



2023

## STRATEGIC MANAGEMENT PLANNING PROGRAM

STEPS 1-2  
FINANCIAL CONDITION AND  
TREND ANALYSIS

STEP 3  
OPERATIONAL AND  
DEPARTMENT REVIEW

STEP 4-5  
PRIORITIES AND  
IMPLEMENTATION  
STRATEGY

TOWNSHIP OF  
NEW SEWICKLEY

BEAVER COUNTY

*Prepared by:*  
*Grass Root Solutions*  
*January 2023*



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**ACKNOWLEDGEMENTS**

The Grass Root Solutions (GRS) team would like to thank the New Sewickley Township management and staff for their excellent cooperation and assistance. Without their support, this project would not have been possible.

**ELECTED OFFICIALS**

Greg Happ	Chairman
Doug Martin	Vice-Chairman
Fritz Retsch	Supervisor
Mike Phipps	Supervisor
Martin Bonzo	Supervisor

**STAFF**

Ron Leindecker	Township Manager
Lawrie Borgman	Township Secretary
Nicole Liston	Township Treasurer
Ron Kraus	Road Foreman

**GRS TEAM**

Deborah Grass	Project Manager
Tricia Levander	Financial and Budget Analyst
Jason Dailey	Operations Consultant (Public Works, Sewer, Code Enforcement, Parks, Technology)
Robert Johnson	Police Consultant

**DCED**

Bethany Williams, Local Government Policy Specialist  
Governor’s Center for Local Government Services

THIS PROJECT WAS PARTIALLY FUNDED THROUGH A GRANT FROM THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, GOVERNOR’S CENTER FOR LOCAL GOVERNMENT SERVICES UNDER THE STRATEGIC MANAGEMENT PLANNING PROGRAM.

## **INTRODUCTION**

The financial management of resources is one of local government’s most fundamental responsibilities. A municipality’s annual budget establishes its legal authority for incurring costs and paying for expenses throughout the year. It establishes control over how money is collected and spent and reflects the government's priorities. Many governments turn to short-term fixes, such as debt financing and one-time revenue sources (e.g., grants, government aid, interfund transfers) to address an underlying imbalance between revenues and expenditures in any given year. If not managed carefully, these short-term fixes can turn into long-term structural deficits that cripple local government operations. Structural deficits result when there is an underlying imbalance between revenues and expenditures that continues over multiple fiscal periods.

The Commonwealth’s Strategic Management Planning Program (STMP) helps local governments improve their operating efficiencies in order to avoid long-term structural deficits that could ultimately result in a formal declaration of distress. The STMP guidelines require a six-step planning process designed to assess a municipality's baseline financial condition, evaluate the operations of each municipal department, establish institutional priorities, and recommend strategies for stabilizing the local tax base. The six-step planning process is outlined below:

- Step 1: Financial Condition Assessment
- Step 2: Financial Trend Analysis
- Step 3: Management Audit/Review
- Step 4: Multi-Year Plan Adoption
- Step 5: Multi-Year Plan Implementation

As part of the STMP process, the Commonwealth expects local governments to include their elected officials, key staff, and residents in the process in order to ensure the successful implementation of the recommendations contained in the STMP Plan (the “Plan”).

### **The STMP Process**

The Commonwealth of Pennsylvania’s Strategic Management Planning Program (STMP) helps local governments improve their operating efficiencies to avert long-term structural deficits that could ultimately result in a formal declaration of distress.

**HISTORY AND STRUCTURE**

**HISTORY**

New Sewickley Township is located in eastern Beaver County approximately thirty (30) miles northwest of the City of Pittsburgh. The Township is a part of the original depreciation lands that were set aside by an Act of Assembly on March 12, 1783, to be awarded to those men who served in the American Revolutionary War. New Sewickley Township was created in 1801 when the original Sewickley Township, then two years old, was divided. At that time, New Sewickley Township was composed of about 19,279 acres of hilly land. Since then, some thirteen other boroughs and townships have been formed from the original Sewickley Township.

The Township’s skyline is easily recognized from nearly every high point in the county because of Big Knob, a dome-shaped hill nearly 200 feet higher than any of its neighbors and recognized as Beaver County’s highest point. New Sewickley Township has eight borders, including Marion Township to the north, Economy to the south, Conway and Freedom to the southwest, Rochester and Daugherty Townships to the west, and the Butler County townships of Jackson to the northeast and Cranberry to the east. Despite being bordered by Cranberry township the area is still predominantly rural.

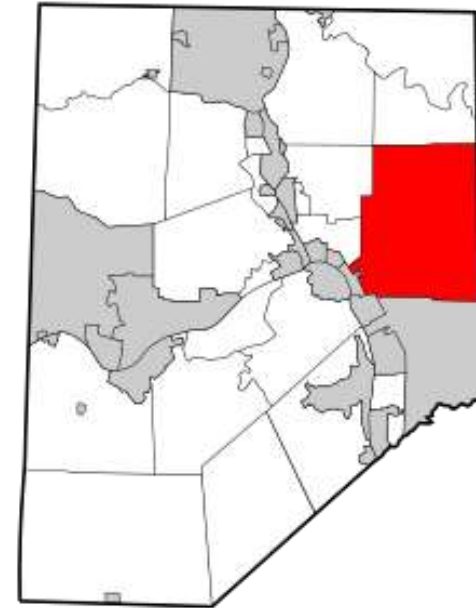


TABLE 1 – HISTORY OF POPULATION GROWTH AND DECLINE

HISTORICAL POPULATION		
Year	Population	%±
1970	5,719	—
1980	7,340	28.34%
1990	6,861	-6.53%
2000	7,076	3.13%
2010	7,360	4.01%
2020	7,183	-2.40%

The Township’s population was 7,183 at the time of the 2020 Census and the land area is 32.7 square miles for a population density of 220 persons per square mile. This low population density supports the relatively rural character of the Township. There was a slight decline in population from the 2010 census when the population reached a high of 7,360. Growth in the Township is slow due to the unavailability of sewer and water infrastructure.

**Table 1** provides an overview of the population growth and slight decline since 1970.

SOURCE: U.S. CENSUS BUREAU, 1970-2020

**STRUCTURE**

New Sewickley was incorporated as a Township of the 2nd Class. This Pennsylvania designation determines the structure and operation of the municipality. The Board of Supervisors acts as the governing body and is comprised of five (5) Supervisors elected at large. One of the Supervisors is appointed as “road master” which is a paid position in the Township. The Board approves the ordinances, policies, and directives for the Township.

Other elected positions include the Tax Collector and three (3) elected Auditors.

The positions that are appointed by the Board include the Township Manager, Secretary, and Treasurer

Township services include police and fire protection, maintenance of local roads and streets, local planning and zoning, parks and recreation, recycling, licensing of businesses and code enforcement.

The New Sewickley Township Municipal Authority (NSTMA) provides water and sewage service to Township residents. The Authority is a five member board appointed by the Board of Supervisors as a separate corporate entity from the Township. The purpose of the Authority is to acquire, hold, construct, improve, maintain, operate, own or lease the Township sewer and sewer system, sewer treatment works, waterworks and water supply distribution systems.

**DEMOGRAPHICS**

According to the 2020 census, the Township had a population of 7,183 in 2020. Approximately 97% of the population was white; 1% was Hispanic or Latino; and 2% were two (2) or more races. The following additional statistics are reported in the census data:

- The median age of the population is 54.2 years.
- Approximately 19% of the Township’s population are under the age of 18.
- About 44% of the residents in the Township are over the age of 60 – much higher than the county and state.
- Approximately 8% of the Township’s population are veterans.
- Females account for 52% of the population.
- There are 3,342 housing units in the Township - 200 units or 6% are vacant.
- Approximately 85% of all housing units are owner-occupied.
- There are 3,126 households and the average household size is 2.3 persons.
- The median household income is \$59,760-lower than the county (\$62,152), state (\$67,587) and nation (\$62,843).
- Approximately 9.3% of the Township’s families live below the poverty level.
- The median value of an owner-occupied housing unit in the Township is \$200,500, which is higher than the County (\$154,500) and state (\$197,300) but lower than the national average (\$217,500).

The Township’s population has slowly but steadily increased since 1970. Because of the availability of land in the Township, there is significant potential that the Township could experience increases in population because of development facilitated by the extension of water and sewer infrastructure. The Township officials should work with the understanding that they will likely experience incremental population growth as land is developed in the Township and planning efforts should focus on and encourage smart and sustainable growth. **Table 2** provides a demographic overview of eight (8) comparable Townships in western Pennsylvania utilizing the 2020 census data.



TABLE 2 – COMPARATIVE DEMOGRAPHIC CHARACTERISTICS- 2020 CENSUS

MUNICIPALITY NAME	COUNTY NAME	POPULATION	AREA (Sq. MILES)	POP. DENSITY (Sq. MILES)	MEDIAN HOUSEHOLD INCOME (\$)	MEDIAN VALUE OWNER-OCCUPIED UNITS (\$)	PERSONS LIVING IN POVERTY
SALEM TWP	WESTMORELAND	6125	47.1	130	71967	134000	5.3%
WASHINGTON TWP	WESTMORELAND	6926	32.0	216	74,063	189,200	6.9%
SHENANGO TWP	LAWRENCE	7141	24.4	293	59,211	142,700	5.2%
<b>NEW SEWICKLEY TWP</b>	<b>BEAVER</b>	<b>7183</b>	<b>32.7</b>	<b>220</b>	<b>59,760</b>	<b>200,500</b>	<b>9.3%</b>
INDIANA TWP	ALLEGHENY	7261	17.6	413	106964	280,300	6.9%
BUFFALO TWP	BUTLER	7818	24.1	324	82,500	245,600	4.9%
CENTER TWP	BUTLER	7828	24.4	321	84482	194300	3.8%
CHIPPEWA TWP	BEAVER	7983	15.7	508	101,176	215,500	3.4%
CHARTIERS TWP	WASHINGTON	8625	24.6	351	90,531	200,300	5.6%

SOURCE: U.S. CENSUS BUREAU, [WWW.SPCREGION.ORG](http://WWW.SPCREGION.ORG)

Census data indicates that the median household income in New Sewickley Township is lower than other Townships in the region but the Township has one of the higher median values of owner-occupied housing units. The relatively high housing values should translate into better than average collections of earned income taxes, deed transfer taxes, and real estate tax collection. The Township, however, has the highest poverty level, by far, of any of the comparable Townships in the region.



**BUSINESS, INDUSTRY, AND EMPLOYMENT**

**Table 5** provides detail about jobs in the Township that were reported to the US Census Bureau by industry code in 2019. The largest employment sectors were: Professional, Scientific, and Technical; Manufacturing; and Transportation and Warehousing.

TABLE 3 – JOBS BY INDUSTRY CODE REPORTED IN 2019

<b>JOBS BY NAICS INDUSTRY SECTOR</b>		
<b>Industry Segment</b>	<b>Number of Employees</b>	<b>Industry Share</b>
Agriculture, Forestry, Fishing and Hunting	5	0.3%
Construction	112	6.9%
Manufacturing	287	17.7%
Wholesale Trade	69	4.3%
Retail Trade	107	6.6%
Transportation and Warehousing	203	12.5%
Finance and Insurance	10	0.6%
Real Estate and Rental and Leasing	4	0.2%
Professional, Scientific, and Technical Services	598	36.9%
Admin & Support, Waste Management and Remediation	121	7.5%
Educational Services	2	0.1%
Health Care and Social Assistance	23	1.4%
Arts, Entertainment, and Recreation	5	0.3%
Accommodation and Food Services	22	1.4%
Other Services (excluding Public Administration)	51	3.2%
Public Administration	0	0.0%
<b>Total All Industry Sectors</b>	<b>1,619</b>	<b>100.0%</b>

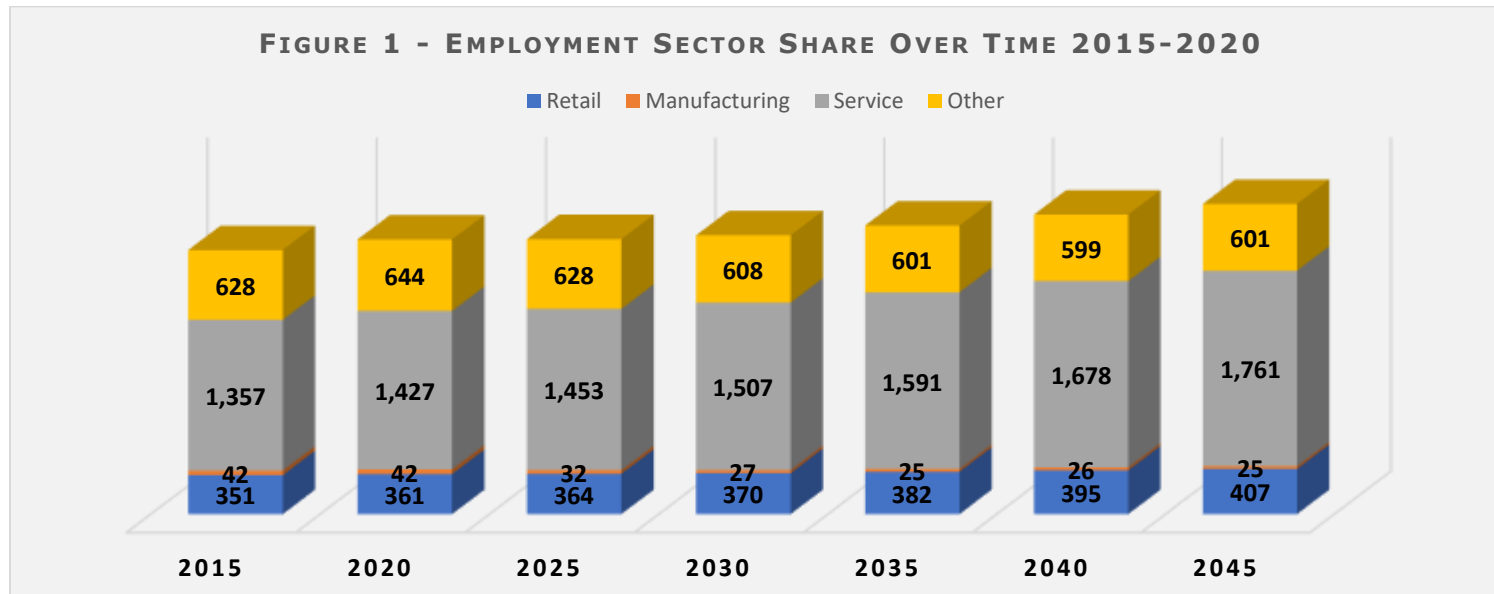
SOURCE: U.S. CENSUS BUREAU, ON THE MAP APPLICATION & LEHD ORIGIN-DESTINATION EMPLOYMENT STATISTICS

Data from the Southwest PA Commission (SPC) was also reviewed to estimate employment trends over the next thirty (30) years. **Table 4** provides the employment projections for the Township in three (3) specific sectors: retail, manufacturing, and service. The SPC projections indicate slight employment gains and a shift from manufacturing and retail to a more service oriented employment makeup in the future.

TABLE 4 – EMPLOYMENT PROJECTIONS 2015 - 2045

YEAR	RETAIL	MANUFACTURING	SERVICE	OTHER	TOTAL
2015	351	42	1,357	628	2,378
2020	361	42	1,427	644	2,474
2025	364	32	1,453	628	2,477
2030	370	27	1,507	608	2,512
2035	382	25	1,591	601	2,599
2040	395	26	1,678	599	2,698
2045	407	25	1,761	601	2,794

SOURCE: EMPLOYMENT PROJECTIONS, [REGIONAL DATA CENTER - SOUTHWESTERN PENNSYLVANIA COMMISSION \(SPCREGION.ORG\)](http://SPCREGION.ORG)



**SUMMARY OF OBSERVATIONS AND FINDINGS**

New Sewickley Township was established in 1801 and has a long and proud history in the region. The Township is located in eastern Beaver County and has a land area of 32.7 square miles. It is still primarily rural in character with some farms and suburban neighborhoods.

According to the 2020 Census data, the Township has a lower-than-average median income with a relatively high poverty rate. The Township has a higher-than-average median housing value which should provide a solid economic base for the collection of earned income taxes, deed transfer taxes, real estate taxes, and local service taxes.

With so much land available for development, there is potential for gradual, sustainable, smart growth especially in the areas of arts and recreation, professional and technical, and service jobs which are already strong segments of the Township’s overall economic base. Growth will most likely depend on the Township’s willingness to work with the Authority in expanding water and sewer lines. It will also depend on the Township’s long-term ability to generate revenue to support quality services and to support an aggressive capital infrastructure, facility, and technology planning process.



Like its neighboring communities, the Township has experienced steady population increases over the years and is expected to support steady, reasonable growth over the next fifteen (15) years. For this reason, New Sewickley should continue to enhance its current revenue stream as well as strengthen its collection methods. Providing quality public services and encouraging a healthy business climate can draw visitors into the community to support the delivery of goods and services.

Generating revenue and containing costs will be the focus of Steps 1 and 2 of the STMP process. These sections will identify the existing Township revenue streams, the cost of providing major services, and projections for the Township’s financial position based on realistic assumptions and trending from a historical perspective.

**STEP 1: FINANCIAL CONDITION ASSESSMENT**

The five-step planning process endorsed by the Commonwealth’s STMP process seeks to stabilize a community’s economic position by preparing realistic revenue forecasts and recommending strategies for achieving greater operational efficiencies. Step 1 of the STMP’s five-step planning process focuses on establishing the Township’s existing financial condition. This baseline assessment provides a meaningful starting point for developing financial forecasts and benchmarking the Township’s performance in future years. In order to present a comprehensive review of existing financial conditions in the Township, this report will focus on the ability of the Township to generate revenue, the efforts and resources used to provide service delivery, and the Township’s budgetary policies and reporting system that support decision making. The analysis of the Township’s finances focuses on core revenues and expenditures. These are the ongoing, routine revenues and expenditures excluding one-time revenues, such as borrowing, grants, and large equipment purchases. By focusing on the Township’s core revenues and expenditures, it is possible to obtain an accurate base for making long-term projections. The initial analysis should provide answers to two key questions:

*Have past revenues been enough to sustain the level of services or did the Township have to resort to one-time fixes to balance budgets?*

*Are there adequate resources to sustain the current level of operations into the future, or will a combination of rate increases, new revenues, and spending cuts be needed?*

**Step 1 Financial Condition Assessment**

Step 1 of the STMP’s five-step planning process focuses on establishing the Township’s financial condition. This baseline assessment provides a meaningful starting point for developing financial forecasts and benchmarking the Township’s performance in future years.

**DEFINING FINANCIAL CONDITION**

Within the context of municipal government, *financial condition* is broadly defined as “the ability to provide and finance services on a continuing basis.” The International City/County Management Association (ICMA) utilizes the following definitions and time frames when examining a local government’s financial condition:

CASH SOLVENCY: A government’s ability to generate cash flow over a 60-day period to pay its bills

BUDGETARY SOLVENCY: A government’s ability to generate revenues over its normal fiscal year to meet its expenditures and avoid deficits

LONG-TERM SOLVENCY: A government’s ability, in the long-term, to pay all costs of doing business, as well as meeting all costs, such as pension costs and accumulated accrued employee leave benefits, as they occur

SERVICE-LEVEL SOLVENCY: A government’s ability to provide services at the level and quality that are required for the health, safety, and welfare of the community

According to the *Fiscal Management Handbook* published by the Department of Community and Economic Development (DCED) Governor's Center for Local Government Services, “fiscal or financial management is the process of obtaining funds to support the necessary services provided by your municipality and using those funds in an effective and efficient manner.” Sound financial management, therefore, requires that local elected and appointed officials understand the financial components of the Township’s financial system and use that information to make prudent decisions about the allocation of limited community resources.

**REVENUE PROFILE**

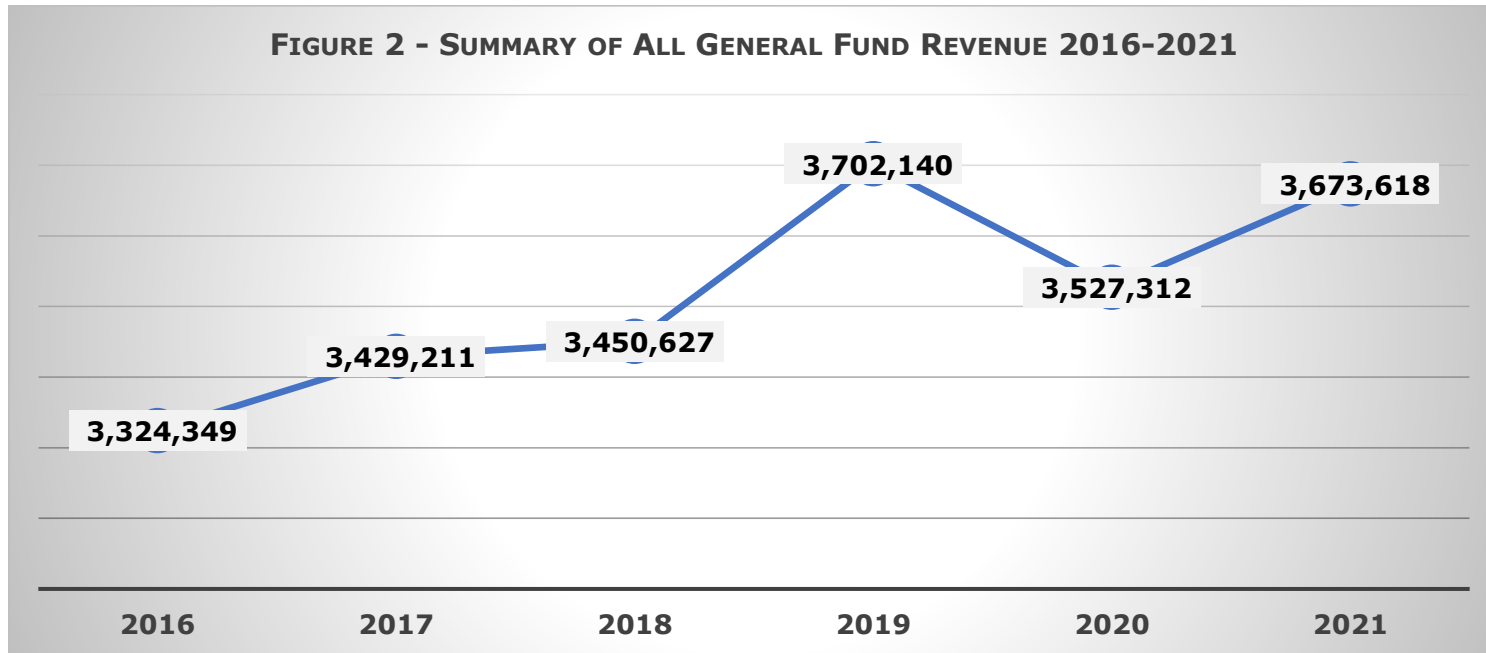
In governmental finance, the General Fund is *the* primary fund for reporting the financial activity in the day-to-day government operations. The General Fund is typically the largest fund and is supported by real estate taxes, Act 511 taxes, fees, and other miscellaneous receipts. **Table 5** provides a history of General Fund revenue by category from 2016 through 2021.

TABLE 5: SUMMARY GENERAL FUND REVENUE (2016-2021)

REVENUE CATEGORY	2016 AUDITED	2017 AUDITED	2018 AUDITED	2019 AUDITED	2020 AUDITED	2021 AUDITED
Real Estate Taxes	1,189,232	1,192,017	1,208,877	1,216,030	1,190,568	1,238,677
Act 511 Taxes	1,075,009	999,941	1,029,635	1,095,552	1,028,812	1,064,498
Licenses and Permits	142,165	160,877	145,226	143,852	148,016	149,706
Fines and Forfeits	60,413	59,442	57,755	61,312	51,159	50,883
Interest, Rents	774	16,162	78,248	57,409	25,156	52,359
Intergovernmental State	243,923	281,640	182,368	219,831	216,496	207,912
Charges for Services	217,978	312,372	294,528	337,167	323,447	361,783
Unclassified	-	2,375	7,082	16,509	8,598	51,171
Interfund Transfers	394,855	404,385	446,908	554,478	535,060	496,629
<b>Total Revenues by Source</b>	<b>3,324,349</b>	<b>3,429,211</b>	<b>3,450,627</b>	<b>3,702,140</b>	<b>3,527,312</b>	<b>3,673,618</b>

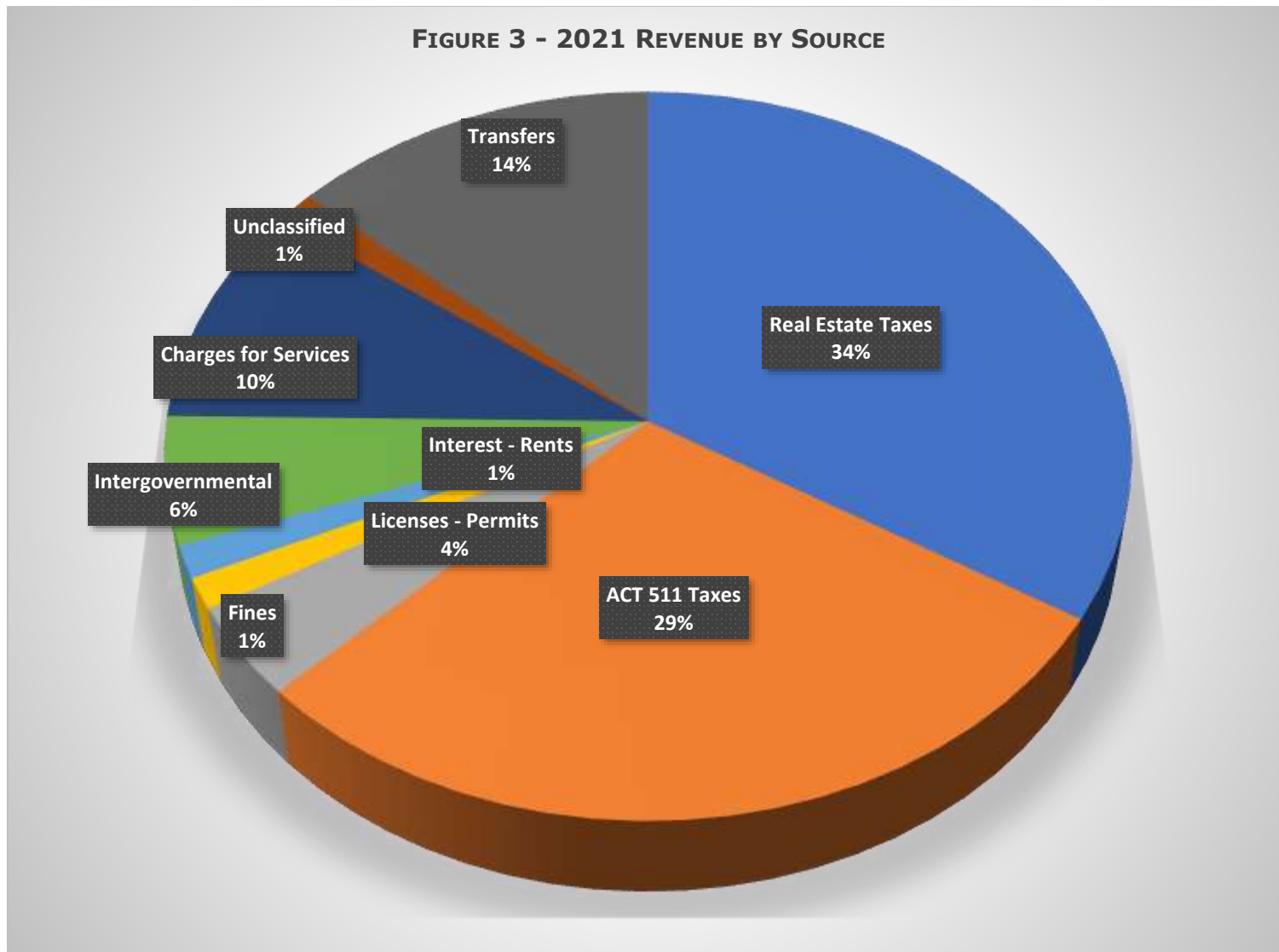
In 2016, the Township’s General Fund revenues were approximately \$3.3 million. By 2021, the revenue had increased to almost \$3.7 million. The Township’s revenue base is supported by 11.5 mills of general purpose millage and increases at about 1.8% per year. Although here have been no increases to the general purpose real estate millage rate in the six (6) year review period, the Township did increase the millage dedicated to fire services by 1 mill in 2019.

There is a noticeable decrease in revenue from 2019 to 2020 due to the COVID-19 impact. There was a definite weakening and slight decline in Act 511 tax revenue during the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2020 that continued into the first and second quarters of 2021. **Figure 2** illustrates the General Fund revenue gradual increase and then decrease between 2016 and 2021.



SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIALS AND GRS ANALYSIS

Major sources of General Fund revenue are shown in **Figure 3** and **Table 6**. These illustrate the types and percentages of the Township’s revenue sources. In 2021, tax revenue accounted for 63% of the Township’s total General Fund revenues. The largest tax source is real estate tax collections at 34% which has been a relatively stable revenue source. The Act 511 taxes which are the next highest revenue category, represent 29% of all revenue. Seven (7) additional categories make up the other 37% of the revenue base. The Township is heavily dependent on tax revenue which speaks to a relatively stable economic base in normal times. But in a crisis and over the long term, unemployment, stagnant economy, lack of development, decreases in property values, state policy changes, extreme events, and similar external factors can have a negative impact on the Township’s ability to generate revenue from these sources.



SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIALS AND GRS ANALYSIS



TABLE 6: SOURCES OF GENERAL FUND REVENUE, IN DOLLARS AND PERCENT OF TOTAL (2021)

REVENUE CATEGORY	2021 REVENUE	% OF TOTAL
Real Estate Taxes	1,238,677	34%
ACT 511 Taxes	1,064,498	29%
Licenses - Permits	149,706	4%
Fines	50,883	1%
Interest-Rents	52,359	1%
Intergovernmental	207,912	6%
Charges for Services	361,783	10%
Unclassified Revenue	51,171	1%
Interfund Transfers	496,629	14%
<b>Total General Fund Revenue</b>	<b>3,673,618</b>	<b>100%</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIALS AND GRS ANALYSIS

**Table 7** provides additional analysis of the various revenue sources as to which ones are showing an increase over the years and which are stagnant or decreasing. The largest increases are in charges for services and interfund transfers. Overall, revenue increases at a rate of about 1.8% per year.

TABLE 7: TRENDS FOR GENERAL FUND REVENUE SOURCES (2016-2021)

REVENUE CATEGORY	ANNUAL INC/DEC \$	ANNUAL INC/DEC %
Real Estate Taxes	49,445	0.7%
ACT 511 Taxes	(10,511)	-0.2%
Licenses - Permits	7,541	0.9%
Fines	(9,530)	-2.6%
Interest-Rents	51,585	1110.8%
Intergovernmental	(36,011)	-2.5%
Charges for Services	143,805	11.0%
Unclassified Revenue	51,171	0.0%
Interfund Transfers	101,774	4.3%
<b>Total Increase in Revenue</b>	<b>349,269</b>	<b>1.8%</b>



REAL ESTATE TAXES

Real estate tax revenue is the largest source of Township revenue, representing about 34% of overall revenue in 2021. Real estate tax revenue is dependent on three interrelated factors: (1) Beaver County’s property assessments, (2) the Township’s tax rate, and (3) the Township’s collection rate. An increase in either the assessment or tax rate can sometimes result in a decrease in collection rate initially because delinquencies tend to increase in the face of higher property tax bills. In 2019, the Township increased its millage rate from 12.5 mills to 13.5 mills to raise additional revenue dedicated to the fire services.

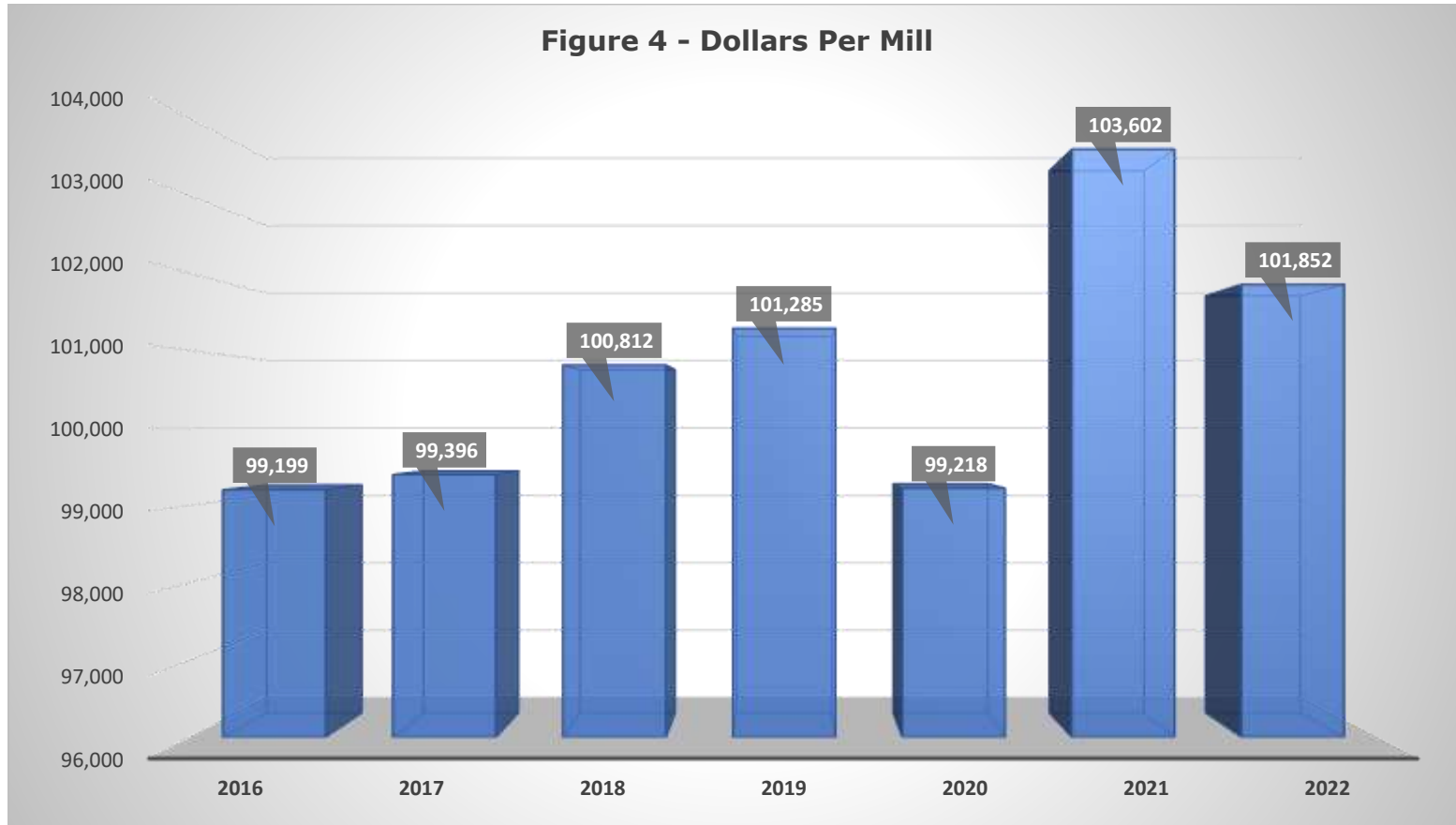


**Table 8** shows the history of assessed values and the slow increase in actual collection totals from 2016 to 2022. The collection rate is typically around 97% which is a good collection rate for municipalities. The Township generates approximately \$100,000 per mill of real estate tax levied.

TABLE 8 - REAL ESTATE TAX COLLECTION AND MILLAGE HISTORY (2016-2020)

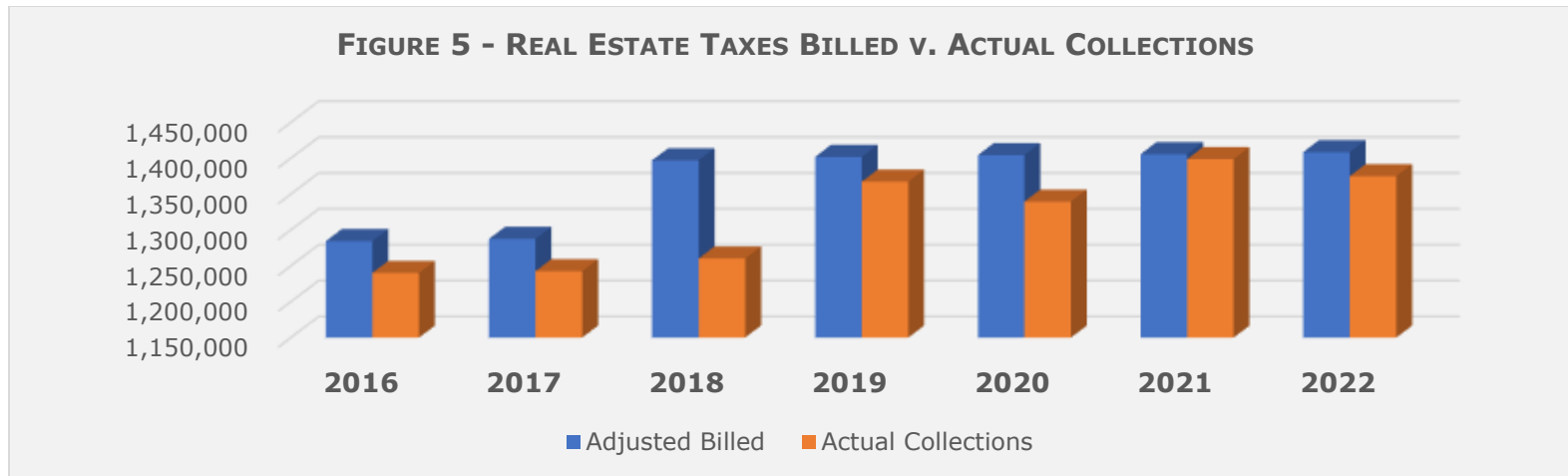
ITEM	2016	2017	2018	2019	2020	2021	2022
<b>Assessed Value</b>	<b>104,850,211</b>	<b>105,107,646</b>	<b>105,582,968</b>	<b>105,963,728</b>	<b>106,140,203</b>	<b>106,246,443</b>	<b>106,458,936</b>
GL Mills	11.5	11.5	11.5	11.5	11.5	11.5	11.5
Fire Mills	1.0	1.0	1.0	2.0	2.0	2.0	2.0
<b>Total</b>	<b>12.5</b>	<b>12.5</b>	<b>12.5</b>	<b>13.5</b>	<b>13.5</b>	<b>13.5</b>	<b>13.5</b>
Taxes Billed	1,310,628	1,313,846	1,319,787	1,430,510	1,432,893	1,434,327	1,437,196
<b>2% Discount</b>	<b>26,213</b>	<b>26,277</b>	<b>26,396</b>	<b>28,610</b>	<b>28,658</b>	<b>28,687</b>	<b>28,744</b>
<b>Adjusted Billed</b>	<b>1,284,415</b>	<b>1,287,569</b>	<b>1,293,391</b>	<b>1,401,900</b>	<b>1,404,235</b>	<b>1,405,640</b>	<b>1,408,452</b>
<b>Actual Collection</b>	<b>1,239,990</b>	<b>1,242,452</b>	<b>1,260,150</b>	<b>1,367,347</b>	<b>1,339,442</b>	<b>1,398,622</b>	<b>1,375,000</b>
<b>Collection Rate</b>	<b>96.5%</b>	<b>96.5%</b>	<b>97.4%</b>	<b>97.5%</b>	<b>95.4%</b>	<b>99.5%</b>	<b>97.6%</b>
<b>Dollars Per Mill</b>	<b>99,199</b>	<b>99,396</b>	<b>100,812</b>	<b>101,285</b>	<b>99,218</b>	<b>103,602</b>	<b>101,852</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIALS, BEAVER COUNTY ASSESSMENT AND GRS ANALYSIS



SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIALS AND GRS ANALYSIS

**Figure 5** compares the original real estate taxes that are billed (less the 2% discount) to the property owners to actual collections. The shortfall includes a combination of discounts, successful assessment appeals, reclassification of properties from taxable to tax-exempt, and delinquencies. In New Sewickley, real estate taxes are turned over to the county Tax Claim Bureau after December 31 of each fiscal year.



SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIALS AND GRS ANALYSIS

Beaver County is in the process of implementing a county-wide reassessment of all property. The new assessed values are scheduled to be released later in 2023 and implemented for taxing purposes in 2024. This will allow the Township to reduce its millage rate by approximately 6 mills. Currently the total assessed value for the Township is only about 21.5% of the actual market value as shown in Table 9.

TABLE 9: ASSESSED VALUE RATIO OF MARKET VALUE 2016 - 2021

YEAR	ASSESSED VALUE	MARKET VALUE	RATIO - ASSESSED VALUE TO MARKET VALUE
2016	104,850,211	446,566,257	23.5%
2017	105,107,646	453,222,819	23.2%
2018	105,582,968	466,381,916	22.6%
2019	105,963,728	468,410,701	22.6%
2020	106,140,203	494,320,733	21.5%
2021	106,246,443	494,987,076	21.5%

SOURCE: PA STATE EQUALIZATION BOARD – COMMON LEVEL RATIO [LIBRARY](#) | [PA TAX FORMS](#) | [GUIDELINES](#) | [REPORTS](#)

ACT 511 TAXES

Pennsylvania’s Local Tax Enabling Act (Act 511 of 1965) empowers municipalities and school districts to levy a variety of different taxes to support General Fund activities. These taxes, which are collectively referred to as Act 511 Taxes, are subject to maximum limitations based on the class of a municipality and/or school district. If only one taxing body levies the tax, the tax can be levied at its legal limit. However, if both taxing bodies levy the tax, the revenue must be shared equally between the municipality and the school district. Unlike local property taxes, which tend to lag behind changes in the economy, Act 511 Taxes respond quickly to market conditions. This is particularly true for Act 511 Taxes that are assessed on a flat-rate basis, such as the Per Capita Tax and Local Services Tax (LST). **Table 9** shows the Act 511 Taxes that are available to Pennsylvania’s municipalities and the corresponding rates currently levied by the Township and the Freedom Area School District.



TABLE 9 - ACT 511 AUTHORIZED TAX RATES

Tax Category	Municipal	Township of New Sewickley	Freedom Area School District
Local Services Tax (LST) <sup>1</sup>	\$52	\$47	\$5
Earned Income Tax	1%	0.50%	0.50%
Real Estate Transfer	1%	0.50%	0.50%
Mechanical Devices Tax <sup>2</sup>	No Limit	\$0	\$0
Occupation Tax	\$10	\$0	\$0
Per Capita Tax	\$10	\$0	\$0
Amusement Tax	10% of all Ticket Sales	0%	0%

1. This is a tax on the privilege of working within the jurisdiction. State law requires municipalities and school districts to exempt taxpayers with annual incomes less than \$12,000.

2. The Mechanical Devices Tax is a tax on coin-operated machines of amusement (e.g., video and poker games, soda machines, candy machines).

SOURCE: DCED PUBLICATION (TAXATION MANUAL - TOWNSHIPS)

**Table 10** provides a history of the collection of all Act 511 taxes from every source. At 29% of the revenue base, this collection is the second largest source of Township revenue and has been one of the most stable and consistent sources with the exception of per capita taxes that were phased out in previous years. Earned income tax (EIT) revenues – the largest tax in this category – have been fairly consistent through the years. The EIT collection decreased by 6% from 2019 to 2020 during the COVID-19 pandemic. The real estate transfer tax reflected a spike in real estate sales in 2019 and in 2021. Local services tax declined significantly in 2020 and 2021. This may reflect a shift from employee offices to employee home offices.

TABLE 10 - ACT 511 TRENDS IN REVENUE SOURCES (2016-2020)

ACT 511 TAXES		2016	2017	2018	2019	2020	2021
310.00	Per Capita Taxes	-	176		176	487	187
310.10	Real Estate Transfer Taxes	131,620	80,855	92,712	100,152	93,159	122,020
310.20	Earned Income Taxes	858,843	831,423	855,220	913,095	859,916	868,386
310.50	Local Services Tax **	84,546	87,487	81,703	82,129	75,250	73,905
<b>Total Act 511 Taxes</b>		<b>1,075,009</b>	<b>999,941</b>	<b>1,029,635</b>	<b>1,095,552</b>	<b>1,028,812</b>	<b>1,064,498</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIALS AND GRS ANALYSIS

**Earned Income Taxes (EIT)**

The EIT is a tax levied as a percentage of earned income. Every employer that has a place of business within the taxing jurisdiction is required by law to withhold EIT from employees working at that location. Local ordinance determines if the tax will be equally imposed on residents and nonresidents. The Township of New Sewickley levies a 0.5% EIT on residents and 1% on nonresidents. The EIT tax is collected on wages, salaries, and net profits from unincorporated businesses. Pass-through entities, including limited liability corporations, are considered unincorporated businesses for tax purposes. The Freedom Area School District levies a .5% EIT, so New Sewickley residents are subject to a total of 1% EIT.

New Sewickley is part of the Beaver County Tax Collection District who appointed Berkheimer Tax Services as their Tax Collector.

**Local Services Tax (LST)**

The LST is a flat-rate tax deducted from employees and remitted by employers who are located within the taxing jurisdiction. Collection for the Township is performed by Berkheimer Tax Services. The tax is capped at \$52 per person each year regardless of the number of political subdivisions in which a person may be employed. Currently, New Sewickley levies \$47 and the school district levies \$5. There is no potential to generate additional income in the future from this revenue source. The revenue fluctuates based on the number of employers and employees in the Township.

**Real Estate Transfer Tax**

The real estate transfer tax is a tax on the sale of real estate when it is sold and is based on a property's selling price. The property owner pays 1% on the sale of both residential and commercial property in the Township. This tax is split evenly between the Township and the Freedom Area School District at .5% each. Transfer tax proceeds have greatly fluctuated over the last 6 years showing a low in 2017 of \$80,855 and a high in 2021 of \$122,020. As property values and sales increase, the revenue from this source increases and vice versa making this category a moving target.

NON-TAX GENERAL FUND REVENUES

In 2021, the Township received about 37% of its revenues from non-tax sources. These sources include fines, licenses, permits, cable franchise fees, charges for services, and transfers. While these revenues are quite diverse, all are important for providing a steady revenue stream to support the necessary functions of the local government operation. These revenue sources are detailed in **Tables 11-16** based on category and significance. Some of these sources are stable and grow over time while others are dependent on external factors and periodic cost analysis.

**Licenses and Permits**

The primary source in this category is Cable TV franchise fees which has been showing signs of decline over the past several years due to the streaming services that are now available. **Table 11** provides the history of these revenues.

TABLE 11: TRENDS IN LICENSES AND PERMITS (2016-2021)

LICENSES AND PERMITS		2016	2017	2018	2019	2020	2021
320-322	All Other Licenses and Permits	7,738	19,200	8,286	14,180	10,600	10,110
321.80	Cable Television Franchise Fees	134,427	141,677	136,940	129,672	137,416	139,596
<b>Total Licenses and Permits</b>		<b>142,165</b>	<b>160,877</b>	<b>145,226</b>	<b>143,852</b>	<b>148,016</b>	<b>149,706</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS AND GRS ANALYSIS



**Fines and Forfeitures**

Fines and forfeitures have decreased each year since 2016. **Table 12** shows the decrease from \$60,413 in 2016 to \$50,883 in 2021.

TABLE 12: FINES AND FORFEITURES (2016-2021)

FINES AND FORFEITS		2016	2017	2018	2019	2020	2021
330-332	Fines and Forfeits	60,413	59,442	57,755	61,312	51,159	50,883
<b>Total Fines and Forfeits</b>		<b>60,413</b>	<b>59,442</b>	<b>57,755</b>	<b>61,312</b>	<b>51,159</b>	<b>50,883</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS AND GRS ANALYSIS

**Interest, Rents, and Royalties**

**Table 13** provides an overview of the revenue from interest, rents, and royalties, most of which comes from interest income and gas lease royalties.

TABLE 13: INTEREST, RENTS, AND ROYALTIES (2016-2021)

INTEREST, RENTS AND ROYALTIES		2016	2017	2018	2019	2020	2021
341.00	Interest Earnings	752	1,590	6,427	15,244	4,174	1,099
342.00	Rents and Royalties	22	14,572	71,821	42,165	20,982	51,260
<b>Total Interest, Rents and Royalties</b>		<b>774</b>	<b>16,162</b>	<b>78,248</b>	<b>57,409</b>	<b>25,156</b>	<b>52,359</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS AND GRS ANALYSIS

The Township receives interest from the investment of various funds including FUFUCU, canine, fire tax, and crime watch.

**Intergovernmental Revenues**

The Township regularly receives intergovernmental revenue from the state and local governments. **Table 14** provides an overview of the funds received by the Township for the past six (6) years.

TABLE 14: TRENDS IN INTERGOVERNMENTAL REVENUES (2016-2021)

INTERGOVERNMENTAL REVENUE - STATE		2016	2017	2018	2019	2020	2021
354.15	Recycling / Act 101	10,708	13,394	9,952	26,982	24,291	13,303
355.01	Public Utility Realty Tax (PURTA)	2,596	2,386	2,292	2,108	2,408	2,350
355.04	Alcoholic Beverage Licenses	1,050	1,050	1,250	1,250	1,050	- <sup>1</sup>
355.05	Municipal Pension State Aid	109,366	119,295	131,163	148,494	147,475	139,121
355.07	Foreign Fire Insurance Tax Distribution	44,772	41,409	37,711	40,997	41,272	37,094
355.09	Marcellus Shale Impact Fee Act 13	75,431	104,106	174,564	218,601	222,430	146,763 <sup>2</sup>
359.00	Payments in Lieu of Taxes (PILOT)						16,044
<b>Total State</b>		<b>243,923</b>	<b>281,640</b>	<b>356,932</b>	<b>438,432</b>	<b>438,926</b>	<b>354,675</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS AND GRS ANALYSIS

<sup>1</sup> Alcoholic Beverage Licenses were suspended during the COVID pandemic.

<sup>2</sup> The Township segregates this revenue in a special revenue account.

The totals for intergovernmental revenue have increased steadily over the past six (6) years primarily due to the increase in Act 13 distributions. Some of these revenues, such as pension state aid and the foreign fire premium, are “pass through” funding and must be expended for specific items in the budget. Other revenues are permitted to remain in the general fund to support general operations. The Township should continue to regularly budget for state shared revenue that is predictable, passed through to other funds, or retained in the general fund.

**Charges for Services**

The Township establishes fees for various services that are provided to residents. These make up 10% of the total revenues. **Table 15** provides detailed information about charges for services.

TABLE 15: TRENDS IN FEES FOR SERVICES (2016-2021)

CHARGES FOR SERVICE		2016	2017	2018	2019	2020	2021
<b>361.00</b>	General Government	65,154	130,799	47,063	119,119	69,770	99,673
362.00	Public Safety	79,600	111,629	232,307	122,090	167,821	168,311
363.00	Highway & Street Services	720			120		-
364.10	Wastewater/Sewage			7,724	14,694	8,927	11,410
364.60	Host Municipality Benefit	62,296	63,710		75,376	72,375	68,549
367.00	Culture and Recreation	10,208	6,234	7,434	5,768	4,554	13,840
<b>Total Charges for Service</b>		<b>217,978</b>	<b>312,372</b>	<b>294,528</b>	<b>337,167</b>	<b>323,447</b>	<b>361,783</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS AND GRS ANALYSIS

The largest fees are public safety fees from the police services and the reimbursement for the school resource officer. Another significant source of fees is for planning, zoning, and building code permits and inspections. The Township also receives landfill fees as a host community for sanitation. In many cases, municipalities are not charging the full amount for providing services to residents. Fees should be analyzed regularly to make sure that the costs of labor, materials, overhead, and delinquent charges are being included in the calculation of the fee. By charging fees appropriately, the Township could become less reliant on tax revenue and more reliant on charges for services.

**Other Financing Sources**

The largest source of revenue in this category is the Interfund Transfers category that captures revenue that is received in the Township’s special funds and then transferred to the General Fund for specific operations. The Township regularly transfers funds from the state Highway Aid/Liquid Fuels Fund, the Act 13 Marcellus Shale Fund, the Stormwater Fund and the Capital Reserve Fund. This category also captures proceeds from the sale of fixed assets and refunds from prior year expenditures. **Table 16** provides detail for this category.



TABLE 16: OTHER FINANCING SOURCES (2016-2021)

OTHER FINANCING SOURCES		2016	2017	2018	2019	2020	2021
<b>391.00</b>	Proceeds of General Fixed Asset	7,525	3,351	25,065	23,264	13,156	1,850
392.00	Interfund Operating Transfers	387,330	401,034	414,977	525,846	507,258	494,779
395.00	Refunds of Prior Year Expenditures			6,866	5,368	14,646	-
<b>Total Other Financing Sources</b>		<b>394,855</b>	<b>404,385</b>	<b>446,908</b>	<b>554,478</b>	<b>535,060</b>	<b>496,629</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS AND GRS ANALYSIS

REVENUE OUTLOOK – OBSERVATIONS

**The Township has been adding to its fund balance each year since 2016 to a high of over \$850,000 by 2021.**

The Township was able to increase its unrestricted fund balance reserves each year for the past six (6) years. By 2021, the unrestricted fund balance was \$867,721 which is the highest fund balance during the period reviewed. The increase in revenues was partly due to a 1 mill tax increase in 2019 and higher Act 13 fees and interfund transfers.

**The long-term trend for General Fund revenues that are available to the Township has increase from \$3.3 million to \$3.7 million.**

Revenues increased by 1.8% per year over the past six (6) years. The county-wide reassessment scheduled to be implemented in 2024 will provide additional tax relief to the Township as they are able to reduce millage rates. But the Township will have to regularly consider how to strategically allocate the revenues to ensure the stability of the community and to continue to support quality services.

**The 2023 budget shows a \$313,000 gap between revenue and expenditures.**

The budget gap between revenues and expenditures will have to be filled by either unrestricted reserves or proceeds from the ARPA funds. The Township should not spend down unrestricted reserves to balance the budget – this will ultimately result in a structural gap between revenues and expenditures. The Township has done an excellent job of forecasting revenues conservatively and consistently. The budgeted expenditures should be supported by the estimated revenues to be collected during the current budget year. Using the unrestricted fund balance to support expenditures leads to spending down reserves and ultimately a structural deficit.

**The Township has very little debt.**

Although this speaks to good management of debt and liabilities, it highlights the fact that the Township has done very little long-term capital infrastructure improvements over the past decade. There has been some mid-term planning for equipment in the public works department. But roads, facilities, parks, technology, and equipment require consistent investment to provide quality services. The Township should consider planning and investing in a long-term capital improvement planning process.

**General long-term trends, including slight population decline and relatively flat assessments, will create challenges for public officials and staff in future years.**

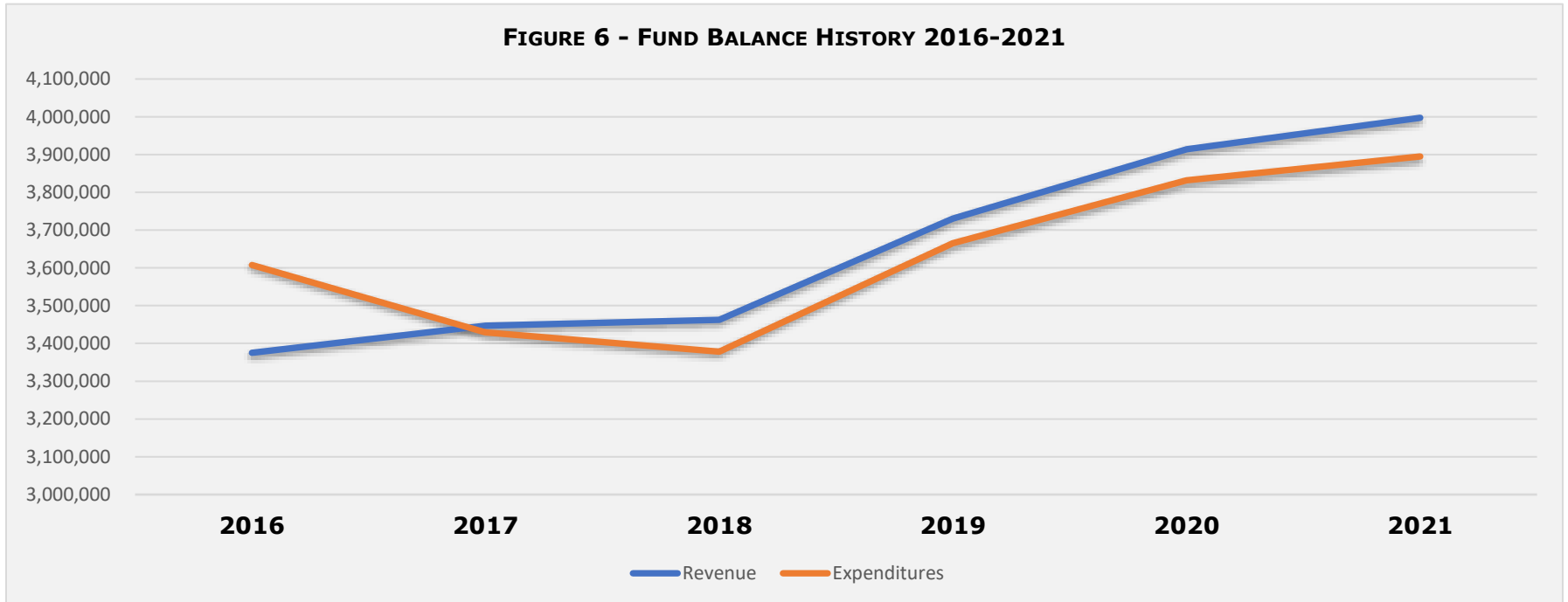
Population and development trends provide challenges for maintaining the proper level of revenue generation to support operating expenditures. Township officials will have to be vigilant and make adjustments moving forward to preserve capital and to make the proper infrastructure investments to build resiliency so that the Township can withstand future economic stress.

**Table 17** provides a complete summary of the General Fund cash position and fund balance from 2016-2021.

TABLE 17 - SUMMARY OF REVENUE, EXPENDITURES, AND FUND BALANCE 2016-2021

YEAR	BEGINNING BALANCE	REVENUE	EXPENDITURES	DIFFERENCE	ENDING BALANCE	COMMENTS
2016	301,997	3,375,256	3,607,780	(232,524)	85,482	Audited
2017	85,482	3,446,815	3,429,157	17,658	103,140	Audited
2018	103,140	3,462,615	3,378,216	84,399	618,056	Balance Restated
2019	618,056	3,730,142	3,664,994	65,148	683,204	Audited
2020	683,204	3,913,812	3,831,643	82,169	765,373	Audited
2021	765,373	3,997,246	3,894,898	102,348	867,721	Actual

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS AND GRS ANALYSIS

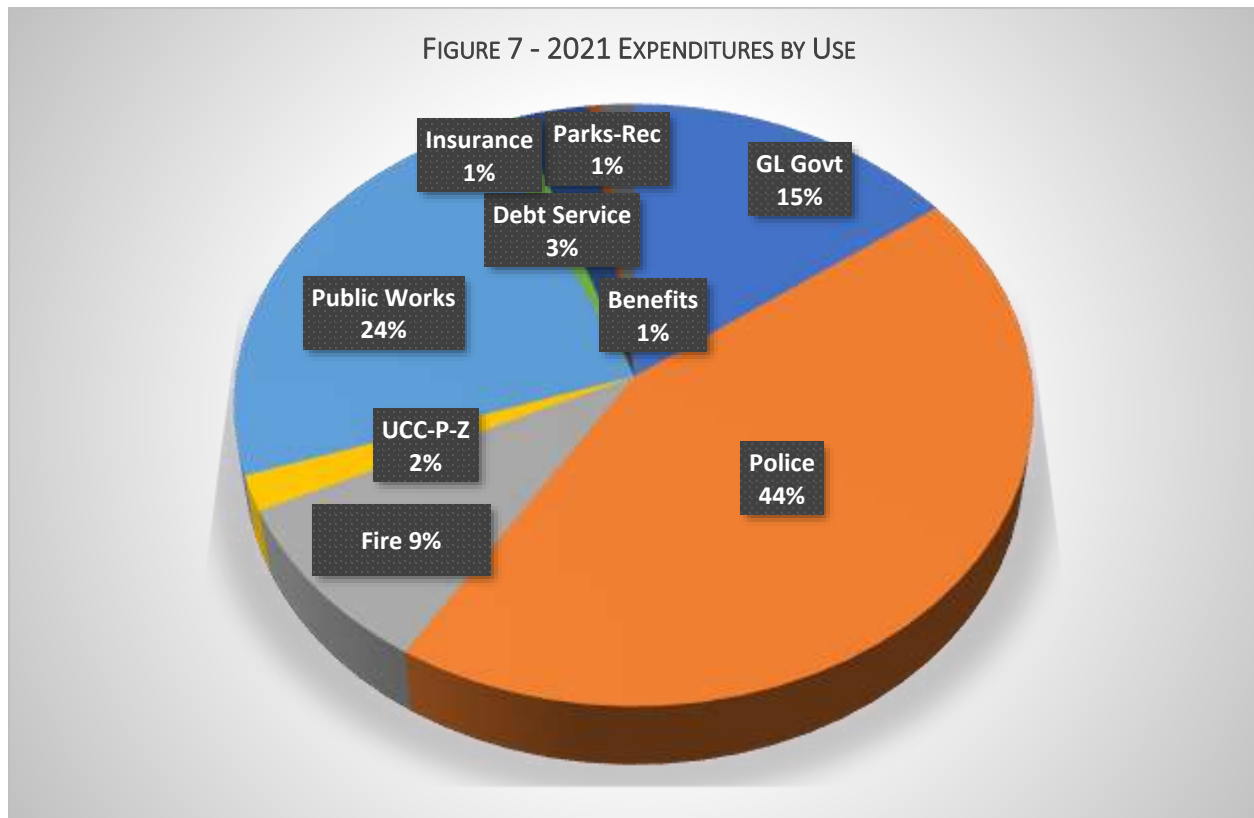


**EXPENSE PROFILE**

The Township’s 2021 General Fund expenditures were \$3.8 million. General Fund expenditures support the Township’s government operations and basic services. The Township’s expenditures have increased over the past several years from a low in 2016 of \$3.6 million. The Township’s expenditures increase at a rate of 1.3% per year.

USES OF GENERAL FUND EXPENDITURES

**Figure 7** and **Table 18** illustrate the allocation and categories of General Fund expenditures for 2021 in dollars and as a percent of total expense.



SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIALS AND GRS INC. ANALYSIS

Table 18 shows 2021 General Fund expenses by category and the percent of total for each use.

TABLE 18 - 2021 EXPENDITURES BY CATEGORY AND PERCENT OF TOTAL

**POLICE EXPENDITURES MAKE UP 44% AND THE PUBLIC WORKS OPERATION MAKES UP 24% OF THE TOTAL EXPENDITURES.**

Expenditure Category	2021 Expenditures	% of Total
GL Govt	574,268	15%
Police	1,705,201	44%
Fire	349,505	9%
UCC-P-Z	73,064	2%
Public Works	916,537	24%
Parks-Rec	54,163	1%
Debt Service	123,384	3%
Benefits	19,915	1%
Insurance	56,979	2%
<b>Total</b>	<b>3,873,016</b>	<b>100%</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS AND GRS ANALYSIS



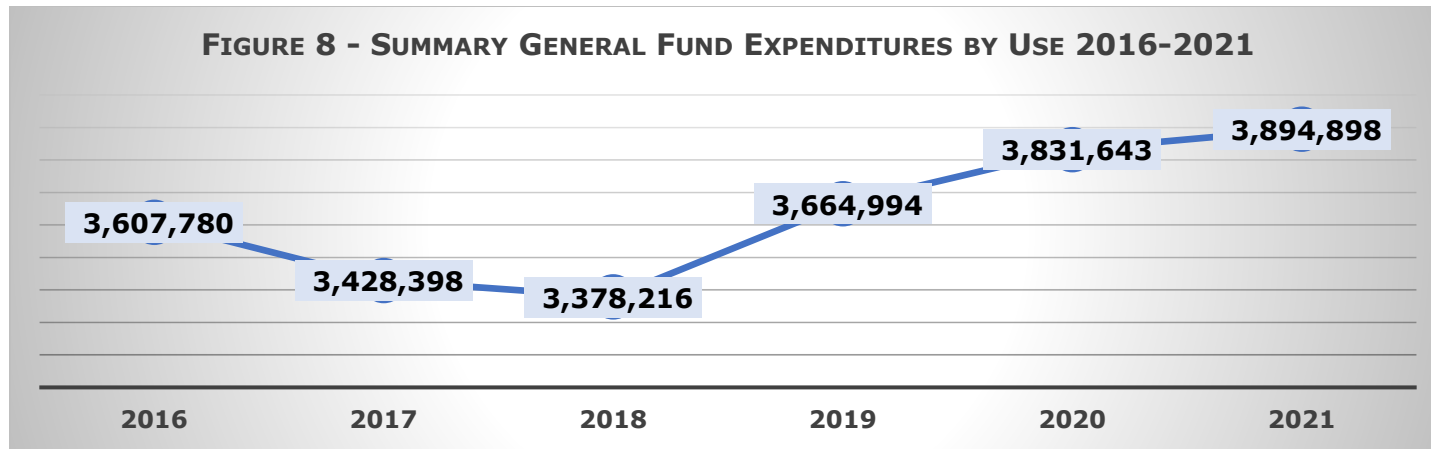
**Table 19** provides an overview of Township expenditures by category for years 2016 through 2021. Township expenditures have increased over the past six (6) years from a high of \$3.6 million in 2016 to the 2021 expenditure level of \$3.8 million. The largest expenditures for the Township, by far, are for police services and public works operations. The Township spends very little for parks, recreation, and debt service.

TABLE 19 - HISTORY OF TOWNSHIP EXPENDITURES (2016- 2021)

EXPENDITURE CATEGORY	2016 AUDITED	2017 AUDITED	2018 AUDITED	2019 AUDITED	2020 AUDITED	2021 AUDITED
General Government	597,077	498,016	501,125	526,312	540,276	574,268
<b>Police</b>	1,371,487	1,389,176	1,440,681	1,439,649	1,582,403	1,705,201
<b>Fire</b>	278,562	278,759	264,934	358,921	353,578	349,505
<b>UCC/Planning/Zoning</b>	47,896	48,612	48,724	49,252	51,872	73,064
<b>Health</b>	15,360	6,600	4,300	-	-	-
<b>Sanitation</b>	8,050	2,517	-	12,260	9,612	7,914
<b>Wastewater/Sewage</b>	-	-	-	850	1,020	1,218
<b>Public Works</b>	1,072,356	888,932	905,457	1,020,441	1,007,348	916,537
<b>Parks/Recreation</b>	55,190	151,745	61,590	60,058	80,586	54,163
<b>Debt Service</b>	81,865	81,865	81,865	123,384	123,384	123,384
<b>Employer Paid Benefits</b>	16,870	20,757	10,396	23,415	20,173	19,915
<b>Insurance</b>	63,067	61,419	59,144	50,452	61,391	56,979
<b>Refund Prior Year</b>	-	-	-	-	-	12,750
<b>Total Expenditures by Use</b>	<b>3,607,780</b>	<b>3,428,398</b>	<b>3,378,216</b>	<b>3,664,994</b>	<b>3,831,643</b>	<b>3,894,898</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIALS AND GRS INC. ANALYSIS

**Figure 8** shows the increase in spending over the past six years. Part of the increase can be explained by the federal grants that were received by the Township including COPS grants and the ARPA funds related to the COVID pandemic.



SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIALS AND GRS INC. ANALYSIS

**Table 20** shows the total increase in dollars and as a percentage from 2016 through 2021. The cumulative total increase in expenditures was 1.3%, or \$288,646 over the six (6) year period. Police expenditures increased by 4.1%, debt service by 8.5%, and the Planning/Zoning operation increased by 8.8% per year. General government, public works, parks and recreation, and insurances actually decreased during the six-year period.

TABLE 20 - GENERAL FUND EXPENDITURES: RATE OF INCREASE (2016-2021)

EXPENDITURE CATEGORY	2021 EXPENDITURES	TOTAL INC/DEC \$	ANNUAL INC/DEC %
GL Govt	574,268	(22,809)	-0.6%
Police	1,705,201	333,714	4.1%
Fire	349,505	70,943	4.2%
UCC-P-Z	73,064	25,168	8.8%
Public Works	916,537	(155,819)	-2.4%
Parks-Rec	54,163	(1,027)	-0.3%
Debt Service	123,384	41,519	8.5%
Benefits	19,915	3,045	3.0%
Insurance	56,979	(6,088)	-1.6%
<b>Total</b>	<b>3,873,016</b>	<b>288,646</b>	<b>1.3%</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIALS AND GRS INC. ANALYSIS

**General Government**

General government expenditures are critical to the support of the entire Township organization making up about 15% of the overall budget in 2021. The legislative body of the Township is made up of a five-member Board of Supervisors, which performs the legislative functions as outlined in the second-class Township Code. This expense category also includes the Township Manager, auditors, tax collection, solicitor, engineer, and other administrative and government building expenditures. **Table 21** shows the history of expenses related to these general government support services which have remained relatively stable showing an average annual allocation of about \$575,000. Although the expenditures have fluctuated over the years, there has been relatively level spending over the past three (3) years.

TABLE 21 – GENERAL GOVERNMENT EXPENDITURES (2016-2021)

GENERAL GOVERNMENT		2016	2017	2018	2019	2020	2021
<b>400.00</b>	Legislative (Governing) Body	161,226	137,721	60,636	56,168	25,735	29,857
401.00	Executive - Manager	58,094	59,594	60,594	62,674	70,000	73,143
402.00	Audit/Financial Services	44,226	44,192		5,000	6,000	5,000
403.00	Tax Collection	106,217	104,090	93,580	100,876	96,908	106,080
404.00	Solicitor / Legal Services	12,779	14,010	8,638	16,546	19,983	22,531
405.00	Secretary / Clerk	49,093	50,031	51,613	52,617	68,599	68,848
406.00	GL Government Administration			140,665	149,810	168,074	189,631
408.00	Engineering Services	17,409	40,080	48,114	35,893	39,764	31,167
409.00	Government Buildings	148,033	48,298	37,285	46,728	45,213	48,011
<b>Total General Government</b>		<b>597,077</b>	<b>498,016</b>	<b>501,125</b>	<b>526,312</b>	<b>540,276</b>	<b>574,268</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS AND GRS ANALYSIS

**Public Safety**

The police department is the Township’s largest expenditure category at about 44% of the total budget and \$1.7 million that supports 14 full-time officers and 4 part-time officers. About \$245,000 of the police department expenditures are supported by grants from the federal COPs program and School Resource Officer grants, the canine program, and various equipment grants. This department increases at a rate of about 4.1% per year.

The fire department makes up another 9% and the code/planning/ zoning operation another 2% of the public safety budget. All together the public safety category makes up about 55% of the total Township expenditures.

**Table 22** provides expenditure detail for public safety operations from 2016 through 2021.



TABLE 22 – PUBLIC SAFETY DEPARTMENT EXPENDITURES (2016-2020)

PUBLIC SAFETY		2016	2017	2018	2019	2020	2021
<b>410.00</b>	Police	1,371,487	1,389,176	1,440,681	1,439,649	1,582,403	1,705,201
411.00	Fire	278,562	278,759	264,934	358,921	353,578	349,505
413.00	UCC and Code Enforcement	29,042	-	-	-	-	-
414.00	Planning and Zoning	18,854	48,612	48,724	49,252	51,872	73,064
<b>Total Public Safety</b>		<b>1,697,945</b>	<b>1,716,547</b>	<b>1,754,339</b>	<b>1,847,822</b>	<b>1,987,853</b>	<b>2,127,770</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS AND GRS ANALYSIS

**Public Works**

New Sewickley Township is one of the largest townships in Beaver County at 32.7 square miles with 50 miles of township roads to maintain. The Public Works department provides maintenance and repair of streets, infrastructure, and facilities for the entire Township. The department has a road foreman and 4 full-time employees.

This department’s expenditures have decreased by 2.4% per year over the past six (6) years. The expenditures have fluctuated from \$886,000 to over \$1 million over the review period primarily driven by the amount of maintenance and repairs that are undertaken in any given year.

Table 23 provides an overview of public works expenditures from 2016 through 2021.

TABLE 23 - PUBLIC WORKS DEPARTMENT EXPENDITURES (2016-2021)

PUBLIC WORKS - HIGHWAYS AND STREETS		2016	2017	2018	2019	2020	2021
<b>430.00</b>	General Services - Administration	312,608	305,580	296,663	292,101	339,087	334,959
432.00	Winter Maintenance – Snow Removal	46,685	58,306	85,721	75,487	57,738	73,014
433.00	Traffic Control Devices	4,966	3,089	5,839	3,235	12,382	6,543
434.00	Street Lighting	6,646	7,416	7,868	7,521	7,845	7,757
436.00	Storm Sewers and Drains	-	19,917	1,910	9,734	20,657	6,886
437.00	Repairs of Tools and Machinery	92,838	93,493	94,795	104,419	101,560	132,607
438.00	Maintenance and Repairs of Roads	606,713	398,806	410,761	525,344	465,879	352,771
<b>Total Public Works - Highways and Streets</b>		<b>1,070,456</b>	<b>886,607</b>	<b>903,557</b>	<b>1,017,841</b>	<b>1,005,148</b>	<b>914,537</b>

**Recreation, Parks, and Library**

Recreation expenditures are primarily for repair and maintenance of facilities such as expenses for vegetation management and aggregate materials. **Table 24** provides a review of all expenditures related to parks and recreation activities in the Township.

TABLE 24 – PARK AND RECREATION EXPENDITURES (2016-2021)

CULTURE AND RECREATION		2016	2017	2018	2019	2020	2021
<b>451.00</b>	Culture-Recreation Administration	55,190	151,745	61,590	60,058	80,586	54,163
<b>Total Culture and Recreation</b>		<b>55,190</b>	<b>151,745</b>	<b>61,590</b>	<b>60,058</b>	<b>80,586</b>	<b>54,163</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS AND GRS ANALYSIS

**Debt Service**

The Township has very little debt. The debt shown is related to a Note that will mature in 2023 related to Township building improvements and an equipment lease-purchase loan that was entered into in 2019. **Table 25** shows the details from 2016 through 2021.

TABLE 25 - DEBT SERVICE PRINCIPAL AND INTEREST EXPENDITURES (2016-2021)

Debt Service		2016	2017	2018	2019	2020	2021
<b>471.00</b>	Debt Principal	71,960	73,130	74,318	116,362	111,705	114,490
472.00	Debt Interest	9,905	8,735	7,547	7,022	11,679	8894
<b>Total Debt Service</b>		<b>81,865</b>	<b>81,865</b>	<b>81,865</b>	<b>123,384</b>	<b>123,384</b>	<b>123,384</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS AND GRS ANALYSIS

**Employer Paid Benefits**

This category captures expenses related to withholding taxes and workers compensation insurance for employees that are paid by the Township. **Table 26** provides an overview of these expenses for 2016 through 2021.

TABLE 26 – EMPLOYER PAID BENEFITS (2016-2021)

EMPLOYER PAID BENEFITS AND WITHHOLDING ITEMS		2016	2017	2018	2019	2020	2021
<b>481.00</b>	Employer Paid W/H Taxes and U/C	8,264	8,127	7,670	7,497	7,688	8,259
484.00	Worker Compensation Insurance	-	1,321	1,348	5,086	2,645	435
487.00	Other Group Insurance Benefits	8,606	11,309	1,378	10,832	9,840	11,221
<b>Total Employer Paid Benefits and Withholding</b>		<b>16,870</b>	<b>20,757</b>	<b>10,396</b>	<b>23,415</b>	<b>20,173</b>	<b>19,915</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS AND GRS ANALYSIS

**Insurance**

**Table 27** provides expenditure detail for insurance benefits from 2016 through 2021. This expense is relatively stable.

TABLE 27 - INSURANCE EXPENDITURES (2016-2021)

	<b>INSURANCE</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>486.00</b>	Insurance, Casualty, and Surety	63,067	61,419	59,144	50,452	61,391	56,979
	<b>Total Insurance</b>	<b>63,067</b>	<b>61,419</b>	<b>59,144</b>	<b>50,452</b>	<b>61,391</b>	<b>56,979</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS AND GRS ANALYSIS

EXPENDITURE OUTLOOK

**The Township makes all expenditures from the General Fund and then reimburses the General Fund from the various other bank accounts.**

This is an efficient way to conduct the financial management operation as long as the various funds are tracked accurately through general ledger balancing entries and all bank accounts are on the accounting ledger.

**The Township uses Quick Books as its accounting software.**

Quick Books is not a governmental accounting software and does not support fund accounting without significant manipulation of the software structure. It does not accommodate Fund numbers or require the automatic posting of “due to” or “due from” accounting entries. It can also be changed from prior periods without the use of reversing entries.

Quick Books is an adequate, low cost application for smaller communities – but the Township is fast approaching a \$4 million budget that should be supported by a governmental accounting software.

**The Township budget allocates over 50% of its revenue for public safety.**

By allocating over half the budget for public safety, there is a diminished focus on community development, recreation, and public works. These categories provide the amenities and quality of life that future residents will be demanding in the future.

**The Township used the unrestricted fund balance to balance its budget in 2023.**

Using previous years’ fund balance can result in future structural deficits. The current year revenues should be sufficient to support the current year expenditures. If the cash reserves (or outside one-time funds) are used to balance the budget, eventually the cash reserves will be depleted, and the Township will trigger deficits that will require tax increases to meet current year expenditures. The Township should adopt a balanced budget in order to avoid gaps between revenue and expenditures that result in future deficits.

**The Township has no long-term plan for maintaining and upgrading infrastructure, facilities, technology, and equipment for the general provision of public services.**

Since the Township currently carries very little debt, there should be a concerted effort to put together a capital plan and fund it through low-interest borrowing, fees, and grants. The preparation of a Capital Improvement Plan will be further explored in Steps 3-5 of this report.

**STEP 2: FINANCIAL TREND ANALYSIS**

A financial forecast provides a long-term view of a local government’s financial condition. Step 2 of the STMP planning process includes the development of a multi-year revenue and expenditure forecast to help the Township evaluate its long-term financial position. The ICMA recommends that a municipality prepare a five-year financial forecast as a precursor to preparing their annual budget. This Step 2 financial trend analysis is intended to provide a level of detail that can be used to construct the Township’s annual budget. The purpose of this analysis is to project future revenue, expenditure, economic, and demographic trends for the years 2022 through 2026 so that the Township can review its future financial position and take steps to counteract any negative trends. A key focus of the analysis is the identification of potential gaps between projected revenues and expenditures and recommendations for measures that could be taken by the Township to balance future budgets.

The base year for the financial trend analysis is the 2021 actual expenditures because that year best reflects current levels of service and activity. This base year is an accurate reflection of the revenues and expenses because it is derived from an analysis and adjustment of 2021 actual revenues and expenses. The analysis assumes that the base year rates and levies will be maintained in future years.

**Step 2 – Financial Trend Analysis**

The purpose of this analysis is to project future revenue, expenditures, economic, and demographic trends for the years 2022 through 2026 so that the Township can review its future financial position and take steps to counteract any negative trends.

**AUDITED FUND BALANCES 2016-2021**

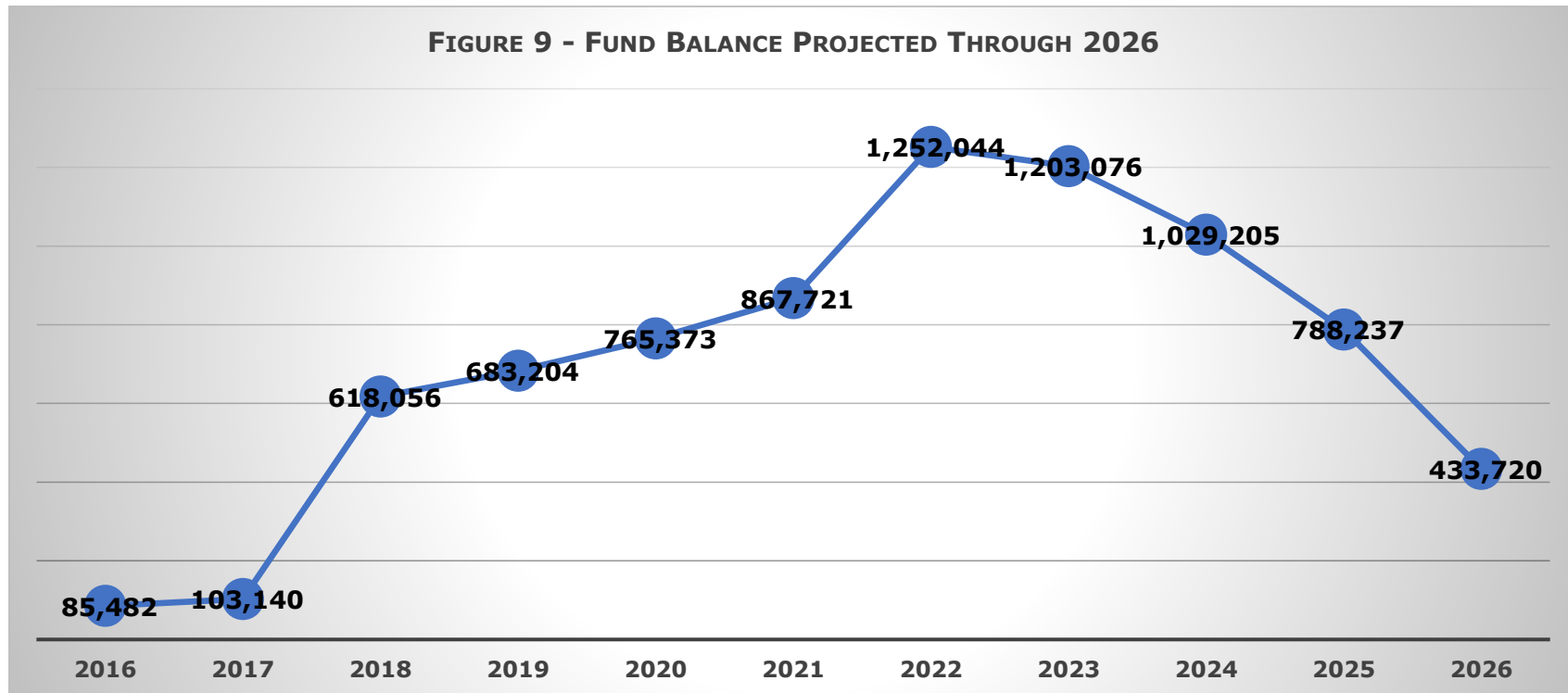
The fund balance is the net worth of a fund when considering its assets and its liabilities. A review of the audited financial statements for the Township indicates that the Township has maintained a positive fund balance. The audited *Excess of Revenue over Expenditures* showed a structural deficit in 2016 and a very small excess in 2017. **Table 28** shows the history of the Township’s audited revenue and expenses since 2016 and reveals the changes in operating position for the Township in recent years.

TABLE 28 - GL AUDITED FUND BALANCE (2016-2021)

YEAR	BEGINNING BALANCE	REVENUE	EXPENDITURES	DIFFERENCE	ENDING BALANCE	COMMENTS
2016	301,997	3,375,256	3,607,780	(232,524)	85,482	Audited
<b>2017</b>	85,482	3,446,815	3,429,157	17,658	103,140	Audited
<b>2018</b>	103,140	3,462,615	3,378,216	84,399	618,056	Balance Restated
<b>2019</b>	618,056	3,730,142	3,664,994	65,148	683,204	Audited
<b>2020</b>	683,204	3,913,812	3,831,643	82,169	765,373	Audited
<b>2021</b>	765,373	3,997,246	3,894,898	102,348	867,721	Actual

SOURCE: TOWNSHIP OF NEW SEWICKLEY AUDITED FINANCIAL STATEMENTS, 2016-2021

A review of the Township’s audited financial statements over the past six (6) years indicates that the fund balance was at its lowest in 2016 and has been growing in each year to a high of \$867,721 by 2021. Future projections of the unrestricted fund balance show it decreasing over the next 5 years if the revenue continues to increase by only 1.8% and the expenditures increase at about 2.5% per year. If the expenditures continue to increase at a faster pace than the revenues, the Township’s revenue could be insufficient to support its operation and the Township will slowly deplete the fund balance. A graphic depiction of the audited fund balance history and projections for 2021 through 2025 are shown in **Figure 9** below.



SOURCE: TOWNSHIP OF NEW SEWICKLEY AUDITED FINANCIAL STATEMENTS AND GRS ANALYSIS

**BASELINE FINANCIAL PROJECTIONS: 2022 – 2026**

The baseline financial projections provide an estimate of where the Township will likely be from 2022 to 2026 if no changes are made to services and staffing. The projections assume that the current Township operation will remain in place and that there will be no changes in tax rates and fees.

KEY FINDINGS

- Without millage increases, expanded real estate development projects, or increased property values, real estate tax revenues are expected to remain flat.
- Moderate growth in Act 511 collections will drive revenue increases.
- Expenses are likely to increase at a rate faster than revenues in future years.
- Increases in police, public works, and employee compensation and benefits will drive the rising expenses.
- If the Township does not develop strategies that increase revenues, develop new funding streams, or contain expenses, the Township will eventually exhaust all unrestricted reserves.

REVENUE FORECAST

Table 29 provides a complete summary of the revenue projections for 2022 through 2026.

TABLE 29 - GENERAL FUND REVENUE PROJECTIONS (2022-2026)

REVENUE CATEGORY	PROJECTED 2022	PROJECTED 2023	PROJECTED 2024	PROJECTED 2025	PROJECTED 2026
Real Estate Taxes	1,247,348	1,256,079	1,264,872	1,273,726	1,282,642
<b>Act 511 Taxes</b>	1,086,097	1,107,809	1,129,955	1,152,544	1,175,585
<b>Licenses and Permits</b>	147,000	144,379	141,813	139,302	136,843
<b>Fines and Forfeits</b>	50,883	50,883	50,883	50,883	50,883
<b>Interest, Rents</b>	41,190	41,190	41,190	41,190	41,190
<b>Intergovernmental State</b>	196,139	199,734	203,401	207,141	210,956
<b>Charges for Services</b>	362,473	370,676	379,075	387,674	396,478
<b>Unclassified</b>	44,053	44,694	45,348	46,014	46,695
<b>Interfund Transfers</b>	514,675	524,768	535,063	545,565	556,276
<b>Total Revenues by Source</b>	<b>3,689,857</b>	<b>3,740,212</b>	<b>3,791,600</b>	<b>3,844,039</b>	<b>3,897,548</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIALS AND GRS ANALYSIS

It is assumed that revenues, without any tax increases and adjustment of fees, will increase at an average rate of 1.8% per year between 2022 and 2026. Conversely, expenditures will increase faster than revenue at 2.5% per year. As a result, the cash reserves are expected to be slowly depleted eventually making less funds available for operations, capital projects, and infrastructure investment.

FORECAST ASSUMPTIONS

The following assumptions were used to provide the baseline revenue projections:

**Real Estate Taxes**

Real estate taxes, at 34% of total revenue, are the largest revenue category for the Township. It is assumed that the 2021 real estate tax rate of 13.5 mills will remain in effect through 2026<sup>3</sup> and that the assessed valuations for taxation purposes will follow past trends and remain relatively flat. Current tax collections are projected to increase slightly from the 2022 budgeted level and the collection rate will continue to be about 97%. Three factors could change the projections: a change in the tax rate, a change in the taxable assessments, or a change in the tax collection effort. It is assumed that this collection will remain relatively flat without any increase in the millage rate. **Table 30** provides the projections for real estate collection through 2026.

TABLE 30 - PROJECTED REAL ESTATE TAX REVENUE (2022-2026)

REAL ESTATE TAXES		13.5 MILLS 2022	13.5 MILLS 2023	13.5 MILLS 2024	13.5 MILLS 2025	13.5 MILLS 2026
301.00	Real Estate Taxes GL Purpose	1,247,348	1,256,079	1,264,872	1,273,726	1,282,642
	<b>Total Real Estate Taxes</b>	<b>1,247,348</b>	<b>1,256,079</b>	<b>1,264,872</b>	<b>1,273,726</b>	<b>1,282,642</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS GRS ANALYSIS

**Act 511 Taxes**

Act 511 taxes are the second largest revenue category for the Township making up 29% of the Township’s total revenue base.

**EARNED INCOME TAX**

EIT revenues are projected to be about \$885,754 in 2022. It is assumed that they will increase as personal income increases at a rate of about 2% per year.

**REAL ESTATE TRANSFER TAX**

The Township receives .5% of the sale price on every sale of property where a deed is transferred. This kind of revenue can increase suddenly with major sales but is subject to the market and is not predictable.

<sup>3</sup> Although Beaver County is scheduled to implement updated county-wide assessments in 2024, the Township will be required, by law, to adjust its millage rate to ensure that no more than 10% additional revenue will be collected in the first year after the reassessment.



**LOCAL SERVICES TAX**

The Township levies this tax at \$47 (\$5 also goes to the school district) which is the maximum rate. This tax is levied on individuals who work in the Township and make more than \$12,000 per year. Since the Township is already at the maximum rate, there is no opportunity to significantly increase this collection unless additional employees are attracted to Township establishments.

**PER CAPITA TAX**

The Township discontinued the levy of a per capita tax on residents who are 18 and older.

**Table 31** provides projections for Act 511 taxes for the next five (5) years.

TABLE 31: PROJECTED ACT 511 TAX REVENUE (2022-2026)

ACT 511 TAXES		2022	2023	2024	2025	2026
310.00	Per Capita Taxes	500	500	500	500	500
310.10	Real Estate Transfer Taxes	124,460	126,950	129,489	132,078	134,720
310.20	Earned Income Taxes / Wage Taxes	885,754	903,469	921,538	939,969	958,768
310.50	Local Services Tax **	75,383	76,891	78,429	79,997	81,597
<b>Total Act 511 Taxes</b>		<b>1,086,097</b>	<b>1,107,809</b>	<b>1,129,955</b>	<b>1,152,544</b>	<b>1,175,585</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS GRS ANALYSIS

**Licenses and Permits**

The largest source in this revenue category is cable TV franchise fees. These are projected to decrease over the next five (5) years due to more residents using streaming services as an alternative to cable TV.

TABLE 32 - PROJECTED LICENSES AND PERMITS REVENUE (2022-2026)

LICENSES AND PERMITS		2022	2023	2024	2025	2026
<b>320-322</b>	All Other Licenses and Permits	11,000	11,099	11,199	11,300	11,401
<b>321.80</b>	Cable Television Franchise Fees	136,000	133,280	130,614	128,002	125,442
<b>Total Licenses and Permits</b>		<b>147,000</b>	<b>144,379</b>	<b>141,813</b>	<b>139,302</b>	<b>136,843</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS GRS ANALYSIS

**Fines and Forfeits**

Fines and forfeits will not be a major source of revenue because this is a revenue that has shown continual decline over the past several years. **Table 33** provides the estimated revenue that will be derived from this source.

TABLE 33 – PROJECTED FINES AND FORFEITS (2022-2026)

FINES AND FORFEITS		2022	2023	2024	2025	2026
<b>330-332</b>	Fines and Forfeits	50,883	50,883	50,883	50,883	50,883
<b>Total Fines and Forfeits</b>		<b>50,883</b>	<b>50,883</b>	<b>50,883</b>	<b>50,883</b>	<b>50,883</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS GRS ANALYSIS

**Interest and Rents**

The Township earns interest on checking and savings account accounts. The Township receives rent and royalties from gas well leases as shown in **Table 34** below:

TABLE 34 – PROJECTED INTEREST, RENTS, AND ROYALTIES (2022-2026)

INTEREST, RENTS AND ROYALTIES		2022	2023	2024	2025	2026
<b>341.00</b>	Interest Earnings	1,190	1,190	1,190	1,190	1,190
<b>342.00</b>	Rents and Royalties	40,000	40,000	40,000	40,000	40,000
<b>Total Interest, Rents and Royalties</b>		<b>41,190</b>	<b>41,190</b>	<b>41,190</b>	<b>41,190</b>	<b>41,190</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS GRS ANALYSIS

**Intergovernmental Revenues**

This category is projected to remain one of the largest revenue categories through 2026. Most of the revenue in this category comes from Pension State Aid and Foreign Fire Insurance which are “pass through” revenues to support specific expenditures.

TABLE 35 - PROJECTED INTERGOVERNMENTAL REVENUE (2022-2026)

INTERGOVERNMENTAL - STATE		2022	2023	2024	2025	2026
<b>354.15</b>	Recycling / Act 101	13,000	13,000	13,000	13,000	13,000
355.01	Public Utility Realty Tax (PURTA)	2,350	2,350	2,350	2,350	2,350
355.04	Alcoholic Beverage Licenses	1,050	1,050	1,050	1,050	1,050
355.05	Municipal Pension State Aid	141,903	144,741	147,636	150,589	153,601
355.07	Foreign Fire Insurance Tax	37,836	38,593	39,364	40,152	40,955
<b>Total Intergovernmental - State</b>		<b>196,139</b>	<b>199,734</b>	<b>203,401</b>	<b>207,141</b>	<b>210,956</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS GRS ANALYSIS

**Charges for Services**

This category is one of the larger categories consisting primarily of reimbursement revenue for the school resource officers, landfill fees, and zoning and building permits. **Table 36** provides projections for this fund from 2022-2026.

TABLE 36 - PROJECTED CHARGES FOR SERVICES REVENUE (2022-2026)

CHARGES FOR SERVICE		2022	2023	2024	2025	2026
<b>361.00</b>	General Government	102,165	104,719	107,337	110,020	112,771
362.00	Public Safety	164,850	168,971	173,196	177,526	181,964
363.00	Highway & Street Services	300	300	300	300	300
364.10	Wastewater/Sewage	10,000	10,000	10,000	10,000	10,000
364.60	Host Municipality Benefit	67,613	68,966	70,345	71,752	73,187
367.00	Culture and Recreation	17,544	17,720	17,897	18,076	18,257
<b>Total Charges for Service</b>		<b>362,473</b>	<b>370,676</b>	<b>379,075</b>	<b>387,674</b>	<b>396,478</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS GRS ANALYSIS

**Unclassified Revenue and Interfund Transfers**

This category captures a number of revenues related to contributions, donations, and sale of assets. The largest category is interfund transfers from the state aid (LFF) fund, the capital reserve fund, and the stormwater fund. **Table 37** provides the projected revenue from these sources through 2026.

TABLE 37 - PROJECTED UNCLASSIFIED REVENUE AND INTERFUND TRANSFERS (2022-2026)

UNCLASSIFIED OPERATING REVENUES						
<b>387.00</b>	Contributions and Donations	32,053	32,694	33,348	34,014	34,695
<b>389.00</b>	All Other Unclassified Revenues	12,000	12,000	12,000	12,000	12,000
<b>Total Unclassified Operating Revenues</b>		<b>44,053</b>	<b>44,694</b>	<b>45,348</b>	<b>46,014</b>	<b>46,695</b>
<b>OTHER FINANCING SOURCES</b>						
<b>391.00</b>	Proceeds of General Fixed Asset	10,000	10,000	10,000	10,000	10,000
392.00	Interfund Operating Transfers	504,675	514,768	525,063	535,565	546,276
<b>Total Other Financing Sources</b>		<b>514,675</b>	<b>524,768</b>	<b>535,063</b>	<b>545,565</b>	<b>556,276</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS GRS ANALYSIS

**EXPENDITURE FORECAST**

**Table 38** provides a complete summary of the expenditure projections for 2022 through 2026.

TABLE 38 – SUMMARY OF EXPENDITURE PROJECTIONS (2022-2026)

EXPENDITURE CATEGORY	PROJECTED 2022	PROJECTED 2023	PROJECTED 2024	PROJECTED 2025	PROJECTED 2026
General Government	564,973	587,598	603,031	618,941	635,346
<b>Police</b>	1,617,690	1,682,398	1,749,694	1,819,681	1,892,468
<b>Fire</b>	364,184	379,480	395,418	412,026	429,331
<b>UCC/Planning/Zoning</b>	74,525	76,016	77,536	79,087	80,669
<b>Sanitation</b>	10,756	10,368	10,000	9,650	9,317
<b>Wastewater/Sewage</b>	7,440	7,440	7,440	7,440	7,440
<b>Public Works</b>	840,214	884,005	931,464	982,946	1,038,839
<b>Parks/Recreation</b>	61,000	62,525	64,088	65,690	67,333
<b>Debt Service</b>	123,384	123,384	38,990	-	-
<b>Employer Paid Benefits</b>	22,055	22,717	23,401	24,107	24,836
<b>Insurance</b>	62,396	63,394	64,409	65,439	66,486
<b>Total Expenditures by Use</b>	<b>3,748,618</b>	<b>3,899,325</b>	<b>3,965,471</b>	<b>4,085,007</b>	<b>4,252,065</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS GRS ANALYSIS

FORECAST ASSUMPTIONS

**Wages and Salaries**

Local government is a service industry and, therefore, compensation for employees is the largest expenditure in a local government budget. When reviewing financial position, the compensation of employees is the most important analysis that is done.

**Public Safety Department**

The police department, which is the largest category under public safety, has experienced 4.1% annual increases over the past six (6) years. The compensation is expected to increase at a rate of at least 3.5% per year and the costs for healthcare are projected to increase at a rate of 5% per year. The projections for this department are shown in **Table 39**.

TABLE 39 - PROJECTED POLICE DEPARTMENT EXPENDITURES 2022-2026

PUBLIC SAFETY		2022	2023	2024	2025	2026
<b>410.00</b>	Police	1,617,690	1,682,398	1,749,694	1,819,681	1,892,468
411.00	Fire	364,184	379,480	395,418	412,026	429,331
414.00	Planning and Zoning	74,525	76,016	77,536	79,087	80,669
<b>Total Public Safety</b>		<b>2,056,399</b>	<b>2,137,893</b>	<b>2,222,648</b>	<b>2,310,794</b>	<b>2,402,468</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS AND GRS ANALYSIS

**Public Works**

The Public Works department expenses, at 24% of the total Township expenses, will continue to be the second largest expense in the Township’s budget. Costs are expected to rise at an average rate of 2.5% per year. **Table 40** provides a detailed summary of the projections for the public works department.

TABLE 40 - PUBLIC WORKS DEPARTMENT EXPENDITURES 2021 - 2025

PUBLIC WORKS - HIGHWAYS AND STREETS		2022	2023	2024	2025	2026
<b>430.00</b>	General Services - Administration	338,979	344,063	349,224	354,462	359,779
432.00	Winter Maintenance – Snow Removal	71,847	73,643	75,484	77,371	79,306
433.00	Traffic Control Devices	6,707	6,874	7,046	7,222	7,403
434.00	Street Lighting	8,058	8,259	8,466	8,678	8,895
437.00	Repairs of Tools and Machinery	61,624	63,165	64,744	66,363	68,022
438.00	Maintenance and Repairs of Roads	350,000	385,000	423,500	465,850	512,435
<b>Total Public Works - Highways and Streets</b>		<b>837,214</b>	<b>881,005</b>	<b>928,464</b>	<b>979,946</b>	<b>1,035,839</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS AND GRS ANALYSIS

**General Government**

General government expenditures at 15% of the total budget, are projected to increase by 2.5% per year. This category includes the legislative body, the manager, auditors, tax collection, solicitor, engineer, and general government administration and facilities. **Table 41** provides these projections through 2026.

TABLE 41 – GENERAL GOVERNMENT EXPENDITURES 2022–2026

GENERAL GOVERNMENT		2022	2023	2024	2025	2026
<b>400.00</b>	Legislative (Governing) Body	26,586	26,586	26,586	26,586	26,586
401.00	Executive - Manager	63,774	75,000	78,750	82,688	86,822
402.00	Audit/Financial Services	6,000	6,000	6,000	6,000	6,000
403.00	Tax Collection	108,202	110,366	112,573	114,824	117,121
404.00	Solicitor / Legal Services	15,000	15,600	16,224	16,873	17,548
405.00	Secretary / Clerk	70,569	72,333	74,142	75,995	77,895
406.00	GL Government Administration	189,631	194,372	199,231	204,212	209,317
408.00	Engineering Services	36,000	36,900	37,823	38,768	39,737
409.00	Government Buildings	49,211	50,442	51,703	52,995	54,320
<b>Total General Government</b>		<b>564,973</b>	<b>587,598</b>	<b>603,031</b>	<b>618,941</b>	<b>635,346</b>

SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS AND GRS ANALYSIS

**Debt Service**

Debt service expenditures currently are 3% of the total budget. It is assumed that once the current debt is liquidated that no further debt will be incurred. **Table 42** provides these projections through 2026.

TABLE 42 – DEBT SERVICE PROJECTIONS (2022-2026)

DEBT SERVICE		2022	2023	2024	2025	2026
<b>471.00</b>	Debt Principal	114,490	114,490	36,490	-	-
<b>472.00</b>	Debt Interest	8,894	8,894	2,500	-	-
<b>Total Debt Service</b>		<b>123,384</b>	<b>123,384</b>	<b>38,990</b>	-	-

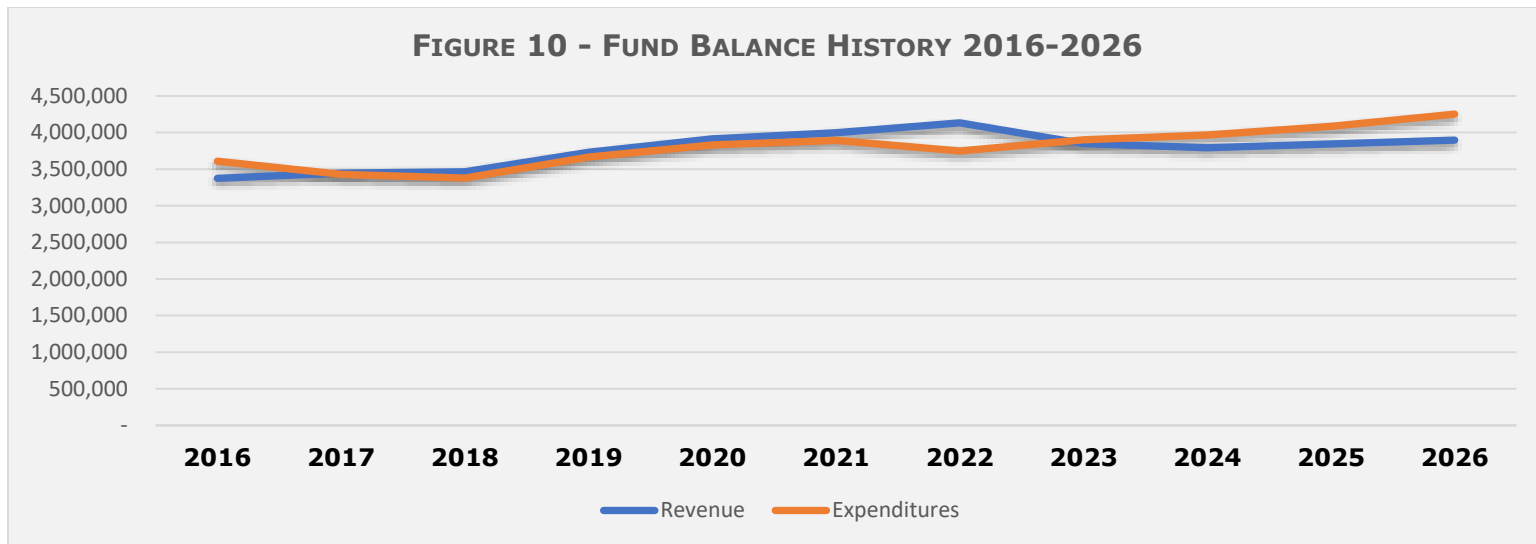
**FUTURE OUTLOOK - TEST FOR FUTURE SOLVENCY**

Based on analysis and trending, it is our reasoned opinion that the Township will be able to meet payroll requirements, outstanding obligations, and provide an adequate level of service for its citizens during fiscal year 2022 and 2023. The Township’s budget provides sufficient revenue sources and expense requirements for maintaining budget solvency. It meets the tests for cash solvency and service level solvency as defined earlier in this report. There is some uncertainty as to whether the Township’s financial condition will meet the test for long-term solvency beginning in fiscal year 2023 because the expenditures are expected to rise at a faster rate than revenues. Unless there is some intervention by the Township officials and staff, the Township will begin to experience a gap between its ongoing operational expenses and its ability to generate sufficient revenue in future years. It will be important for the Township to implement revenue enhancement and cost containment initiatives to maintain long-term solvency. **Table 43** is a complete analysis of the projected revenues, expenditures and fund balances through 2026.

YEAR	BEGINNING BALANCE	REVENUE	EXPENDITURES	DIFFERENCE	ENDING BALANCE	COMMENTS
2016	301,997	3,375,256	3,607,780	(232,524)	85,482	Audited
<b>2017</b>	85,482	3,446,815	3,429,157	17,658	103,140	Audited
<b>2018</b>	103,140	3,462,615	3,378,216	84,399	618,056	Balance Restated
<b>2019</b>	618,056	3,730,142	3,664,994	65,148	683,204	Audited
<b>2020</b>	683,204	3,913,812	3,831,643	82,169	765,373	Audited
<b>2021</b>	765,373	3,997,246	3,894,898	102,348	867,721	Actual
<b>2022</b>	867,721	4,132,941	3,748,618	384,323	1,252,044	Projected
<b>2023</b>	1,252,044	3,850,357	3,899,325	(48,968)	1,203,076	Projected
<b>2024</b>	1,203,076	3,791,600	3,965,471	(173,871)	1,029,205	Projected
<b>2025</b>	1,029,205	3,844,039	4,085,007	(240,968)	788,237	Projected
<b>2026</b>	788,237	3,897,548	4,252,065	(354,517)	433,720	Projected

Overall, it is assumed that the expenditures will increase at approximately 2.5% per year. This is consistent with projected economic forecasts and the CPI. Unfortunately, the revenue is projected to increase at a rate of only 1.8%. As a result, by 2023, it is projected that the revenues will be insufficient to support expenditures and will show a slight shortfall. The difference in excess revenue over expenditures in each year after 2023 is negative and is projected to show a \$354,517 structural deficit by year 2026. The gap between revenue and expenditures will reduce the fund balance each year until the reserve funds are completely exhausted.

**Figure 10** provides a graphic description of the projected fund balances for 2022 through 2026.



SOURCE: TOWNSHIP OF NEW SEWICKLEY FINANCIAL REPORTS GRS ANALYSIS

The Township’s finances are partially influenced by factors that the Township cannot control, at least in the short-term, such as the COVID 19 impact, the county assessments, regional economic conditions, and lack of growth. Intergovernmental revenues are influenced by the availability of funds at the state and federal levels. Expenditures are driven by negotiated labor contracts, the rising costs of benefits, pension obligations, and price inflation.

However, there are factors that the Township can control. These factors include but are not limited to: improving property values, increasing the level of tax collection effort, increasing tax levies, assessing charges for services, seeking payments in lieu of taxes, and the ability to partner with others in the public and private sectors to share costs and to generate additional revenues.

The Township can control the size of the workforce by balancing service needs with resources available. The Township can also reduce services if warranted and lease or bid out services to private vendors if it is in the best interest of the community. These are difficult decisions but the benefit of making hard decisions is that the sustainability of the community for the long term is ensured and the quality of community life is improved.



APPENDIX A – COMPARABLE COMMUNITIES REVIEW

Municipality Name	County Name	Population	Total Revenues	Total Expenditures	Revenues Over Expenditures	Revenues Per Capita	Expenditure Per Capita	Total GO Bonds and Notes	Total Debt	Fund Balance
CENTER TWP	BUTLER	7898	3,011,915	2,454,898	557,017	381	311	-	-	1,715,365
CHARTIERS TWP	WASHINGTON	7818	7,189,280	6,819,089	370,191	920	872	-	2,572,868	7,860,026
CHIPPEWA TWP	BEAVER	7620	5,018,795	4,522,422	496,373	659	593	590,413	722,416	4,465,309
SHENANGO TWP	LAWRENCE	7479	3,626,700	3,806,478	(179,778)	485	509	40,278	1,700,278	1,690,306
WASHINGTON TWP	WESTMORELAND	7422	4,094,260	3,692,286	401,974	552	497	-	-	2,097,490
NEW SEWICKLEY TWP	BEAVER	7360	4,704,629	4,549,798	154,831	639	618	237,825	352,181	1,170,768
BUFFALO TWP	BUTLER	7307	3,614,195	3,124,757	489,438	495	428	106,664	106,664	820,534
INDIANA TWP	ALLEGHENY	7253	12,185,702	11,463,300	722,402	1,680	1,580	7,761,128	7,942,961	2,672,597
MARSHALL TWP	ALLEGHENY	6915	15,766,796	15,327,369	439,427	2,280	2,217	3,452,071	3,452,071	7,590,272
SALEM TWP	WESTMORELAND	6623	3040201	2549840	490361	459	385	-	-	4,528,685

Municipality Name	County Name	Population	Real Estate Tax	Earned Income Tax	Realty Transfer Tax	Local Services Tax	Intergovt Federal	Intergovt State	Solid Waste	Parks and Recreation	Charges for Services	Licenses and Permits	Cable TV Franchise Fees	Fines and Forfeits	Interest Rents	Donation	Other Financing Sources
CENTER TWP	BUTLER	7898	582,082	1,055,003	348,032	127,898	-	649,149	-	-	102,638	6,573	-	7,318	27,986	-	-
CHARTIERS TWP	WASHINGTON	7818	797,145	1,352,716	373,377	159,917	255,841	1,191,111	-	2,983	1,105,691	22,443	95,000	20,933	83,560	5,000	92,750
CHIPPEWA TWP	BEAVER	7620	2,099,799	1,299,525	211,821	151,605	189,636	612,786	200	13,604	12,019	22,899	163,953	47,164	58,463	21,853	108,493
SHENANGO TWP	LAWRENCE	7479	1,232,150	909,995	103,671	125,680	-	637,075	2,393	5,280	22,084	2,800	124,880	49,483	29,784	1,100	295,102
WASHINGTON TWP	WESTMORELAND	7422	1,024,075	894,862	109,579	128,536	30,000	1,060,347	-	5,094	290,901	3,930	103,143	23,707	29,931	-	390,155
NEW SEWICKLEY TWP	BEAVER	7360	1,389,442	859,916	93,159	75,250	177,965	954,882	72,375	4,554	237,591	10,600	137,416	109,772	27,285	9,948	535,060
BUFFALO TWP	BUTLER	7307	416,648	1,283,818	197,276	116,879	-	565,694	-	-	216,575	5,700	-	16,101	20,168	28,023	381,253
INDIANA TWP	ALLEGHENY	7253	2,235,385	1,484,771	207,390	135,216	125,744	516,963	-	11,849	447,660	3,750	137,538	14,202	127,353	24,311	6,287,697
MARSHALL TWP	ALLEGHENY	6915	2,357,885	3,593,120	720,115	471,015	-	616,107	1,123	77,567	525,788	-	-	14,999	82,115	120,352	4,953,847
SALEM TWP	WESTMORELAND	6623	615,822	766,430	103,604	139,818	-	956,093	-	-	42,004	21,567	103,992	2,318	4,842	82,342	17,260

Municipality Name	County Name	Population	General Govt	Police	Fire	Code Enforce	Public Works	Sewer	Solid Waste	Parks & Recreation	Libraries	Debt Service	Other Expenditures	Other Financing Uses
CENTER TWP	BUTLER	7898	506,392	-	193,839	12,261	1,550,181	-	-	-	-	-	89,849	7,050
CHARTIERS TWP	WASHINGTON	7818	607,884	1,601,974	298,163	-	1,767,953	1,220,571	108,661	279,759	20,050	88,245	527,296	10,000
CHIPPEWA TWP	BEAVER	7620	624,027	914,659	138,957	-	1,172,584	-	21,433	133,745	40,000	689,041	723,456	57,593
SHENANGO TWP	LAWRENCE	7479	592,252	1,058,029	161,962	-	1,230,701	-	-	130,838	-	258,312	-	268,314
WASHINGTON TWP	WESTMORELAND	7422	396,495	971,334	123,848	49,304	1,260,744	-	-	32,520	-	-	436,701	383,386
NEW SEWICKLEY TWP	BEAVER	7360	540,276	1,607,323	353,578	-	1,191,125	1,020	9,612	80,586	-	123,384	81,564	507,258
BUFFALO TWP	BUTLER	7307	291,975	686,889	230,566	65,194	735,833	-	188	16,243	1,000	276,634	670,199	76,698
INDIANA TWP	ALLEGHENY	7253	654,674	1,207,252	359,039	161,710	1,282,066	251,908	-	53,683	8,500	5,566,911	1,137,815	680,632
MARSHALL TWP	ALLEGHENY	6915	1,091,498	1,388,948	528,486	112,752	3,556,524	-	34,809	501,897	209,855	5,428,965	868,941	1,431,522
SALEM TWP	WESTMORELAND	6623	276,666	-	140,466	-	1,299,409	2,100	-	306,451	-	-	453,385	5,029

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**APPENDIX B – REVENUE AND EXPENDITURES HISTORY AND PROJECTIONS 2017-2026**

		Audit 2017	Audit 2018	Audit 2019	Audit 2020	Audit 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026
<b>REVENUES</b>											
<b>Real Estate Taxes</b>		<i>11.5 Mills</i>	<i>11.5 Mills</i>	<i>11.5 Mills</i>	<i>11.5 Mills</i>	<i>11.5 Mills</i>	<i>13.5 mills</i>	<i>13.5 mills</i>	<i>13.5 mills</i>	<i>13.5 mills</i>	<i>13.5 mills</i>
301.00	Real Estate Taxes GL Purpose	1,192,017	1,208,877	1,216,030	1,190,568	1,238,677	1,247,348	1,256,079	1,264,872	1,273,726	1,282,642
<b>Total Real Estate Taxes</b>		<b>1,192,017</b>	<b>1,208,877</b>	<b>1,216,030</b>	<b>1,190,568</b>	<b>1,238,677</b>	<b>1,247,348</b>	<b>1,256,079</b>	<b>1,264,872</b>	<b>1,273,726</b>	<b>1,282,642</b>
<b>Act 511 Taxes</b>											
310.00	Per Capita Taxes	176		176	487	187	500	500	500	500	500
310.10	Real Estate Transfer Taxes	80,855	92,712	100,152	93,159	122,020	124,460	126,950	129,489	132,078	134,720
310.20	Earned Income Taxes / Wage Taxes	831,423	855,220	913,095	859,916	868,386	885,754	903,469	921,538	939,969	958,768
310.50	Local Services Tax **	87,487	81,703	82,129	75,250	73,905	75,383	76,891	78,429	79,997	81,597
<b>Total Act 511 Taxes</b>		<b>999,941</b>	<b>1,029,635</b>	<b>1,095,552</b>	<b>1,028,812</b>	<b>1,064,498</b>	<b>1,086,097</b>	<b>1,107,809</b>	<b>1,129,955</b>	<b>1,152,544</b>	<b>1,175,585</b>
<b>Licenses and Permits</b>											
320-322	All Other Licenses and Permits	19,200	8,286	14,180	10,600	10,110	11,000	11,099	11,199	11,300	11,401
321.80	Cable Television Franchise Fees	141,677	136,940	129,672	137,416	139,596	136,000	133,280	130,614	128,002	125,442
<b>Total Licenses and Permits</b>		<b>160,877</b>	<b>145,226</b>	<b>143,852</b>	<b>148,016</b>	<b>149,706</b>	<b>147,000</b>	<b>144,379</b>	<b>141,813</b>	<b>139,302</b>	<b>136,843</b>
<b>Fines and Forfeits</b>											
330-332	Fines and Forfeits	59,442	57,755	61,312	51,159	50,883	50,883	50,883	50,883	50,883	50,883
<b>Total Fines and Forfeits</b>		<b>59,442</b>	<b>57,755</b>	<b>61,312</b>	<b>51,159</b>	<b>50,883</b>	<b>50,883</b>	<b>50,883</b>	<b>50,883</b>	<b>50,883</b>	<b>50,883</b>
<b>Interest, Rents and Royalties</b>											
341.00	Interest Earnings	1,590	6,427	15,244	4,174	1,099	1,190	1,190	1,190	1,190	1,190
342.00	Rents and Royalties	14,572	71,821	42,165	20,982	51,260	40,000	40,000	40,000	40,000	40,000
<b>Total Interest, Rents and Royalties</b>		<b>16,162</b>	<b>78,248</b>	<b>57,409</b>	<b>25,156</b>	<b>52,359</b>	<b>41,190</b>	<b>41,190</b>	<b>41,190</b>	<b>41,190</b>	<b>41,190</b>
<b>State</b>											
354.15	Recycling / Act 101	13,394	9,952	26,982	24,291	13,303	13,000	13,000	13,000	13,000	13,000
355.01	Public Utility Realty Tax (PURTA)	2,386	2,292	2,108	2,408	2,350	2,350	2,350	2,350	2,350	2,350
355.04	Alcoholic Beverage Licenses	1,050	1,250	1,250	1,050	-	1,050	1,050	1,050	1,050	1,050
355.05	Municipal Pension State Aid	119,295	131,163	148,494	147,475	139,121	141,903	144,741	147,636	150,589	153,601
355.07	Foreign Fire Insurance Tax Distribution	41,409	37,711	40,997	41,272	37,094	37,836	38,593	39,364	40,152	40,955
355.09	Marcellus Shale Impact Fee Act 13	104,106	-	-	-	-	-	-	-	-	-
359.00	Payments in Lieu of Taxes (PILOT)					16,044	-	-	-	-	-
<b>Total State</b>		<b>281,640</b>	<b>182,368</b>	<b>219,831</b>	<b>216,496</b>	<b>207,912</b>	<b>196,139</b>	<b>199,734</b>	<b>203,401</b>	<b>207,141</b>	<b>210,956</b>
<b>Charges for Service</b>											
361.00	General Government	130,799	47,063	119,119	69,770	99,673	102,165	104,719	107,337	110,020	112,771
362.00	Public Safety	111,629	232,307	122,090	167,821	168,311	164,850	168,971	173,196	177,526	181,964
363.00	Highway & Street Services			120		-	300	300	300	300	300
364.10	Wastewater/Sewage		7,724	14,694	8,927	11,410	10,000	10,000	10,000	10,000	10,000
364.60	Host Municipality Benefit	63,710		75,376	72,375	68,549	67,613	68,966	70,345	71,752	73,187
367.00	Culture and Recreation	6,234	7,434	5,768	4,554	13,840	17,544	17,720	17,897	18,076	18,257
<b>Total Charges for Service</b>		<b>312,372</b>	<b>294,528</b>	<b>337,167</b>	<b>323,447</b>	<b>361,783</b>	<b>362,473</b>	<b>370,676</b>	<b>379,075</b>	<b>387,674</b>	<b>396,478</b>

	Audit 2017	Audit 2018	Audit 2019	Audit 2020	Audit 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	
<b>Unclassified Operating Revenues</b>											
387.00	Contributions and Donations	-	7,082	16,509	8,598	35,346	32,053	32,694	33,348	34,014	34,695
389.00	All Other Unclassified Revenues	2,375	-	-	-	15,825	12,000	12,000	12,000	12,000	12,000
<b>Total Unclassified Operating Revenues</b>		<b>2,375</b>	<b>7,082</b>	<b>16,509</b>	<b>8,598</b>	<b>51,171</b>	<b>44,053</b>	<b>44,694</b>	<b>45,348</b>	<b>46,014</b>	<b>46,695</b>
<b>Other Financing Sources</b>											
391.00	Proceeds of General Fixed Asset	3,351	25,065	23,264	13,156	1,850	10,000	10,000	10,000	10,000	10,000
392.00	Interfund Operating Transfers	401,034	414,977	525,846	507,258	494,779	504,675	514,768	525,063	535,565	546,276
395.00	Refunds of Prior Year Expenditures		6,866	5,368	14,646	-					
<b>Total Other Financing Sources</b>		<b>404,385</b>	<b>446,908</b>	<b>554,478</b>	<b>535,060</b>	<b>496,629</b>	<b>514,675</b>	<b>524,768</b>	<b>535,063</b>	<b>545,565</b>	<b>556,276</b>
<b>TOTAL REVENUES</b>		<b>3,429,211</b>	<b>3,450,627</b>	<b>3,702,140</b>	<b>3,527,312</b>	<b>3,673,618</b>	<b>3,689,857</b>	<b>3,740,212</b>	<b>3,791,600</b>	<b>3,844,039</b>	<b>3,897,548</b>

		Audit 2017	Audit 2018	Audit 2019	Audit 2020	Audit 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026
<b>General Government</b>											
400.00	Legislative (Governing) Body	137,721	60,636	56,168	25,735	29,857	26,586	26,586	26,586	26,586	26,586
401.00	Executive - Manager	59,594	60,594	62,674	70,000	73,143	63,774	75,000	78,750	82,688	86,822
402.00	Audit/Financial Services	44,192		5,000	6,000	5,000	6,000	6,000	6,000	6,000	6,000
403.00	Tax Collection	104,090	93,580	100,876	96,908	106,080	108,202	110,366	112,573	114,824	117,121
404.00	Solicitor / Legal Services	14,010	8,638	16,546	19,983	22,531	15,000	15,600	16,224	16,873	17,548
405.00	Secretary / Clerk	50,031	51,613	52,617	68,599	68,848	70,569	72,333	74,142	75,995	77,895
406.00	GL Government Administration		140,665	149,810	168,074	189,631	189,631	194,372	199,231	204,212	209,317
408.00	Engineering Services	40,080	48,114	35,893	39,764	31,167	36,000	36,900	37,823	38,768	39,737
409.00	Government Buildings	48,298	37,285	46,728	45,213	48,011	49,211	50,442	51,703	52,995	54,320
<b>Total General Government</b>		<b>498,016</b>	<b>501,125</b>	<b>526,312</b>	<b>540,276</b>	<b>574,268</b>	<b>564,973</b>	<b>587,598</b>	<b>603,031</b>	<b>618,941</b>	<b>635,346</b>
<b>Public Safety</b>											
410.00	Police	1,389,176	1,440,681	1,439,649	1,582,403	1,705,201	1,617,690	1,682,398	1,749,694	1,819,681	1,892,468
411.00	Fire	278,759	264,934	358,921	353,578	349,505	364,184	379,480	395,418	412,026	429,331
413.00	UCC and Code Enforcement	-	-	-	-	-	-	-	-	-	-
414.00	Planning and Zoning	48,612	48,724	49,252	51,872	73,064	74,525	76,016	77,536	79,087	80,669
<b>Total Public Safety</b>		<b>1,716,547</b>	<b>1,754,339</b>	<b>1,847,822</b>	<b>1,987,853</b>	<b>2,127,770</b>	<b>2,056,399</b>	<b>2,137,893</b>	<b>2,222,648</b>	<b>2,310,794</b>	<b>2,402,468</b>
<b>Health and Human Services</b>											
420.00	Health and Human Services	6,600	4,300	-	-	-	-	-	-	-	-
<b>Total Health and Human Services</b>		<b>6,600</b>	<b>4,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Public Works - Sanitation</b>											
426.00	Recycling Collection and Disposal	2,517	-	-	-	-	3,000	3,000	3,000	3,000	3,000
427.00	Solid Waste Collection	-	-	12,260	9,612	7,914	7,756	7,368	7,000	6,650	6,317
429.00	Wastewater/Sewage	-	-	850	1,020	1,218	7,440	7,440	7,440	7,440	7,440
<b>Total Public Works - Sanitation</b>		<b>2,517</b>	<b>-</b>	<b>13,110</b>	<b>10,632</b>	<b>9,132</b>	<b>18,196</b>	<b>17,808</b>	<b>17,440</b>	<b>17,090</b>	<b>16,757</b>
<b>Public Works - Highways and Streets</b>											
430.00	General Services - Administration	305,580	296,663	292,101	339,087	334,959	338,979	344,063	349,224	354,462	359,779
432.00	Winter Maintenance - Snow Removal	58,306	85,721	75,487	57,738	73,014	71,847	73,643	75,484	77,371	79,306
433.00	Traffic Control Devices	3,089	5,839	3,235	12,382	6,543	6,707	6,874	7,046	7,222	7,403
434.00	Street Lighting	7,416	7,868	7,521	7,845	7,757	8,058	8,259	8,466	8,678	8,895
436.00	Storm Sewers and Drains	19,917	1,910	9,734	20,657	6,886	-	-	-	-	-
437.00	Repairs of Tools and Machinery	93,493	94,795	104,419	101,560	132,607	61,624	63,165	64,744	66,363	68,022
438.00	Maintenance and Repairs of Roads	398,806	410,761	525,344	465,879	352,771	350,000	385,000	423,500	465,850	512,435
<b>Total Public Works - Highways and Streets</b>		<b>886,607</b>	<b>903,557</b>	<b>1,017,841</b>	<b>1,005,148</b>	<b>914,537</b>	<b>837,214</b>	<b>881,005</b>	<b>928,464</b>	<b>979,946</b>	<b>1,035,839</b>
<b>Other Public Works Enterprises</b>											
441.00	Cemeteries	2,325	1,900	2,600	2,200	2,000	3,000	3,000	3,000	3,000	3,000
<b>Total Other Public Works Enterprises</b>		<b>2,325</b>	<b>1,900</b>	<b>2,600</b>	<b>2,200</b>	<b>2,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>
<b>Culture and Recreation</b>											
451.00	Culture-Recreation Administration	151,745	61,590	60,058	80,586	54,163	61,000	62,525	64,088	65,690	67,333
<b>Total Culture and Recreation</b>		<b>151,745</b>	<b>61,590</b>	<b>60,058</b>	<b>80,586</b>	<b>54,163</b>	<b>61,000</b>	<b>62,525</b>	<b>64,088</b>	<b>65,690</b>	<b>67,333</b>

		Audit 2017	Audit 2018	Audit 2019	Audit 2020	Audit 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026
465	DCED STMP Project	-	-	-	-	-	7,000	-	-	-	-
<b>Total State</b>		-	-	-	-	-	<b>7,000</b>	-	-	-	-
<b>Debt</b>											
471.00	Debt Principal	73,130	74,318	116,362	111,705	114,490	114,490	114,490	36,490	-	-
472.00	Debt Interest	8,735	7,547	7,022	11,679	8894	8,894	8,894	2,500	-	-
<b>Total Debt</b>		<b>81,865</b>	<b>81,865</b>	<b>123,384</b>	<b>123,384</b>	<b>123,384</b>	<b>123,384</b>	<b>123,384</b>	<b>38,990</b>	-	-
<b>Employer Paid Benefits and Withholding Items</b>											
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	8,127	7,670	7,497	7,688	8,259	8,548	8,847	9,157	9,477	9,809
484.00	Worker Compensation Insurance	1,321	1,348	5,086	2,645	435	1,400	1,400	1,400	1,400	1,400
487.00	Other Group Insurance Benefits	11,309	1,378	10,832	9,840	11,221	12,107	12,470	12,844	13,230	13,626
<b>Total Employer Paid Benefits and Withholding Items</b>		<b>20,757</b>	<b>10,396</b>	<b>23,415</b>	<b>20,173</b>	<b>19,915</b>	<b>22,055</b>	<b>22,717</b>	<b>23,401</b>	<b>24,107</b>	<b>24,836</b>
<b>Insurance</b>											
486.00	Insurance, Casualty, and Surety	61,419	59,144	50,452	61,391	56,979	62,396	63,394	64,409	65,439	66,486
<b>Total Insurance</b>		<b>61,419</b>	<b>59,144</b>	<b>50,452</b>	<b>61,391</b>	<b>56,979</b>	<b>62,396</b>	<b>63,394</b>	<b>64,409</b>	<b>65,439</b>	<b>66,486</b>
<b>Other Financing Sources</b>											
491	Refund of Prior Year Expenditures	-	-	-	-	12,750	-	-	-	-	-
492	Interfund Operating Transfers	-	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources</b>		-	-	-	-	<b>12,750</b>	-	-	-	-	-
<b>Unclassified Operating Expenditures</b>											
489.00	All Other Unclassified Expenditures	759	-	-	-	-	125	125	125	125	125
<b>Total Unclassified Operating Expenditures</b>		<b>759</b>	-	-	-	-	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>
<b>TOTAL EXPENDITURES</b>		<b>3,429,157</b>	<b>3,378,216</b>	<b>3,664,994</b>	<b>3,831,643</b>	<b>3,894,898</b>	<b>3,755,743</b>	<b>3,899,450</b>	<b>3,965,596</b>	<b>4,085,132</b>	<b>4,252,190</b>
<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>		<b>54</b>	<b>72,411</b>	<b>37,146</b>	<b>(304,331)</b>	<b>(221,280)</b>	<b>(65,885)</b>	<b>(159,238)</b>	<b>(173,996)</b>	<b>(241,094)</b>	<b>(354,641)</b>

		Audit 2017	Audit 2018	Audit 2019	Audit 2020	Audit 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026
<b>Extraordinary Revenue &amp; Expenses</b>											
351.00	Federal Grants	8,125			177,965	151,149	114,368	110,145	-	-	-
351.01	Federal - ARPA Grant					374,716	374,716				
354.00	All Other State Grants	9,479	11,988	28,002	208,535	85,204	40,000	-	-	-	-
430.00	PW General Administration					(287,441)					
430.70	Major Equipment						(86,000)	-	-	-	-
	<b>Total Extraordinary Revenue &amp; Expenses</b>	<b>17,604</b>	<b>11,988</b>	<b>28,002</b>	<b>386,500</b>	<b>323,628</b>	<b>443,084</b>	<b>110,145</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>		<b>17,658</b>	<b>84,399</b>	<b>65,148</b>	<b>82,169</b>	<b>102,348</b>	<b>377,199</b>	<b>(49,093)</b>	<b>(173,996)</b>	<b>(241,094)</b>	<b>(354,641)</b>
301.01	Real Estate Taxes Fire 2 Mills	100,435	101,273	201,317	198,874	209,945	210,000	210,000	210,000	210,000	210,000
355.09	Marcellus Shale Impact Fee Act 13	-	174,564	218,601	222,430	146,763					
383.00	Special Assessment - Stormwater					-					
	<b>Additional Revenue</b>	<b>100,435</b>	<b>275,837</b>	<b>419,918</b>	<b>421,304</b>	<b>356,708</b>	<b>210,000</b>	<b>210,000</b>	<b>210,000</b>	<b>210,000</b>	<b>210,000</b>
	<b>Using All Available Funds</b>	<b>118,093</b>	<b>360,236</b>	<b>485,066</b>	<b>503,473</b>	<b>459,056</b>	<b>587,199</b>	<b>160,907</b>	<b>36,004</b>	<b>(31,094)</b>	<b>(144,641)</b>