard Small Cap ETF	\$1,056,145

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates. The Township does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Township does not have any investments subject to interest rate risk.

**Fair Value of Investments**

Accounting principles generally accepted in the United States of America establish a fair value hierarchy that is based on the valuation inputs used in the fair value measurements. Measurements using quoted prices in active markets for identical assets and liabilities fall within Level 1 of the hierarchy; measurements using significant other observable inputs fall within Level 2; and measurements using significant unobservable inputs fall within Level 3.

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**2. CASH AND INVESTMENTS (continued)**

**B. Investments (continued)**

**Fair Value of Investments (continued)**

Information related to the Township's assets measured at fair value on a recurring basis at December 31, 2021, is as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fiduciary Fund Investments				
Money Market Funds	\$ 629,195	\$ 629,195	\$ -	\$ -
Exchange Traded Funds	<u>17,633,072</u>	<u>17,633,072</u>	<u>-</u>	<u>-</u>
Total Fiduciary Fund Investments	<u>\$ 18,262,267</u>	<u>\$ 18,262,267</u>	<u>\$ -</u>	<u>\$ -</u>

**3. PROPERTY TAXES**

Real estate taxes are levied on March 1, based on assessed values established by the Bucks County Board of Assessments. Real property in the Township was originally assessed at \$179,713,990 for 2021. Property taxes attach as an enforceable lien on property as of January 15 of the following year. The Township receives all tax collections through its tax collector. A summary of the property tax millages levied by the Township for 2021, by purpose, is as follows:

	Township Assessed Levy	Maximum Legal Levy	
General Purposes	6.1000 mills	14.0 mills	19.0 court approved
Fire Protection	1.2500 mills	3.0 mills	5.0 voter referendum
Ambulance	.5000 mills	.5 mills	2.0 voter referendum
Road Equipment	.5000 mills	2.0 mills	
Park and Recreation	2.4625 mills	N/A	
Public Works Building Debt Service	1.2500 mills	N/A	
Capital Projects	<u>1.0000 mills</u>	N/A	
Total	<u>13.0625</u>		

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2021**

**4. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021, was as follows:

	Balance 1/1/21	Additions	Disposals	Balance 12/31/21
<b>Assets Not Being Depreciated</b>				
Land	\$ 1,031,520	\$ -	\$ -	\$ 1,031,520
Conservation Easements	5,256,529	-	-	5,256,529
	<u>6,288,049</u>	<u>-</u>	<u>-</u>	<u>6,288,049</u>
<b>Depreciable Assets</b>				
Land and Park Improvements	4,366,757	173,966	-	4,540,723
Buildings and Improvements	5,062,874	76,920	-	5,139,794
Infrastructure	3,618,499	1,206,598 *	-	4,825,097
Vehicles	2,155,851	51,080	-	2,206,931
Equipment	1,282,268	48,521	-	1,330,789
Furniture	58,432	-	-	58,432
	<u>16,544,681</u>	<u>1,557,085</u>	<u>-</u>	<u>18,101,766</u>
<b>Total at Historical Cost</b>	<u>22,832,730</u>	<u>1,557,085</u>	<u>-</u>	<u>24,389,815</u>
*Includes dedications of \$1,102,143				
<b>Less Accumulated Depreciation</b>				
Land and Park Improvements	603,793	175,178	-	778,971
Buildings and Improvements	2,324,290	130,249	-	2,454,539
Infrastructure	337,066	111,832	-	448,898
Vehicles	1,884,747	86,795	-	1,971,542
Equipment	843,675	88,393	-	932,068
Furniture	58,432	-	-	58,432
<b>Total Accumulated Depreciation</b>	<u>6,052,003</u>	<u>592,447</u>	<u>-</u>	<u>6,644,450</u>
<b>Total Net Capital Assets</b>	<u>\$ 16,780,727</u>	<u>\$ 964,638</u>	<u>\$ -</u>	<u>\$ 17,745,365</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 70,496
Police	42,597
Highway Maintenance	301,269
Parks and Recreation	178,085
<b>Total Depreciation Expense</b>	<u>\$ 592,447</u>



**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**5. LONG-TERM OBLIGATIONS**

The Township's General Long-Term Liabilities changed during the year as follows:

	Balance 1/1/21	Additions	Reductions	Balance 12/31/21	Due Within One Year
General Obligation Notes					
2005 General Obligation Note	\$ 189,000	\$ -	\$ 35,000	\$ 154,000	\$ 37,000
Notes from Direct Borrowings					
2020 General Obligation Note	3,985,000	-	288,000	3,697,000	292,000
Subtotal	4,174,000	-	323,000	3,851,000	329,000
Capital Lease Obligations	78,389	-	23,969	54,420	24,686
Compensated Absences	385,069	-	45,938	339,131	-
<b>Total</b>	<b>\$ 4,637,458</b>	<b>\$ -</b>	<b>\$ 392,907</b>	<b>\$ 4,244,551</b>	<b>\$ 353,686</b>

**A. 2005 General Obligation Note**

On August 25, 2005, the Township issued a General Obligation Note in the amount of \$2,250,000. The note was issued for the purpose of providing funds for the construction of a Township public works building and capital improvements to the Township municipal building. The interest rate on this note is both fixed and variable. The variable rate is calculated weekly by the loan administrator. At December 31, 2021, the variable rate was 0.7910% per annum. Additionally, the Township executed a Fixed Rate Swap agreement, which fixed its interest rate for 75% of the note proceeds. During the year ending December 31, 2020, the Township paid off the fixed interest portion of this note using proceeds from the issuance of the 2020 General Obligation Note. Therefore, there is no longer a Fixed Rate Swap agreement. Interest is payable monthly. Principal payments are due on August 25 of each year as shown below, beginning in 2007. The note was issued as non-electoral debt. The Township has pledged its full faith, credit and taxing power, and is required to include in its budget for each year the amount of debt service on the note which will be payable in such fiscal year.

The debt service requirements for the 2005 General Obligation Note are shown below.

Year	Principal	Interest	Total Debt Service
2022	\$ 37,000	\$ 1,139	\$ 38,139
2023	37,000	842	37,842
2024	40,000	536	40,536
2025	40,000	214	40,214
	<b>\$ 154,000</b>	<b>\$ 2,731</b>	<b>\$ 156,731</b>

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**5. LONG-TERM OBLIGATIONS (continued)**

**B. 2020 General Obligation Note**

During the year ended December 31, 2020, the Township issued a General Obligation Note in the amount of \$4,178,000. The note was issued for the purpose of providing funds for the (1) paydown of the Township's Series of 2005 General Obligation Note in the amount of \$657,000, (2) payoff of the 2006 General Obligation Note in the amount \$300,000, (3) payoff of the 2017 General Obligation Note in the amount of \$2,825,000, (4) various capital projects included but not limited to improvements to Township parks and trails, the parks and recreation community building and the Township property located at 1606 Upper State Road, and (5) costs and expenses of issuing the note. The interest rate is fixed at 1.24% per annum through February 15, 2032. Interest and principal are payable annually on August 15 of each year, beginning in 2020. The note was issued as non-electoral debt. The Township has pledged its full faith, credit and taxing power, and is required to include in its budget for each year the amount of debt service on the note which will be payable in such fiscal year.

The debt service requirements for the 2020 General Obligation Note are shown below.

Year	Principal	Interest	Total Debt Service
2022	\$ 292,000	\$ 44,032	\$ 336,032
2023	297,000	40,381	337,381
2024	327,000	36,512	363,512
2025	332,000	32,426	364,426
2026	335,000	28,291	363,291
2027-2031	1,749,000	77,482	1,826,482
2032	365,000	2,263	367,263
	\$ 3,697,000	\$ 261,387	\$ 3,958,387

**C. Interest Expense**

Interest expense during the year on all the above-noted long-term debt totaled \$48,948.

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
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**6. CAPITAL LEASE OBLIGATION**

The Township entered into a lease agreement to participate in the Delaware Valley Regional Planning Commission Regional Streetlight Procurement Program for LED street lights. Monthly lease payments of \$2,163 are due through the year 2023 with a final payment of \$4,327 due in the year 2024. The capitalized cost of the leased street lights is \$155,154 and accumulated depreciation is \$38,142 at December 31, 2021. At December 31, 2021, future lease payments are due as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 25,959
2023	25,959
2024	<u>4,327</u>
	56,245
Less Interest Portion	<u>(1,825)</u>
	<u><u>\$ 54,420</u></u>

**7. INTERFUND TRANSACTIONS**

Interfund transactions are as follows:

<u>Purpose</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Due to/from</b>			
Advance for Operating Expenses	Escrow	General	\$ 3,579
Advance for Operating Expenses	General	Park and Recreation	\$ 1,646
Advance for Operating Expenses	General	Escrow	\$ 2,144
Advance for Operating Expenses	Escrow	Park and Recreation	\$ 8,774
Advance for Operating Expenses	Escrow	Land Preservation	\$ 270
Advance for Operating Expenses	Capital Improvements	Escrow	\$ 6,653
Advance for Capital Improvements	Debt Service	Capital Improvements	\$ 80,376
Funds in Escrow That Can Be Used for Township Purposes	Capital Improvements	Escrow	\$ 156,594
To Correct Debt Service Payment	General	Debt Service	\$ 308,127
To Correct Debt Service Payment	Capital Improvements	General	\$ 280,430
Amount Due for Debt Service	Debt Service	General	\$ 9,028
Amount Due for Debt Service	Debt Service	Street Light	\$ 64,469
Allocate LST and Delinquent Taxes	Fire and Ambulance	General	\$ 120,413
Allocate Delinquent Taxes	Park and Recreation	General	\$ 3,132
Allocate Delinquent Taxes	Highway Equipment	General	\$ 1,253
<b>Transfers</b>			
To Move Accrued Interest	Capital Improvements	Debt Service	\$ 18,530

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
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**8. FUND BALANCE CLASSIFICATIONS**

	General Fund	Land Preservation Fund	Park and Recreation Fund	Capital Improvement and Equip Fund	Nonmajor Governmental Funds	Total
Restricted for:						
Open Space Preservation	\$ -	\$2,427,552	\$ -	\$ -	\$ -	\$2,427,552
Street Light Costs	-	-	-	-	79,009	79,009
Parks and Recreation Improvements	-	-	33,005	-	-	33,005
Highway Improvements	-	-	-	-	302,573	302,573
Fire and Ambulance Protection	-	-	-	-	61,302	61,302
Capital Improvements and Equipment Acquisition	-	-	-	90,576	-	90,576
Highway Equipment Acquisition	-	-	-	-	232,180	232,180
Debt Service	-	-	-	-	646,754	646,754
	<u>-</u>	<u>2,427,552</u>	<u>33,005</u>	<u>90,576</u>	<u>1,321,818</u>	<u>3,872,951</u>
Assigned for:						
Open Space Preservation	-	285,152	-	-	-	285,152
Street Light Costs	-	-	-	-	13,599	13,599
Fire and Ambulance Protection	-	-	-	-	96,415	96,415
Parks and Recreation Improvements	-	-	461,703	-	-	461,703
Highway Equipment Acquisition	-	-	-	-	55,510	55,510
Capital Improvements and Equipment Acquisition	-	-	-	1,174,237	-	1,174,237
Debt Service	-	-	-	-	228,156	228,156
	<u>-</u>	<u>285,152</u>	<u>461,703</u>	<u>1,174,237</u>	<u>393,680</u>	<u>2,314,772</u>
Unassigned	<u>3,441,609</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,441,609</u>
Total Fund Balances	<u>\$3,441,609</u>	<u>\$2,712,704</u>	<u>\$ 494,708</u>	<u>\$1,264,813</u>	<u>\$1,715,498</u>	<u>\$9,629,332</u>

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2021**

**9. CUSTODIAL FUND**

The Developers' Legal and Engineering Escrow Fund is a Custodial Fund in that the Township has custodial capacity of funds deposited with it on behalf of developers. Escrow funds held for others of \$948,298 represent the net developer and other balances held at December 31, 2021.

Physical improvement escrows are not reflected in the statements, as these are not under the full custodial control of the Township.

**10. DEFERRED COMPENSATION PLAN**

The Township offers substantially all its employees two deferred compensation plans created in accordance with Internal Revenue Code (IRC) Section 457. The plans permit participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Prior to 1997 all amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights were (until paid or made available to the employee or other beneficiary) solely the property and rights of the Township (without being restricted to the provisions of benefits under the plan), subject to the claims of the Township's general creditors. Participants' rights under the plan were equal to those of general creditors of the Township in an amount equal to the fair market value of the deferred account for each participant.

During 1997 the Township amended the plan in accordance with recent IRS amendments of IRC Section 457(g). As a result of the amendment, assets of the plan are now placed in trust for the exclusive benefit of participants and their beneficiaries. IRC Section 457(g) states that the Township no longer owns the amounts deferred by employees, including the related earnings thereon. Accordingly, the assets and the corresponding liability for the compensation deferred by plan participants, including earnings, are no longer reported in the financial statements of the Township.

**11. DEFINED BENEFIT PENSION PLANS**

**A. Summary of Significant Accounting Policies**

**Basis of Accounting**

The Plans' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions, if required, to the Plan are recognized when due, in accordance with Act 205. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

**Method Used to Value Investments**

Investments are listed at fair value as reported by TD Ameritrade.

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**11. DEFINED BENEFIT PENSION PLANS (continued)**

**B. Description of Plans**

**Plan Administration**

The Township contributes to two single-employer defined benefit pension plans, The Township of New Britain Police Pension Plan and The Township of New Britain Non-Uniformed Employees' Pension Plan. The Police Pension Plan was established by Ordinance 87-11-8, effective October 1, 1987. The Non-Uniformed Plan was established effective January 1, 1976. The plans were restated effective September 9, 2002, by Ordinances 2002-09-03 and 2002-09-04. Assets are held separately and may only be used for the payment of benefits to members of the Plans. The plans are part of the Township's financial reporting entity and are included in the Township's financial report as pension trust funds.

The plans are governed by the Township of New Britain Board of Supervisors which may amend plan provisions, and is responsible for the management of the Plan assets. The Board of Supervisors has delegated the authority to manage certain Plan assets to INR Advisory Services.

The plans are required to file Form PC-201C biennially with the Pennsylvania Department of the Auditor General's Municipal Pension Reporting Program (MPRP). The most recent filings were as of January 1, 2021.

**Plan Membership**

At December 31, 2021, plan membership consisted of the following

	<u>Police</u>	<u>Non-Uniformed</u>
Active Employees	12	17
Retirees and Beneficiaries Currently Receiving Benefits	8	9
Terminated Employees Entitled to Benefits but Not Yet Receiving Them	<u>1</u>	<u>7</u>
Total	<u><u>21</u></u>	<u><u>33</u></u>

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**11. DEFINED BENEFIT PENSION PLANS (continued)**

**B. Description of Plans (continued)**

**Benefits Provided**

The following table provides information concerning the **Township's Police Pension Plan**:

Covered Employees:	All full-time uniformed employees.
Normal Retirement:	Age 50 and the completion of 25 years of service.
Early Retirement:	Completion of 20 years of service.
Vesting:	None for the first 12 years of service; thereafter, 100%.
Retirement Benefit:	The monthly pension shall be 50% of the gross pay averaged over the last 36 months of employment, plus a service increment of 3% of normal retirement benefit for each year of service in excess of 25, with a maximum of \$100.
<b>Death Benefit</b>	
Before Retirement Eligibility:	Refund of contributions plus interest.
After Retirement Eligibility:	A monthly benefit equal to 50% of the pension the officer was entitled to receive is payable to the officer's spouse until death. In the event of the surviving spouse's death, the officer's dependent children will share the benefit equally until age 18 (age 23 if attending college).
<b>Disability Benefit</b>	
Service Related:	A monthly benefit equal to 50% of the officer's final monthly average salary at disablement, but no less than 50% of the member's salary at date of disability, offset by any social security disability benefits for the same injury.
Non-Service Related:	None.
<b>Other Benefits:</b>	
Early Retirement Benefit:	Accrued benefit at date of termination actuarially reduced for early commencement.
Vesting Benefit:	Accrued benefit at date of termination payable monthly starting at normal retirement date.
Member Contribution Rate:	5% of compensation.
Interest Rate Credited to Member Contributions:	6% per annum.

**TOWNSHIP OF NEW BRITAIN  
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Notes to Financial Statements  
December 31, 2021**

**11. DEFINED BENEFIT PENSION PLANS (continued)**

**B. Description of Plans (continued)**

**Benefits Provided (continued)**

The following table provides information concerning the **Township's Non-Uniformed Employees' Pension Plan**:

Covered Employees:	All full-time non-uniformed employees.
Normal Retirement:	Age 60 and the completion of 10 years of service.
Early Retirement:	N/A
Vesting:	40% after the completion of four years of service, increasing 10% for each year of service, to a maximum of 100% after 10 or more years of service.
Retirement Benefit:	A monthly benefit equal to 1.25% of Final Monthly Average Compensation (total pay averaged over the final 24 months of employment) multiplied by years of service, to a maximum of 40 years.
Death Benefit	
Before Retirement:	If death occurs before 10 years of service, beneficiary receives refund of contributions plus interest. If death occurs after the completion of 10 years of service and prior to commencement of benefit payments, surviving spouse receives a monthly benefit equal to 50% of participant's accrued benefit at date of death, payable for life.
After Retirement:	None, except the form of benefit payment in force for the participant at the time of death.
Disability Benefit:	None.
Other Benefits	
Vesting Benefit:	A monthly benefit equal to the accrued benefit at date of termination multiplied by the vesting percentage is payable at normal retirement, in lieu of a refund of contributions.
Member Contribution Rate:	5% of compensation
Interest Rate Credited to Member Contributions:	6% per annum.



**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**11. DEFINED BENEFIT PENSION PLANS (continued)**

**B. Description of Plans (Continued)**

**Contributions**

For the Police Plan, participating employees are required to contribute 5% of covered payroll to the Plan. If a participating employee leaves covered employment of the Township, other than due to employment-connected death or disability, before 12 years of service, accumulated employee contributions plus related investment earnings are refunded to the employee or to a designated beneficiary.

For the Non-Uniformed Plan, participating employees are required to contribute 5% of covered payroll to the Plan. If a participating employee leaves covered employment of the Township, other than due to employment-connected death or disability, before ten years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or to a designated beneficiary.

The Township's funding policy prescribed by Act 205 requires that annual contributions be based upon the Minimum Municipal Obligation (MMO) using the plan's most recent biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability.

The Commonwealth of Pennsylvania provides funds (foreign casualty insurance premium taxes) to the Township, which are used in making contributions to the plans. The Township is required to contribute any remaining amounts necessary to fund the plans, using the actuarial basis specified by the state statute.

**C. Investments**

**Investment Policy**

It is the policy of both of the Pension Committees to pursue an investment strategy that will produce a return on investment which is based on levels of investment risk that are prudent and reasonable given prevailing capital market conditions. While the committees recognize the importance of the preservation of capital, they also recognize modern portfolio theory, which maintains that varying degrees of investment risk will be rewarded with compensating returns. Consequently, prudent risk-taking is warranted and justifiable. Performance objectives include achieving a rate of return equal to or greater than the Plans' actual interest rate, achieving a real return above inflation, and maintaining a risk level within the tolerance level of the plans' fiduciaries.

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**11. DEFINED BENEFIT PENSION PLANS (continued)**

**C. Investments (continued)**

**Investment Policy (continued)**

The Committees' adopted asset allocation policy as of December 31, 2021, is as follows:

Asset Class	Target Allocation
Equity	70%
Bonds/Fixed Income	27%
Cash	3%
	100%

**Concentrations**

The investment policy of the Township contains no limitations on the amount that can be invested in any one issuer. The following represent more than 5% of total entity investment:

Vanguard Allworld Ex Us ETF	\$4,279,550
Vanguard Growth ETF	\$3,211,246
Vanguard Value ETF	\$3,134,914
Vanguard Total Bond Market	\$2,468,428
Vanguard Mid Cap ETF	\$1,059,588
Vanguard Small Cap ETF	\$1,056,145

**Rate of Return**

For the year ended December 31, 2021, the annual money-weighted rate of return on Police Plan and Non-Uniformed Plan investments, net of pension plan investment expense, was 13.01% and 12.93%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
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December 31, 2021**

**11. DEFINED BENEFIT PENSION PLANS (continued)**

**D. Deferred Retirement Option Program (DROP)**

Effective January 1, 2007, members of the New Britain Township Police Department who have not retired prior to the implementation of the DROP program, may enter into DROP after satisfaction of such eligibility requirements. An eligible member may elect to participate in this DROP program for a period of not less than 12 months, unless that member dies or becomes disabled, or more than 48 months. A member electing to participate must file a "DROP Election Form" at least 30 days before the employee's effective date of retirement. Along with the DROP Election Form, the member must file a binding and irrevocable notice to the Township that the member will resign from employment on a specific date (the "resignation date").

After the effective date of the DROP option, the member shall no longer earn or accrue additional years of continuous service for the pension purposes. Service thereafter shall not be recognized or used for the calculation or determination of any benefits payable for the Plan. The pension benefit to the members shall only increase as a result of cost of living adjustments in effect on the effective date of a member's participation in DROP or by applicable cost of living adjustment granted thereafter.

The monthly retirement benefits that would have been payable had the member elected to cease employment and receive a normal retirement benefit shall, upon commencing participation in DROP, be paid into the separate account established to receive the participant's monthly pension payments. This account shall be designated the DROP participant account. The monies deposited in the DROP participant account shall be credited with the same rate of return as that of the overall Police Pension Fund, however, there is no guaranteed rate of return on the DROP participant account.

On the effective date of termination of employment with the Township, participation in the DROP shall cease. Within forty five days of receipt of the participant's election form to receive DROP benefits, the balance of the DROP account shall be paid to the member in a single lump-sum payment or at the member's option, in any fashion permitted by law.

If a member becomes temporarily disabled during his participation in DROP, that member shall continue to participate in the DROP program as if fully employed. The member shall receive disability pay in the same amount as disabled police officers that are not participating in DROP. Members on temporary disability are not able to draw from their DROP accounts. If a disabled member has not returned to work as of the date of his required resignation or if the member is honorably discharged prior to their resignation date, then such resignation shall take precedence over all over provisions and the member will be required to resign.

If a DROP member dies before the DROP account balances are paid, the member's designated beneficiary shall have the right to apply for and receive the benefits accrued in the DROP participant account.

As of December 31, 2021, there were two participants in the DROP program with a total balance of \$142,437.

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**11. DEFINED BENEFIT PENSION PLANS (continued)**

**E. Net Pension (Asset) Liability of the Township**

The components of the net pension (assets) liabilities of the Township at December 31, 2021, were as follows:

	<u>Police</u>	<u>Non-Uniform</u>
Total Pension Liability	\$ 9,982,137	\$ 4,215,899
Plan Fiduciary Net Position	<u>(12,463,684)</u>	<u>(5,827,556)</u>
Township's Net Pension Asset	<u>\$ (2,481,547)</u>	<u>\$(1,611,657)</u>
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	124.9%	138.2%

**Actuarial Assumptions**

The total pension liability for both plans was determined by an actuarial valuation as of January 1, 2021, and rolled forward to the reporting date using the following significant assumptions applied to all periods included in the measurement.

Inflation	2.5%
Salary Increases	5.0% including inflation
Investment Rate of Return	7.0%

For the police pension plan, mortality rates were based on the 2010 Public Retirement Plan – Public Safety mortality tables (PubS-2010). For the non-uniformed pension plan, mortality rates were based on the 2010 Public Retirement Plan – General Employees mortality tables (PubG-2010). For both plans, mortality improvement was based on the long-range demographic assumptions for the 2020 SSA's Trustee Report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of December 31, 2021 are summarized in the following table.

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**11. DEFINED BENEFIT PENSION PLANS (continued)**

**E. Net Pension (Asset) Liability of the Township (continued)**

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	4.09 – 10.49%
Fixed Income	0.88 – 4.96%
Cash and Cash Equivalents	0.07 – 0.53%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made equal to the Minimum Municipal Obligation. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension (Asset) Liability**

Changes in the net pension liability for the year ended December 31, 2021, are as follows:

	<u>Police Pension Plan Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) – (b)</u>
Balance at December 31, 2020	\$ 9,506,308	\$ 11,354,414	\$ (1,848,106)
Changes for the Year			
Service Cost	188,104	-	188,104
Interest	671,482	-	671,482
Difference Between Expected and Actual Experience	138,477	-	138,477
Changes in Assumptions	32,263	-	32,263
Contributions - Employer	-	134,721	(134,721)
Contributions - Employee	-	78,606	(78,606)
Net Investment Income	-	1,502,991	(1,502,991)
Benefit Payments	(554,497)	(554,497)	-
Administrative Expense	-	(52,551)	52,551
Net Changes	<u>475,829</u>	<u>1,109,270</u>	<u>(633,441)</u>
Balances at December 31, 2021	<u>\$ 9,982,137</u>	<u>\$ 12,463,684</u>	<u>\$ (2,481,547)</u>

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**11. DEFINED BENEFIT PENSION PLANS (continued)**

**E. Net Pension (Asset) Liability of the Township (continued)**

**Changes in the Net Pension (Asset) Liability (continued)**

	Non-Uniform Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at December 31, 2020	\$ 4,091,545	\$ 5,235,595	\$ (1,144,050)
Changes for the Year			
Service Cost	101,045	-	101,045
Interest	280,877	-	280,877
Difference Between Expected and Actual Experience	(119,322)	-	(119,322)
Changes in Assumptions	14,184	-	14,184
Contributions - Employer	-	21,137	(21,137)
Contributions - Employee	-	57,393	(57,393)
Net Investment Income	-	693,680	(693,680)
Benefit Payments	(152,430)	(152,430)	-
Administrative Expense	-	(27,819)	27,819
Net Changes	124,354	591,961	(467,607)
Balances at December 31, 2021	<u>\$ 4,215,899</u>	<u>\$ 5,827,556</u>	<u>\$ (1,611,657)</u>

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

The following presents the net pension liabilities of the Township, calculated using the discount rate of 7.0 percent, as well as what the Township's net pension liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net Police Pension (Asset) Liability	\$(1,324,966)	\$(2,481,548)	\$(3,444,379)
Net Non-Uniformed Pension (Asset) Liability	\$(1,120,216)	\$(1,611,657)	\$(2,024,230)

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**11. DEFINED BENEFIT PENSION PLANS (continued)**

**E. Net Pension (Asset) Liability of the Township (continued)**

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

For the year ended December 31, 2021, the Township recognized pension expense of \$(412,011) and \$(254,965) in the Police and Non-Uniform Plans, respectively. At December 31, 2021, the Township reported deferred outflows and inflows of resources related to pensions from the following sources:

	Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 116,142	\$ (147,472)
Changes of Assumptions	27,059	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	230,322	(1,566,846)
	\$ 373,523	\$(1,714,318)

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

Year Ending December 31,	Amount
2022	\$ (342,699)
2023	(573,021)
2024	(336,088)
2025	(122,032)
2026	27,539
Thereafter	5,506
	\$(1,340,795)

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**11. DEFINED BENEFIT PENSION PLANS (continued)**

**E. Net Pension (Asset) Liability of the Township (continued)**

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

	Non-Uniform	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ (228,125)
Changes of Assumptions	55,176	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	105,681	(712,150)
	\$ 160,857	\$ (940,275)

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

Year Ending December 31,	Amount
2022	\$ (179,035)
2023	(281,302)
2024	(168,361)
2025	(91,141)
2026	(22,433)
Thereafter	(37,146)
	\$ (779,418)



**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2021**

**12. RISK MANAGEMENT**

The Township is exposed to various kinds of loss related to limited torts; theft of, and damage to and destruction of assets; errors and omissions; and natural disasters for which the Township carries commercial insurance.

**a. Health Care Coverage**

The Township participates in the Delaware Valley Health Trust (DVHT). DVHT is a regional risk sharing pool providing health insurance benefits to employees and dependents of participating municipalities.

**b. Workers' Compensation Coverage**

The Township contracts with the Delaware Valley Workers' Compensation Trust to provide workers' compensation benefits to employees.

**c. Insurance Coverage**

The Township contracts with Delaware Valley Property Liability Trust to provide commercial, liability and bonding coverage for the Township.

Management believes the above coverages are sufficient to preclude any significant uninsured losses to the Township. There have been no significant reductions in coverage from the prior year.

**13. CONTINGENCIES**

The Township is party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accruals or provisions for loss contingencies that may result from these proceedings. While the outcome of the above-noted proceedings cannot be predicted, due to the insurance coverage maintained by the Township, management feels that any settlement of judgment not covered by insurance would not materially affect the financial condition of the Township.

**14. RECENT ACCOUNTING PRONOUNCEMENT ISSUED, NOT YET EFFECTIVE**

In June 2017, the GASB issued Statement No. 87 – *Leases*. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2021. Management has not yet determined the effect this update will have on the Township's financial statements.

**15. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 5, 2022, the date which the financial statements were available to be issued.

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios**  
**Police Pension Plan**  
**December 31, 2021**  
**(Unaudited)**

	Measurement Date as of December 31,				
	2021	2020	2019	2018	2017
<b>Total Pension Liability</b>					
Service Cost	\$ 188,104	\$ 183,044	\$ 198,537	\$ 173,699	\$ 212,969
Interest	671,482	630,789	595,031	573,270	528,964
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	138,477	-	(290,188)	-	(34,081)
Changes of Assumptions	32,263	-	-	-	177,760
Benefit Payments (Including Refunds of Member Contributions)	(554,497)	(267,007)	(267,462)	(77,249)	(62,444)
<b>Net Change in Total Pension Liability</b>	<b>475,829</b>	<b>546,826</b>	<b>235,918</b>	<b>669,720</b>	<b>823,168</b>
<b>Total Pension Liability</b>					
Beginning of Year	9,506,308	8,959,482	8,723,564	8,053,844	7,230,676
End of Year	<u>\$ 9,982,137</u>	<u>\$ 9,506,308</u>	<u>\$ 8,959,482</u>	<u>\$ 8,723,564</u>	<u>\$ 8,053,844</u>
<b>Plan Fiduciary Net Position</b>					
Contributions					
Employer	\$ 134,721	\$ 136,909	\$ 109,972	\$ 133,914	\$ 155,068
Member	78,606	71,527	72,146	66,499	65,139
Net Investment Income	1,502,991	1,544,170	1,758,005	(539,506)	1,247,833
Benefit Payments (Including Refunds of Member Contributions)	(554,497)	(267,007)	(267,462)	(77,249)	(62,444)
Administrative Expense	(52,551)	(42,983)	(40,736)	(40,754)	(34,695)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>1,109,270</b>	<b>1,442,616</b>	<b>1,631,925</b>	<b>(457,096)</b>	<b>1,370,901</b>
<b>Plan Fiduciary Net Position</b>					
Beginning of Year	11,354,414	9,911,798	8,279,873	8,736,969	7,366,068
End of Year	<u>\$12,463,684</u>	<u>\$11,354,414</u>	<u>\$ 9,911,798</u>	<u>\$ 8,279,873</u>	<u>\$ 8,736,969</u>

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios**  
**Police Pension Plan**  
**December 31, 2021**  
**(Unaudited)**

	Measurement Date as of December 31,				
	2021	2020	2019	2018	2017
(Continued)					
<b>Township's Ending Net Pension Liability (Asset)</b>	<u>\$ (2,481,547)</u>	<u>\$ (1,848,106)</u>	<u>\$ (952,316)</u>	<u>\$ 443,691</u>	<u>\$ (683,125)</u>
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	124.9%	119.4%	110.6%	94.9%	108.5%
Covered Employee Payroll	<u>\$ 1,558,238</u>	<u>\$ 1,380,180</u>	<u>\$ 1,324,201</u>	<u>\$ 1,359,506</u>	<u>\$ 1,237,440</u>
Township's Net Pension Liability (Asset) As a Percentage of Covered Employee Payroll	(159.3)%	(133.9)%	(71.9)%	32.6%	(55.2)%

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios**  
**Police Pension Plan**  
**December 31, 2021**  
**(Unaudited)**

	Measurement Date as of December 31,		
	2016	2015	2014
<b>Total Pension Liability</b>			
Service Cost	\$ 183,602	\$ 212,960	\$ 204,231
Interest	475,112	436,104	414,384
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	(254,619)	-
Changes of Assumptions	-	-	-
Benefit Payments (Including Refunds of Member Contributions)	(62,444)	(62,444)	(62,444)
<b>Net Change in Total Pension Liability</b>	<u>596,270</u>	<u>332,001</u>	<u>556,171</u>
<b>Total Pension Liability</b>			
Beginning of Year	<u>6,634,406</u>	<u>6,302,405</u>	<u>5,746,234</u>
End of Year	<u>\$ 7,230,676</u>	<u>\$ 6,634,406</u>	<u>\$ 6,302,405</u>
<b>Plan Fiduciary Net Position</b>			
Contributions			
Employer	\$ 164,262	\$ 222,414	\$ 232,820
Member	70,912	69,681	63,323
Net Investment Income	574,644	(52,737)	433,915
Benefit Payments (Including Refunds of Member Contributions)	(62,444)	(62,444)	(62,444)
Administrative Expense	(31,913)	(29,358)	(3,655)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>715,461</u>	<u>147,556</u>	<u>663,959</u>
<b>Plan Fiduciary Net Position</b>			
Beginning of Year	<u>6,650,607</u>	<u>6,503,051</u>	<u>5,839,092</u>
End of Year	<u>\$ 7,366,068</u>	<u>\$ 6,650,607</u>	<u>\$ 6,503,051</u>

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios**  
**Police Pension Plan**  
**December 31, 2021**  
**(Unaudited)**

	Measurement Date as of December 31,		
	2016	2015	2014
(Continued)			
<b>Township's Ending Net Pension Liability</b>	<b>\$ (135,392)</b>	<b>\$ (16,201)</b>	<b>\$ (200,646)</b>
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	101.9%	100.2%	103.2%
Covered Employee Payroll	<b>\$ 1,432,387</b>	<b>\$ 1,393,683</b>	<b>\$ 1,266,797</b>
Township's Net Pension Liability As a Percentage of Covered Employee Payroll	(9.5)%	(1.2)%	(15.8)%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is complete, available information is presented.

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios**  
**Non-Uniformed Pension Plan**  
**December 31, 2021**  
**(Unaudited)**

	Measurement Date as of December 31,				
	2021	2020	2019	2018	2017
<b>Total Pension Liability</b>					
Service Cost	\$ 101,045	\$ 94,644	\$ 90,137	\$ 83,988	\$ 79,989
Interest	280,877	271,262	254,514	243,510	226,384
Differences Between Expected and Actual Experience	(119,322)	-	(84,854)	-	(118,761)
Changes of Assumptions	14,184	-	-	-	96,272
Benefit Payments (Including Refunds of Member Contributions)	(152,430)	(107,944)	(111,786)	(72,079)	(59,556)
<b>Net Change in Total Pension Liability</b>	<b>124,354</b>	<b>257,962</b>	<b>148,011</b>	<b>255,419</b>	<b>224,328</b>
<b>Total Pension Liability</b>					
Beginning of Year	4,091,545	3,833,583	3,685,572	3,430,153	3,205,825
End of Year	<u>\$ 4,215,899</u>	<u>\$ 4,091,545</u>	<u>\$ 3,833,583</u>	<u>\$ 3,685,572</u>	<u>\$ 3,430,153</u>
<b>Plan Fiduciary Net Position</b>					
Contributions					
Employer	\$ 21,137	\$ 29,520	\$ 50,240	\$ 38,925	\$ 200,176
Member	57,393	61,813	59,495	58,238	53,942
Net Investment Income	693,680	704,144	802,783	(246,628)	563,290
Benefit Payments (Including Refunds of Member Contributions)	(152,430)	(107,944)	(111,786)	(72,079)	(59,556)
Administrative Expense	(27,819)	(21,840)	(20,955)	(21,479)	(18,027)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>591,961</b>	<b>665,693</b>	<b>779,777</b>	<b>(243,023)</b>	<b>739,825</b>
<b>Plan Fiduciary Net Position</b>					
Beginning of Year	5,235,595	4,569,902	3,790,125	4,033,148	3,293,323
End of Year	<u>\$ 5,827,556</u>	<u>\$ 5,235,595</u>	<u>\$ 4,569,902</u>	<u>\$ 3,790,125</u>	<u>\$ 4,033,148</u>

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios**  
**Non-Uniformed Pension Plan**  
**December 31, 2021**  
**(Unaudited)**

	Measurement Date as of December 31,				
	2021	2020	2019	2018	2017
(Continued)					
<b>Township's Ending Net Pension Liability</b>	<u>\$ (1,611,657)</u>	<u>\$ (1,144,050)</u>	<u>\$ (736,319)</u>	<u>\$ (104,553)</u>	<u>\$ (602,995)</u>
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	138.2%	128.0%	119.2%	102.8%	117.6%
Covered Employee Payroll	<u>\$ 1,194,810</u>	<u>\$ 1,173,328</u>	<u>\$ 1,152,961</u>	<u>\$ 1,116,086</u>	<u>\$ 1,082,902</u>
Township's Net Pension Liability (Asset) As a Percentage of Covered Employee Payroll	(134.9)%	(97.5)%	(63.9)%	(9.4)%	(55.7)%

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios**  
**Non-Uniformed Pension Plan**  
**December 31, 2021**  
**(Unaudited)**

	Measurement Date as of December 31,		
	2016	2015	2014
<b>Total Pension Liability</b>			
Service Cost	\$ 80,114	\$ 76,299	\$ 79,941
Interest	211,708	196,569	187,243
Differences Between Expected and Actual Experience	-	(73,340)	-
Changes of Assumptions	-	-	-
Benefit Payments (Including Refunds of Member Contributions)	(59,556)	(61,230)	(52,860)
<b>Net Change in Total Pension Liability</b>	<u>232,266</u>	<u>138,298</u>	<u>214,324</u>
<b>Total Pension Liability</b>			
Beginning of Year	<u>2,973,559</u>	<u>2,835,261</u>	<u>2,620,937</u>
End of Year	<u><u>\$ 3,205,825</u></u>	<u><u>\$ 2,973,559</u></u>	<u><u>\$ 2,835,261</u></u>
<b>Plan Fiduciary Net Position</b>			
Contributions			
Employer	\$ 37,539	\$ 79,516	\$ 62,234
Member	52,541	51,433	49,833
Net Investment Income	259,477	(22,771)	212,194
Benefit Payments (Including Refunds of Member Contributions)	(59,556)	(61,230)	(52,860)
Administrative Expense	(16,859)	(16,183)	(14,922)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>273,142</u>	<u>30,765</u>	<u>256,479</u>
<b>Plan Fiduciary Net Position</b>			
Beginning of Year	<u>3,020,181</u>	<u>2,989,416</u>	<u>2,732,937</u>
End of Year	<u><u>\$ 3,293,323</u></u>	<u><u>\$ 3,020,181</u></u>	<u><u>\$ 2,989,416</u></u>



**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Schedule of Changes in the Township's Net Pension Liability and Related Ratios**  
**Non-Uniformed Pension Plan**  
**December 31, 2021**  
**(Unaudited)**

	Measurement Date as of December 31,		
	2016	2015	2014
(Continued)			
<b>Township's Ending Net Pension Liability</b>	<b>\$ (87,498)</b>	<b>\$ (46,622)</b>	<b>\$ (154,155)</b>
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	102.7%	101.6%	105.4%
Covered Employee Payroll	<b>\$ 1,054,415</b>	<b>\$ 1,020,096</b>	<b>\$ 951,402</b>
Township's Net Pension Liability As a Percentage of Covered Employee Payroll	(8.3)%	(4.6)%	(16.2)%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a 10-year trend is complete, available information is presented.

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Required Supplementary Information**  
**Schedule of Township Contributions - Police Pension Plan**  
**December 31, 2021**  
**(Unaudited)**

<u>Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions As a Percentage of Covered Employee Payroll</u>
2012	\$ 232,172	\$ 232,172	\$ -	\$ 1,180,823	19.7%
2013	\$ 229,087	\$ 229,087	\$ -	N/A	N/A
2014	\$ 232,820	\$ 232,820	\$ -	\$ 1,266,797	18.4%
2015	\$ 222,414	\$ 222,414	\$ -	\$ 1,393,683	16.0%
2016	\$ 164,262	\$ 164,262	\$ -	\$ 1,432,387	11.5%
2017	\$ 155,068	\$ 155,068	\$ -	\$ 1,237,440	12.5%
2018	\$ 133,914	\$ 133,914	\$ -	\$ 1,359,506	9.9%
2019	\$ 109,972	\$ 109,972	\$ -	\$ 1,324,201	8.3%
2020	\$ 132,488	\$ 136,909	\$ (4,421)	\$ 1,380,180	9.9%
2021	\$ 113,164	\$ 134,721	\$ (21,557)	\$ 1,558,238	8.6%

**Notes to Schedule:**

Actuarial Valuation Date	January 1, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Closed
Remaining Amortization Period	16 Years (Aggregate)
Asset Valuation Method	4-Year Smoothing
Inflation	2.75%
Salary Increases	5.0% including inflation
Investment Rate of return	7.0 % net of investment expenses not funded through the MMO, and including inflation
Mortality	RP-2014 Mortality Table, with rates set forward 5 years for disabled members. Mortality improvement based on the Long-Range Demographic Assumptions for the 2015 SSA's Trustee Report

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Required Supplementary Information**  
**Schedule of Township Contributions - Non-Uniformed Pension Plan**  
**December 31, 2021**  
**(Unaudited)**

<u>Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions As a Percentage of Covered Employee Payroll</u>
2012	\$ 64,611	\$ 64,611	\$ -	\$ 863,343	7.5%
2013	\$ 65,577	\$ 65,577	\$ -	N/A	N/A
2014	\$ 62,234	\$ 62,234	\$ -	\$ 951,402	6.5%
2015	\$ 79,516	\$ 79,516	\$ -	\$ 1,020,096	7.8%
2016	\$ 37,539	\$ 37,539	\$ -	\$ 1,054,415	3.6%
2017	\$ 38,229	\$ 200,176	\$ (161,947)	\$ 1,082,902	18.5%
2018	\$ 38,925	\$ 38,925	\$ -	\$ 1,116,086	3.5%
2019	\$ 28,863	\$ 50,240	\$ (21,377)	\$ 1,152,961	4.4%
2020	\$ 29,520	\$ 29,520	\$ -	\$ 1,173,328	2.5%
2021	\$ 17,755	\$ 21,137	\$ (3,382)	\$ 1,194,810	1.8%

**Notes to Schedule:**

Actuarial Valuation Date	January 1, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Closed
Remaining Amortization Period	16 Years (Aggregate)
Asset Valuation Method	4-Year Smoothing
Inflation	2.75%
Salary Increases	5.0% including inflation
Investment Rate of return	7.0 % net of investment expenses not funded through the MMO, and including inflation
Mortality	RP-2014 Mortality Table. Mortality improvement based on the Long-Range Demographic Assumptions for the 2015 SSA's Trustee Report

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Required Supplementary Information  
Schedule of Investment Returns  
December 31, 2021  
(Unaudited)**

	<u>Police</u>	<u>Non-Uniform</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense		
2014	7.82%	7.76%
2015	(0.81)%	(0.76)%
2016	8.61%	8.59%
2017	16.93%	16.88%
2018	(6.18)%	(6.13)%
2019	21.34%	21.34%
2020	15.61%	15.47%
2021	13.01%	12.93%

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General and Land Preservation Funds**  
**Year Ended December 31, 2021**

	<b>General Fund</b>			<b>Land Preservation Fund</b>		
	Original Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Taxes	\$ 3,785,842	\$ 4,953,999	\$ 1,168,157	\$ 450,000	\$ 723,839	\$ 273,839
Intergovernmental	315,391	359,635	44,244	-	-	-
Charges for Services	194,580	276,755	82,175	-	-	-
Fines, Licenses and Permits	314,100	321,242	7,142	-	-	-
Interest Income and Rents	31,600	29,596	(2,004)	8,000	2,269	(5,731)
Miscellaneous Revenues	3,500	26,562	23,062	-	-	-
Total Revenues	<u>4,645,013</u>	<u>5,967,789</u>	<u>1,322,776</u>	<u>458,000</u>	<u>726,108</u>	<u>268,108</u>
<b>Expenditures</b>						
General Governmental	886,084	992,506	(106,422)	-	-	-
Public Safety	3,360,151	3,346,186	13,965	-	-	-
Public Works	1,141,873	1,008,842	133,031	-	-	-
Park and Recreation	20,000	19,540	460	-	-	-
Conservation and Development	-	-	-	203,755	26,422	177,333
Debt Service - Principal	-	4,235	(4,235)	-	-	-
Debt Service - Interest	-	410	(410)	-	-	-
Capital Expenditures	-	48,521	(48,521)	-	-	-
Total Expenditures	<u>5,408,108</u>	<u>5,420,240</u>	<u>(12,132)</u>	<u>203,755</u>	<u>26,422</u>	<u>177,333</u>
Excess (Deficiency) of Revenues Over Expenditures	(763,095)	547,549	1,310,644	254,245	699,686	445,441
<b>Fund Balances</b>						
Beginning of Year	<u>763,095</u>	<u>2,894,060</u>	<u>2,130,965</u>	<u>(254,245)</u>	<u>2,013,018</u>	<u>2,267,263</u>
End of Year	<u>\$ -</u>	<u>\$ 3,441,609</u>	<u>\$ 3,441,609</u>	<u>\$ -</u>	<u>\$ 2,712,704</u>	<u>\$ 2,712,704</u>

See notes to schedules of budget to actual comparisons.

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Park and Recreation Fund**  
**Year Ended December 31, 2021**

	<b>Park and Recreation Fund</b>		
	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 430,661	\$ 436,360	\$ 5,699
Intergovernmental	225,000	341,529	116,529
Charges for Services	25,000	17,280	(7,720)
Interest Income and Rents	20,600	13,027	(7,573)
Miscellaneous Revenues	10,000	20,276	10,276
Total Revenues	711,261	828,472	117,211
Expenditures			
Park and Recreation	848,903	229,389	619,514
Capital Expenditures	-	173,966	(173,966)
Total Expenditures	848,903	403,355	445,548
Excess (Deficiency) of Revenues Over Expenditures	(137,642)	425,117	562,759
Other Financing Sources (Uses)			
Operating Transfers In (Out)	114,500	-	(114,500)
Net Changes in Fund Balances	(23,142)	425,117	448,259
Fund Balances			
Beginning of Year	23,142	69,591	46,449
End of Year	\$ -	\$ 494,708	\$ 494,708

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Notes to Schedules of Budget to Actual Comparisons**  
**December 31, 2021**

**1. BASIS OF PRESENTATION**

The Township has prepared the Schedule of Budget to Actual Comparisons using the same format as the Statement of Revenues, Expenditures, and Changes in Fund Balances.

The Township did not amend its 2021 budget as originally adopted and, therefore, is presenting its original and final budget in one column for the other funds presented.

**TOWNSHIP OF NEW BRITAIN  
BUCKS COUNTY, PA  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2021**

	Special Revenue Funds			Total Nonmajor Special Revenue Funds	Capital Project Fund	Debt Service Fund	Total Nonmajor Governmental Funds
	Street Lighting Tax Fund	Fire and Ambulance Protection Tax Fund	State Highway Aid Fund		Highway Equipment Fund	Capital Infrastructure and Public Works Building Fund	
<b>Assets</b>							
Cash	\$ 157,777	\$ 10,485	\$ 302,573	\$ 470,835	\$ 287,452	\$ 1,045,577	\$ 1,803,864
Taxes Receivable	715	33,687	-	34,402	1,339	5,812	41,553
Due from (to) Other Funds	(64,469)	120,413	-	55,944	1,253	(154,254)	(97,057)
<b>Total Assets</b>	<u>\$ 94,023</u>	<u>\$ 164,585</u>	<u>\$ 302,573</u>	<u>\$ 561,181</u>	<u>\$ 290,044</u>	<u>\$ 897,135</u>	<u>\$ 1,748,360</u>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts Payable	\$ 800	\$ -	\$ -	\$ 800	\$ 1,240	\$ -	\$ 2,040
Accrued Interest Payable	-	-	-	-	-	17,307	17,307
<b>Total Liabilities</b>	<u>800</u>	<u>-</u>	<u>-</u>	<u>800</u>	<u>1,240</u>	<u>17,307</u>	<u>19,347</u>
<b>Deferred Inflows of Resources</b>							
Deferred Taxes	615	6,868	-	7,483	1,114	4,918	13,515
Deferred Grant Revenue	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>615</u>	<u>6,868</u>	<u>-</u>	<u>7,483</u>	<u>1,114</u>	<u>4,918</u>	<u>13,515</u>
<b>Fund Balances</b>							
Restricted	79,009	61,302	302,573	442,884	232,180	646,754	1,321,818
Assigned	13,599	96,415	-	110,014	55,510	228,156	393,680
<b>Total Fund Balances</b>	<u>92,608</u>	<u>157,717</u>	<u>302,573</u>	<u>552,898</u>	<u>287,690</u>	<u>874,910</u>	<u>1,715,498</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 94,023</u>	<u>\$ 164,585</u>	<u>\$ 302,573</u>	<u>\$ 561,181</u>	<u>\$ 290,044</u>	<u>\$ 897,135</u>	<u>\$ 1,748,360</u>



**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2021**

	Special Revenue Funds			Total Nonmajor Special Revenue Funds	Capital Project Fund	Debt Service Fund	Total Nonmajor Governmental Funds
	Street Lighting Tax Fund	Fire and Ambulance Protection Tax Fund	State Highway Aid Fund		Highway Equipment Fund	Capital Infrastructure and Public Works Building Fund	
Revenues							
Taxes	\$ -	\$ 429,585	\$ -	\$ 429,585	\$ 89,249	\$ 400,305	\$ 919,139
Intergovernmental	-	-	379,735	379,735	-	-	379,735
Charges for Services	36,765	-	-	36,765	-	-	36,765
Interest Income and Rents	154	206	873	1,233	314	879	2,426
Total Revenues	36,919	429,791	380,608	847,318	89,563	401,184	1,338,065
Expenditures							
Public Safety	-	427,700	-	427,700	-	-	427,700
Public Works	13,447	-	232,764	246,211	5,445	-	251,656
Debt Service - Principal	19,734	-	-	19,734	-	323,000	342,734
Debt Service - Interest	1,905	-	-	1,905	-	47,861	49,766
Capital Expenditures	-	-	-	-	51,080	-	51,080
Total Expenditures	35,086	427,700	232,764	695,550	56,525	370,861	1,122,936
Excess (Deficiency) of Revenues Over Expenditures	1,833	2,091	147,844	151,768	33,038	30,323	215,129
Other Financing Sources (Uses)							
Operating Transfers In (Out)	-	-	-	-	-	(18,530)	(18,530)
Net Changes in Fund Balances	1,833	2,091	147,844	151,768	33,038	11,793	196,599
Fund Balances							
Beginning of Year	90,775	155,626	154,729	401,130	254,652	863,117	1,518,899
End of Year	\$ 92,608	\$ 157,717	\$ 302,573	\$ 552,898	\$ 287,690	\$ 874,910	\$ 1,715,498

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Combining Statement of Fiduciary Net Position**  
**Pension Trust Funds**  
**December 31, 2021**

	<u>Police Pension</u>	<u>Non-Uniform Pension</u>	<u>Total</u>
<b>Assets</b>			
Cash	\$ 435,747	\$ 193,448	\$ 629,195
Investments	12,003,882	5,629,190	17,633,072
Contributions Receivable	11,170	7,181	18,351
Benefit Overpayment and Payment Errors	<u>12,886</u>	<u>5,116</u>	<u>18,002</u>
<b>Total Assets</b>	12,463,685	5,834,935	18,298,620
<b>Liabilities</b>			
Refunds of Member Contributions Payable	<u>-</u>	<u>7,379</u>	<u>7,379</u>
<b>Net Position</b>			
Held in Trust for Pension Benefits	<u>\$ 12,463,685</u>	<u>\$ 5,827,556</u>	<u>\$ 18,291,241</u>

**TOWNSHIP OF NEW BRITAIN**  
**BUCKS COUNTY, PA**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Pension Trust Funds**  
**Year Ended December 31, 2021**

	<u>Police Pension</u>	<u>Non-Uniform Pension</u>	<u>Total</u>
Additions			
Contributions			
Member	\$ 78,606	\$ 50,013	\$ 128,619
State	134,721	21,137	155,858
Total Contributions	<u>213,327</u>	<u>71,150</u>	<u>284,477</u>
Investment Income			
Net Appreciation of Fair Value on Investments	1,249,130	575,633	1,824,763
Interest and Dividends	253,863	118,049	371,912
	<u>1,502,993</u>	<u>693,682</u>	<u>2,196,675</u>
Less Investment Expense	47,167	16,980	64,147
Net Investment Income	<u>1,455,826</u>	<u>676,702</u>	<u>2,132,528</u>
Total Additions	<u>1,669,153</u>	<u>747,852</u>	<u>2,417,005</u>
Deductions			
Benefits	554,497	149,941	704,438
Actuarial Fees	5,385	5,950	11,335
Total Deductions	<u>559,882</u>	<u>155,891</u>	<u>715,773</u>
Increase in Net Position	1,109,271	591,961	1,701,232
Net Position, Held in Trust			
Beginning of Year	<u>11,354,414</u>	<u>5,235,595</u>	<u>16,590,009</u>
End of Year	<u>\$ 12,463,685</u>	<u>\$ 5,827,556</u>	<u>\$ 18,291,241</u>