

RICHLAND TOWNSHIP

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

RICHLAND TOWNSHIP

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July 18, 2025

Board of Supervisors
Richland Township
1328 California Road
Quakertown, PA 18951

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Richland Township as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Richland Township as of December 31, 2024 modified cash basis, and, where applicable, cash flows and budgetary comparison of the General fund for the year then ended in accordance with the basis of accounting as described in Note 2(B).

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Richland Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis of Accounting

We draw attention to Note 2(B) of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

Richland Township has presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of the basic financial statements.

Richland Township has presented the Schedule of Funding Progress for the Pension Funds that accounting principles generally accepted in the United States of America has determined is required to be part of the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial

reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Richland Township's financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the basis of accounting described in the notes to the financial statements. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 18, 2025, on our consideration of Richland Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Richland Township's internal control over financial reporting and compliance.

Respectfully submitted,

MVA Audit PLLC

July 18, 2025

FINANCIAL SECTION

RICHLAND TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) REQUIRED SUPPLEMENTARY INFORMATION (RSI)

For the Year Ended December 31, 2024

This discussion and analysis of Richland Township's financial performance provides an overall review of the Township's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the Township's financial performance as a whole. The reader should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Township's financial performance.

The Discussion and Analysis does not include the discretely presented component unit Richland Township Water Authority. The Township's management is not involved in the operations of the Authority; therefore, they are unable to provide any meaningful information as it relates to the operations of the Authority.

The Management Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999.

FINANCIAL HIGHLIGHTS

The Township's overall financial position, as reflected in total net position, increased by \$794,277, and current property tax revenues increased by \$384,953 to \$2,353,001 for the year ended December 31, 2024.

During the year, the Township reduced the amount of their debt by \$152,000.

RICHLAND TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

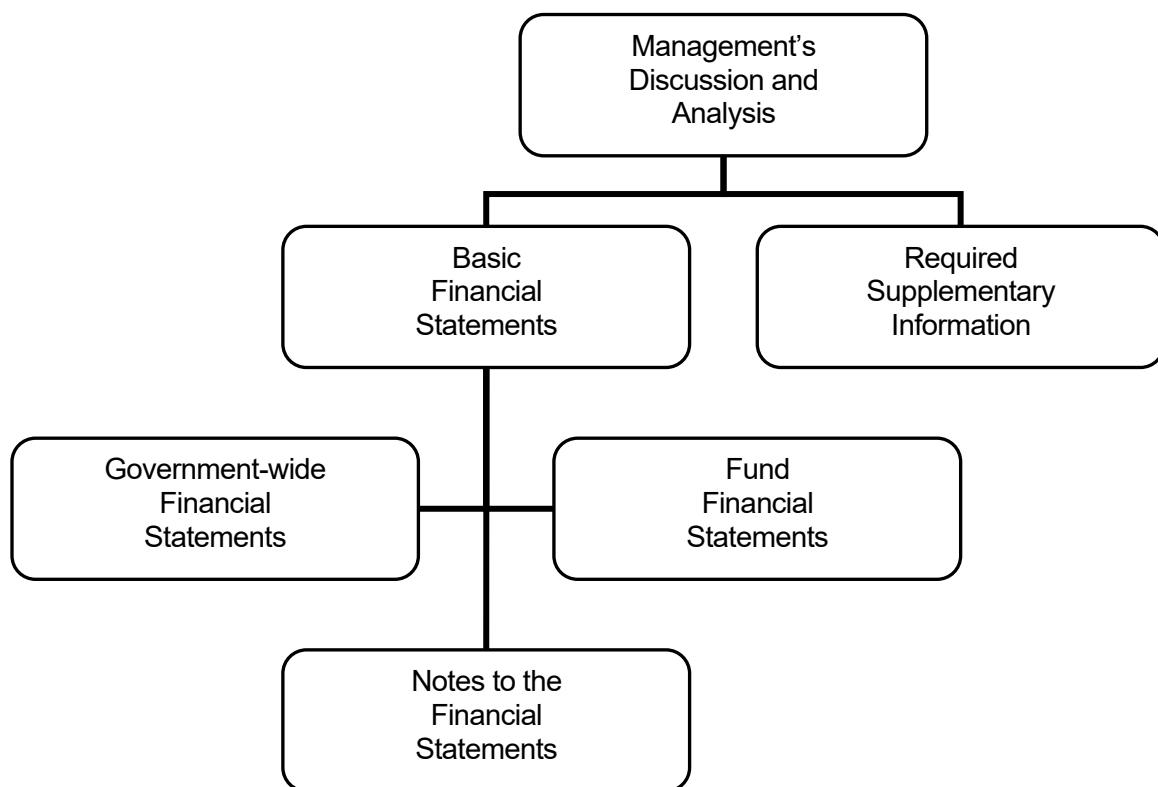
For the Year Ended December 31, 2024

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

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

Table 1 shows how the required parts of the Financial Section are arranged and relate to one another:

Table 1
Required Components of Richland Township's Financial Report



RICHLAND TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

For the Year Ended December 31, 2024

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

**Table 2 - Major Features of Richland Township's
Government-wide and Fund Financial Statements**

		Fund Statements	
	Government-wide Statements	Governmental Funds	Fiduciary Funds
Scope	Entire Township (except fiduciary funds)	The activities of the Township that are not proprietary or fiduciary	Instances in which the Township is the trustee or agent to someone else's resources – Developers Escrow Fund
Required financial statements	Statement of Net Position and Statement of activities	Balance Sheet, Statement of revenues, expenditures, and changes in fund balance	Statement of fiduciary net assets, Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Modified cash basis	Modified cash basis	Modified cash basis
Type of asset/liability information	Cash and Investments and Interfund receivables and payables	Cash and Investments and Interfund receivables and payables	Cash and Investments and Interfund receivables and payables
Type of inflow-outflow information	All Revenues received and all expenses paid in the time period when cash is received or expense paid	All Revenues received and all expenses paid in the time period when cash is received or expense paid	All Revenues received and all expenses paid in the time period when cash is received or expense paid

OVERVIEW OF FINANCIAL STATEMENTS

Government-wide Statements

The government-wide statements report information about the Township as a whole using the modified cash basis, which is a comprehensive basis of accounting other than accounting principles, generally accepted in the United States of America. The statement of net position includes only cash, investments and interfund receivables and payables. All of the current year's revenues and expenses are accounted for in the statement of activities when revenues are received rather than earned and expenses are recognized when paid rather than when incurred.

The government-wide statements report the Township's net position and how they have changed. Net position, the difference between the Township's assets and liabilities are one way to measure the Township's financial health or position.

Over time, increases or decreases in the Township's net position are an indication of whether its financial health is improving or deteriorating, respectively, based upon the basis of accounting used.

To assess the overall health of the Township, you need to consider additional non-financial factors, such as changes in the Township's property tax base.

The government-wide financial statements of the Township are divided into two categories:

Governmental Activities

All of the Township's basic services are included here, such as General Government, Public Safety, Public Works and Parks. Property taxes, Earned Income Taxes and Other Public Taxes finance most of these activities.

Business-Type Activities

The Township does not have any Business-Type Activities.

The Township's fund financial statements, which begin on page 14, provide detailed information about the most significant funds - not the Township as a whole.

Governmental Funds

Most of the Township's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified cash basis of accounting. Under this method revenues are recognized when received rather than earned and expenses are recognized when paid rather than when incurred. The governmental fund statements provide a detailed short-term view of the Township's operations and services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is reconciled in the financial statements.

RICHLAND TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

For the Year Ended December 31, 2024

Fiduciary Funds

The Township is a fiduciary for the Developer Escrow Fund. All of the Township's activities are reported in separate statements of fiduciary net assets on page 16. These activities have been excluded from the Township's financial statements because the Township cannot use these assets to finance their operations. The Developer's Escrow Fund is the only custodial fund of the Township.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

The Township's total net position (Table 3) was \$9,996,190 at December 31, 2024.

Table 3 – Net Position
Year Ended December 31, 2024 and 2023

	2024		
	Govern- mental Activities	Business- Type Activities	Total
Current and Other Assets	\$ 10,023,485	\$ -	\$ 10,023,485
Current and Other Liabilities	\$ 27,295	\$ -	\$ 27,295
Net Position			
Capital projects	\$ 13	\$ -	\$ 13
Unrestricted	9,996,177	-	9,996,177
Total net position	\$ 9,996,190	\$ -	\$ 9,996,190

	2023		
	Govern- mental Activities	Business- Type Activities	Total
Current and Other Assets	\$ 9,215,258	\$ -	\$ 9,215,258
Current and Other Liabilities	\$ 13,345	\$ -	\$ 13,345
Net Position			
Capital projects	\$ 19,640	\$ -	\$ 19,640
Unrestricted	9,182,273	-	9,182,273
Total net position	\$ 9,201,913	\$ -	\$ 9,201,913

Most of the Township's net assets are invested in cash, cash equivalents and investments.

The results of this year's operations as a whole are reported in the statement of activities on page 13. All expenses are reported in the first column. The largest revenue is provided by general public taxes.

RICHLAND TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

For the Year Ended December 31, 2024

Table 4 takes the information from that statement, rearranges it slightly, so that you can see our total revenues and expenses for the year.

Table 4 – Changes in Net Position
Fiscal Year Ended December 31, 2024 and 2023

	<u>2024</u>			<u>2023</u>		
	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
REVENUES						
<i>Program Revenues</i>						
Charges for services	\$ 544,746	\$ -	\$ 544,746	\$ 496,516	\$ -	\$ 496,516
Operating grants and contributions	579,381	-	579,381	985,096	-	985,096
Capital Grants and Contributions	429,015	-	429,015	-	-	-
<i>General Revenues</i>						
Property taxes	2,353,001	-	2,353,001	1,968,048	-	1,968,048
Other taxes	4,343,064	-	4,343,064	4,272,158	-	4,272,158
Grants, subsidies and contributions not restricted	154,041	-	154,041	223,806	-	223,806
Investment earnings	551,443	-	551,443	477,670	-	477,670
Sale of fixed assets	8,200	-	8,200	75	-	-
Proceeds from long term debt	-	-	-	-	-	-
Miscellaneous income	99,064	-	99,064	168,727	-	168,727
Total revenues	<u>9,061,955</u>	<u>-</u>	<u>9,061,955</u>	<u>8,592,096</u>	<u>-</u>	<u>8,592,096</u>
EXPENSES						
<i>Governmental Activities</i>						
General government	1,228,328	-	1,228,328	1,304,420	-	1,304,420
Public safety	3,810,708	-	3,810,708	3,564,175	-	3,564,175
Public works	2,254,688	-	2,254,688	1,656,487	-	1,656,487
Culture and recreation	226,595	-	226,595	101,064	-	101,064
Conservation and development	3,230	-	3,230	185,140	-	185,140
Debt service payments	186,356	-	186,356	326,906	-	326,906
Miscellaneous	557,773	-	557,773	559,173	-	559,173
Total expenses	<u>8,267,678</u>	<u>-</u>	<u>8,267,678</u>	<u>7,697,365</u>	<u>-</u>	<u>7,697,365</u>
Increase (decrease) in net position	<u>\$ 794,277</u>	<u>\$ -</u>	<u>\$ 794,277</u>	<u>\$ 894,731</u>	<u>\$ -</u>	<u>\$ 894,731</u>

RICHLAND TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

For the Year Ended December 31, 2024

DEBT ADMINISTRATION

As of January 1, 2024, the Township had a total outstanding debt of \$945,000.

The Richland Township Water Authority has agreed to pay one half of the debt applicable to the photovoltaic solar energy system of which \$372,500 remains as of December 31, 2024.

The Township repaid principal of \$152,000 resulting in ending outstanding debt (Table 5) as of December 31, 2024, of \$793,000.

Table 5 – Outstanding Debt

	<u>2024</u>	<u>2023</u>
2021 General Obligation Note	<u>\$ 793,000</u>	<u>\$ 945,000</u>

General Fund Budget

The Township adopts an annual budget for its General Fund. This adoption, by law, occurs prior to December 31 of each year for the subsequent year. A comprehensive budgetary comparison (Table 6), original to final is provided in this report. Below is a summarized version of the budget comparison.

Table 6 – Budgetary Comparison

<u>2024</u>				
	<u>Budgeted Original</u>	<u>Budget Final</u>	<u>Actual (Budgetary Basis)</u>	<u>Variances with Final Budget Positive (Negative)</u>
Revenues	\$ 7,479,619	\$ 7,479,619	\$ 7,466,287	\$ (13,332)
Expenditures	7,479,619	7,479,619	7,367,081	112,538
Net Change in Fund Balance	-	-	99,206	99,206
Fund Balance - January 1, 2024	-	-	6,555,247	6,555,247
Fund Balance - December 31, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,654,453</u>	<u>\$ 6,654,453</u>

<u>2023</u>				
	<u>Budgeted Original</u>	<u>Budget Final</u>	<u>Actual (Budgetary Basis)</u>	<u>Variances with Final Budget Positive (Negative)</u>
Revenues	\$ 7,233,596	\$ 7,233,596	\$ 7,344,021	\$ 110,425
Expenditures	7,907,029	7,907,029	6,549,881	1,357,148
Net Change in Fund Balance	(673,433)	(673,433)	794,140	1,467,573
Fund Balance - January 1, 2023	673,433	673,433	6,555,247	5,881,814
Fund Balance - December 31, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,349,387</u>	<u>\$ 7,349,387</u>

RICHLAND TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

For the Year Ended December 31, 2024

CONTACTING THE TOWNSHIP FINANCIAL MANAGEMENT

The Township's financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Township's finances and to show Township Supervisors accountability for the money it receives. If you have questions, please contact Township Manager, Leslie Huhn, 1328 California Road, Suite A, Quakertown, PA 18951, email address lhuhn@richlandtownship.org.

BASIC FINANCIAL STATEMENTS

RICHLAND TOWNSHIP

STATEMENT OF NET ASSETS MODIFIED CASH BASIS

As of December 31, 2024

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Units
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 9,983,336	\$ -	\$ 9,983,336	\$ 4,269,972
Investments	-	-	-	788,152
Due from primary government	-	-	-	17,210
Other receivables	40,149	-	40,149	-
Total current assets	10,023,485	-	10,023,485	5,075,334
Non-Current Assets				
Restricted cash and cash equivalents	-	-	-	767,036
Total non-current assets	-	-	-	767,036
Total assets	\$ 10,023,485	\$ -	\$ 10,023,485	\$ 5,842,370
Deferred outflows of resources				
	\$ -	\$ -	\$ -	\$ -
LIABILITIES				
Current Liabilities				
Developers escrow	\$ -	\$ -	\$ -	\$ 767,036
Due to primary government	17,210	-	17,210	-
Other payables	10,085	-	10,085	-
Total current liabilities	27,295	-	27,295	767,036
Total liabilities	\$ 27,295	\$ -	\$ 27,295	\$ 767,036
Deferred inflows of resources				
	\$ -	\$ -	\$ -	\$ -
NET POSITION				
Restricted for capital projects	13	-	13	-
Unrestricted	9,996,177	-	9,996,177	5,075,334
Total net position	\$ 9,996,190	\$ -	\$ 9,996,190	\$ 5,075,334

The accompanying notes are an integral part of these financial statements.

RICHLAND TOWNSHIP

STATEMENT OF ACTIVITIES MODIFIED CASH BASIS

For the Year Ended December 31, 2024

FUNCTIONS / PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental Activities								
General government	\$ 1,228,328	\$ 265,154	\$ 75,184	\$ -	\$ (887,990)	\$ -	\$ (887,990)	\$ -
Public safety	3,810,708	164,188	419,021	-	(3,227,499)	-	(3,227,499)	-
Public works	2,254,688	-	85,176	429,015	(1,740,497)	-	(1,740,497)	-
Culture and recreation	226,595	30,726	-	-	(195,869)	-	(195,869)	-
Conservation and development	3,230	84,678	-	-	81,448	-	81,448	-
Insurance	117,785	-	-	-	(117,785)	-	(117,785)	-
Employee benefits	424,225	-	-	-	(424,225)	-	(424,225)	-
Debt service	186,356	-	-	-	(186,356)	-	(186,356)	-
Miscellaneous	15,763	-	-	-	(15,763)	-	(15,763)	-
Total governmental activities	8,267,678	544,746	579,381	429,015	(6,714,536)	-	(6,714,536)	-
Business-Type Activities								
No activities	-	-	-	-	-	-	-	-
Total primary government	\$ 8,267,678	\$ 544,746	\$ 579,381	\$ 429,015	\$ (6,714,536)	\$ -	\$ (6,714,536)	-
Component Units								
Richland Township Water Authority	\$ 1,024,594	\$ 1,361,415	\$ -	\$ -				\$ 336,821
GENERAL REVENUES:								
Property taxes, levied for general purposes, net					\$ 2,353,001	\$ -	\$ 2,353,001	\$ -
Other taxes for general purposes					4,343,064	-	4,343,064	-
Grants, subsidies, & contributions not restricted					154,041	-	154,041	-
Investment earnings and rents					551,443	-	551,443	265,819
Sale of fixed assets					8,200	-	8,200	-
Miscellaneous income					99,064	-	99,064	-
Total general revenues, special items, extraordinary items, and transfers					7,508,813	-	7,508,813	265,819
Change in net position					794,277	-	794,277	602,640
Net position - beginning					9,201,913	-	9,201,913	4,472,694
Net position - ending					\$ 9,996,190	\$ -	\$ 9,996,190	\$ 5,075,334

The accompanying notes are an integral part of these financial statements.

RICHLAND TOWNSHIP

BALANCE SHEET MODIFIED CASH BASIS

For the Year Ended December 31, 2024

	General Fund	Operating Open Space Fund	Highway Aid Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 7,419,203	\$ 2,200,710	\$ 13	\$ 363,410	\$ 9,983,336
Investments	-	-	-	-	-
Due from other funds	40,201	-	-	726	40,927
Due from component unit	-	-	-	-	-
Total assets	\$ 7,459,404	\$ 2,200,710	\$ 13	\$ 364,136	\$ 10,024,263
LIABILITIES AND FUND BALANCES					
Liabilities					
Due to Other Funds	\$ -			\$ 52	\$ 52
Due to component unit	-	-	-	17,210	17,210
Due to other funds	726	-	-	-	726
Deferred Revenue	-	-	-	-	-
Other payable	10,085	-	-	-	10,085
Total liabilities	10,811	-	-	17,262	28,073
Fund Balances					
- Nonspendable	-	-	-	-	-
- Restricted	-	-	13	-	13
- Committed	-	-	-	-	-
- Assigned	-	2,200,710		346,874	2,547,584
- Unassigned	7,448,593	-	-	-	7,448,593
Total fund balances	7,448,593	2,200,710	13	346,874	9,996,190
Total liabilities and fund balances	\$ 7,459,404	\$ 2,200,710	\$ 13	\$ 364,136	\$ 10,024,263

Reconciliation to Statement of Net Assets:

Amounts recorded for governmental activities in the statement of net assets are the same as the amounts recorded in all governmental funds, since both financial statements are prepared on the modified cash basis of accounting.

The accompanying notes are an integral part of these financial statements.

RICHLAND TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES – MODIFIED CASH BASIS ALL GOVERNMENTAL FUNDS

For the Year Ended December 31, 2024

	General Fund	Operating Open Space Fund	Highway Aid Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 5,429,524	\$ 522,705	\$ -	\$ 516,691	\$ 6,468,920
Licenses, permits and fines	265,905	-	-	-	265,905
Investment earnings and rents	440,323	97,710	5,201	8,259	551,493
Intergovernmental revenue	598,611	-	429,015	-	1,027,626
Charge for services	405,288	-	-	84,678	489,966
Miscellaneous	10,542	-	-	9,861	20,403
Contributions/donations	150,831	-	-	-	150,831
Total revenues	<u>7,301,024</u>	<u>620,415</u>	<u>434,216</u>	<u>619,489</u>	<u>8,975,144</u>
EXPENDITURES					
Current					
General government	\$ 1,227,627	\$ -	\$ -	\$ 701	\$ 1,228,328
Public safety	3,372,419	-	-	438,289	3,810,708
Public works	1,796,261	-	453,843	4,584	2,254,688
Culture and recreation	226,595	-	-	-	226,595
Community development	-	3,230	-	-	3,230
Miscellaneous	15,763	-	-	-	15,763
Insurance	117,785	-	-	-	117,785
Pensions	424,225	-	-	-	424,225
Debt Service:					
Principal	17,000	-	-	135,000	152,000
Interest	-	-	-	34,356	34,356
Total expenditure	<u>7,197,675</u>	<u>3,230</u>	<u>453,843</u>	<u>612,930</u>	<u>8,267,678</u>
Deficiency of revenues over expenditures	<u>103,349</u>	<u>617,185</u>	<u>(19,627)</u>	<u>6,559</u>	<u>707,466</u>
OTHER FINANCING SOURCES (USES)					
Refund of prior year outflows	78,661	-	-	-	78,661
Refund of prior year inflows	(50)	-	-	-	(50)
Sale of fixed assets	8,200	-	-	-	8,200
Operating transfers in	78,402	-	-	90,954	169,356
Operating transfers out	(169,356)	-	-	-	(169,356)
Total other financing sources	<u>(4,143)</u>	<u>-</u>	<u>-</u>	<u>90,954</u>	<u>86,811</u>
Net change in fund balances	<u>99,206</u>	<u>617,185</u>	<u>(19,627)</u>	<u>97,513</u>	<u>794,277</u>
Fund balances - beginning	<u>7,349,387</u>	<u>1,583,525</u>	<u>19,640</u>	<u>249,361</u>	<u>9,201,913</u>
Fund balances - ending	<u>\$ 7,448,593</u>	<u>\$ 2,200,710</u>	<u>\$ 13</u>	<u>\$ 346,874</u>	<u>\$ 9,996,190</u>

Reconciliation to Statement of Net Assets:

Amounts recorded for governmental activities in the statement of net assets are the same as the amounts recorded in all governmental funds, since both financial statements are prepared on the modified cash basis of accounting.

The accompanying notes are an integral part of these financial statements.

RICHLAND TOWNSHIP

STATEMENT OF NET POSITION MODIFIED CASH BASIS FIDUCIARY FUND

As of December 31, 2024

	<u>Custodial</u> <u>(Developer</u> <u>Escrow Fund)</u>
ASSETS	
Cash and cash equivalent	\$ 372,345
Investments	-
Due from other funds	-
Total assets	<u>\$ 372,345</u>
LIABILITIES	
Other current liabilities	\$ -
Due to other funds	40,149
Due to developers	-
Due to municipalities	-
Total liabilities	<u>\$ 40,149</u>
NET POSITION	
Restricted for:	
Individual, organizations, and other governments	<u>332,196</u>
Total net position	<u>\$ 332,196</u>

The accompanying notes are an integral part of these financial statements.

RICHLAND TOWNSHIP

STATEMENT OF CHANGES IN FIDUCIARY NET POSITON – MODIFIED CASH BASIS

As of December 31, 2024

	<u>Custodial</u> <u>(Developer</u> <u>Escrow Fund)</u>
ADDITIONS	
Receipts from developers	\$ 83,204
Engineering fees reimbursed	371,708
Legal fees reimbursed	41,304
Admin fees due to general fund	<u>43,068</u>
Total additions	539,284
 DEDUCTIONS	
Legal	\$ 41,304
Engineering	371,708
Developers funds reimbursed - other	23,744
Admin fees due to general fund	<u>43,068</u>
Total deductions	<u>479,824</u>
 Net increase (decrease) in fidicuary net position	\$ 59,460
 Net position - beginning	<u>272,736</u>
 Net position - ending	<u><u>332,196</u></u>

The accompanying notes are an integral part of these financial statements.

RICHLAND TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL MODIFIED CASH BASIS – GENERAL FUND

For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with	Budget to	Actual
	Original	Final	(Budgetary	Final Budget	Modified Cash	Amounts
			Basis)	Positive	Difference	Modified Cash
				(Negative)		Basis
RESOURCES (INFLOWS):						
Taxes	\$ 5,330,000	\$ 5,330,000	\$ 5,429,524	\$ 99,524	\$ -	\$ 99,524
Fees, licenses and permits	194,825	194,825	265,905	71,080	-	71,080
Investment earnings and rents	195,100	195,100	440,323	245,223	-	245,223
Intergovernmental grants	628,450	628,450	598,611	(29,839)	-	(29,839)
Charges for services	438,600	438,600	405,288	(33,312)	-	(33,312)
Miscellaneous	3,000	3,000	10,542	7,542	-	7,542
Contributions/donations	7,000	7,000	150,831	143,831	-	143,831
Refund of prior year expenditures	1,200	1,200	78,661	77,461	-	77,461
Sales of fixed assets	12,500	12,500	8,200	(4,300)	-	(4,300)
Proceeds from long term debt	-	-	-	-	-	-
Transfer from other funds	668,944	668,944	78,402	(590,542)	-	(590,542)
Total resources	<u>7,479,619</u>	<u>7,479,619</u>	<u>7,466,287</u>	<u>(13,332)</u>	<u>-</u>	<u>(13,332)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):						
General government	\$ 1,190,052	\$ 1,190,052	1,227,627	(37,575)	-	(37,575)
Public safety	3,520,834	3,520,834	3,372,419	148,415	-	148,415
Garbage collection	120,800	120,800	17,853	102,947	-	102,947
Highway and streets	1,542,633	1,542,633	1,778,408	(235,775)	-	(235,775)
Culture and recreation	144,000	144,000	226,595	(82,595)	-	(82,595)
Community development	13,000	13,000	-	13,000	-	13,000
Debt Service	293,000	293,000	17,000	276,000	-	276,000
Non-Departmental:						
Miscellaneous	106,300	106,300	15,763	90,537	-	90,537
Insurance	104,000	104,000	117,785	(13,785)	-	(13,785)
Pensions	423,000	423,000	424,225	(1,225)	-	(1,225)
Refund of prior year inflows	22,000	22,000	50	21,950	-	21,950
Transfer to other funds	-	-	169,356	(169,356)	-	(169,356)
Total charges to appropriations	<u>7,479,619</u>	<u>7,479,619</u>	<u>7,367,081</u>	<u>112,538</u>	<u>-</u>	<u>112,538</u>
Excess (Deficiency) of Inflows over Outflows	-	-	99,206	99,206	-	99,206
Fund balance - January 1, 2024	<u>-</u>	<u>-</u>	<u>6,555,247</u>	<u>6,555,247</u>	<u>-</u>	<u>6,555,247</u>
Fund balance - December 31, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,654,453</u>	<u>\$ 6,654,453</u>	<u>\$ -</u>	<u>\$ 6,654,453</u>

The accompanying notes are an integral part of these financial statements.

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

Note 1 - Description of the Township and Reporting Entity

Richland Township, Bucks County, Pennsylvania (The Township) was incorporated in 1734, and operates under the Second-Class Township Code of the Commonwealth of Pennsylvania, enacted May 1, 1933, as amended. The Township has a Board of Supervisors form of government and provides the following services as authorized by its charter: public safety, public improvements, planning and zoning, and general administrative services.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the Township are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Township.

Richland Township is a municipal Corporation governed by an elected board of supervisors. As required by generally accepted accounting principles, these financial statements are to present Richland Township (the primary government) and organizations for which the primary government is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are financially dependent on the Township in that the Township approved the budget, the issuance of debt, or the levying of taxes. Richland Township has one component unit. The Richland Township Water Authority is a component unit.

Component Units

In conformity with accounting principles, generally accepted in the United States of America, the following component unit has been included in the financial reporting entity as a discretely presented component unit.

Richland Township Water Authority

The Authority owns and operates the water system. Any capital improvements are approved by the Authority Board. The Township Supervisors appoint the members serving on the Authority Board.

Copies of separate financial statements of the Richland Township Water Authority may be obtained at the Authority Office, 1328 California Rd., Ste. D., Quakertown, PA 18951.

Note 2 - Summary of Significant Accounting Policies

A. Basis of Presentation

The Township's basic financial statements consist of government-wide statements, including a statement of net assets, a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds, and discretely presented component units. The statements distinguish

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

between those activities of the Township that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the Township at year-end, along with discretely presented component units. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Township's governmental activities and discretely presented component units. The Township does not have any business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Township and the Component Unit, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business activity or governmental function or Component Unit is self-financing or draws from the general revenues of the Township or the Component Unit.

Fund Financial Statements During the year, the Township segregates transactions related to certain government functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Township at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

B. Basis of Accounting

Richland Township prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles, generally accepted in the United States of America. Under the modified cash basis of accounting, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred, with the exception of certain receivables and liabilities. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

C. Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

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

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

General Fund

The General Fund is the general operating fund of the Township. It is used to account for all financial resources, except those required to be accounted for in another fund.

Operating Open Space Fund

The Operating Open Space Fund is used to account for the financial resources to be used for the acquisition and maintenance of open space in the Township.

Proprietary Funds

The focus of Proprietary Fund measurement is upon determination of net income, financial position, and changes in cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Township's Proprietary Funds:

Enterprises Funds Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Township does not have any major Enterprise Funds, except for the discretely presented component unit:

Richland Township Water Authority The operation of the water system owned and operated by the Richland Township Water Authority is shown as a discretely presented component unit on the modified cash basis of accounting.

The Township follows alternative #1 under GASB Statement No. 20 which requires following the FASB Statements and interpretations, APB opinions, and ARB's issued on or before November 30, 1989, except those that conflict with a GASB Statement.

Fiduciary Funds Fiduciary funds reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Township's own programs. Custodial funds are custodial in nature and with the implementation of GASB Statement No. 84 involve the measurement of the results of operations. The Township has one Custodial Fund consisting of the Developers Escrow Fund.

D. Budgets and Budgetary Accounting

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with the Township Code and Township procedures, the Township Manager submits to the Board of Supervisors, with whom the legal level of budgetary control resides, a proposed budget for the fiscal year commencing the following January 1. The budget must be advertised and available for public inspection before adoption. The budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year. Departments for budgetary purposes are general government, public safety, public works, culture and recreation, and insurance, employee benefits and miscellaneous.

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

2. Public hearings are conducted to obtain taxpayer comment.
3. By December 31, the budget is approved by motion of the Board of Supervisors. Expenditures for the budget may not legally exceed appropriations and prior year fund balance reserves. This is done as a level of budgetary control.
4. All modifications, transfers and amendments must be approved by the Board of Supervisors.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. The legally adopted budgets of the Township are for the General Fund (which includes the Township's Police, Fire Protection, Recreation, Traffic Improvement, Maintenance Reserve and Volunteer Boards Fund).
7. The budgets are adopted on the modified cash basis of accounting discussed above. (The basis of accounting for budget purposes is the same as for financial statement reporting purposes.)
8. The Board of Supervisors may authorize supplemental appropriations during the year.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Since these financial statements are prepared on the modified cash basis, no estimates have been used.

F. Implementation of New Accounting Standards

The Governmental Accounting Standards Board (GASB) issued the following standards that were scheduled to take effect for the 2024 year:

GASB Statement No. 100, *Accounting Changes and Error Corrections* – An Amendment of GASB Statement No. 62

GASB Statement No. 101, *Compensated Absences*

The Township has already adopted and implemented all applicable above referenced Statements.

G. Future Changes in Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following standards with future effective dates:

GASB Statement No. 102, *Certain Risk Disclosures* – Effective for calendar year 2025.

GASB Statement No. 103, *Financial Reporting Model Improvements* – Effective for calendar year 2026.

The Township will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable.

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

H. Investments

In accordance with GASB Statement 31, investments are stated at fair value, except:

- a) Non-participating interest earning investment contracts are recorded at amortized cost;
- b) Money market investments and participating interest earning investment contracts that mature within one year of acquisition are recorded at amortized cost; and,
- c) Investments held in 2a7-like pools (Pennsylvania Local Government Investment Trust, and the Pennsylvania Treasurer's Invest Program) are recorded at the pool's share price.

I. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". Any amount receivable from the discretely presented component unit is shown as a separate line item on the Government-wide Statement of Net Assets. The Township loan from the discretely presented component unit for the Veterans Park Project is not recorded on the Government-wide Statement of Net Assets. The Township loan to the discretely presented component unit for the Solar Panel Project is not recorded on the Government-wide Statement of Net Assets.

J. Real Estate Taxes

The total taxable assessed real estate valuation for the year ended 2024 is 176,201,390 at a rate of 10.55 mills for general purposes (allocated to Police Services) and 3 mills designated to the Fire Protection Fund. Real estate taxes are levied on March 1 and are payable by June 30.

Real estate taxes paid by April 30 are subject to a 2% discount and after June 30 are subject to a 10% penalty. Delinquent real estate taxes are generally lien by January 1 of the following year.

K. Net Position / Fund Balance Classifications

Net Position

Net position is reported as restricted when there are limitations imposed on use either through the enabling legislation adopted by the Township or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Township applies restricted resources first when an expense is incurred for purposed for which both restricted and unrestricted net assets are available.

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

Fund Balance

GASB Statement No. 54, established accounting and financial reporting standards for all governments that report governmental funds. The statement established criteria for classifying fund balances into the following specifically defined classifications:

- **Nonspendable** fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- **Restricted** fund balance includes amounts that are restricted externally by creditors (such as through debt covenants), grantors, contributors, laws or regulation of other governments; or imposed by law through constitutional provisions or enabling legislation.
- **Committed** fund balance includes amounts that can be used only for specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally. The Township's highest level of decision making is the Board of Supervisors.
- **Assigned** fund balance comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.

Note 3 - Stewardship, Compliance and Accountability

A. Compliance with Finance Related Legal and Contractual Provisions

The Township has no material violations of finance related legal and contractual provisions.

B. Deficit Fund Balance or Retained Earnings of Individual Funds

There are no deficits in fund balances or net assets in any of the individual funds of the Township.

C. Excess of Expenditures over Appropriations in Individual Funds

The General Fund which has a legally adopted budget, did not have an excess of expenditures over appropriations.

D. Budgetary Compliance

The Township has a legally adopted budget for the General Fund. The Township does not make budget transfers between expenditure/expense accounts.

Note 4 - Cash

Primary Government

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township does have a policy for custodial credit risk.

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

As of December 31, 2024, \$830,723 of the Township's bank balance of \$1,549,410 was exposed to custodial credit risk as:

Uninsured and uncollateralized	\$	-
Collateralized with securities held by the pledging financial institution		-
Uninsured and collateral held by the pledging bank's trust department not in the Township's name		830,723
TOTAL	\$	830,723

Reconciliation to Financial Statements

Uninsured amount above	\$	830,723
Plus: insured amount		718,687
Petty cash		500
Deposits in transit		112,893
Less: outstanding checks		(1,854)
Carrying amount - bank balances		1,660,949
Plus: deposits in pooled investments considered cash equivalents		8,694,732
Less: certificates of deposits considered investment by township code		-
Total cash per financial statements	\$	10,355,681

Restricted Cash

The cash balances included \$372,345 held as developer escrow funds. These funds are held by the Township to guarantee the completion of various construction projects by homeowners and developers.

Component Unit

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk.

As of December 31, 2024, \$1,670,588 of the Authority's bank balance of \$2,170,588 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	-
Collateralized with securities held by the pledging financial institution		-
Uninsured and collateral held by the pledging bank's trust department not in the Authority's name		1,670,588
Total	\$	1,670,588

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

Reconciliation to Financial Statements

Uncollateralized amount above	\$ 1,670,588
Plus: insured amount	500,000
Petty cash	100
Deposit in transit	-
Less: outstanding checks	-
Carrying amount -bank balances	2,170,688
Plus: Deposits in pooled investments considred cash equivalents	3,654,472
Less: outstanding checks	(788,152)
Total cash per financial statements	\$ 5,037,008

Restricted Cash

The cash balance includes Developer Escrow Funds of \$767,036. The funds are expected to be utilized to fund development costs.

Note 5 – Investments

The permitted investments for Pennsylvania Townships, as amended by Act 10 of 2016, are defined in the Township Code as:

1. United States Treasury Bills;
2. Short-term obligations of the United States Government or its agencies or instrumentalities;
3. Deposits in savings accounts or time deposits or share accounts of institutions insured by the F.D.I.C.; and,
4. Obligations, participations or other instruments of any Federal Agency, instrumentality or United States government sponsored enterprise, including those issued or fully guaranteed as the principal and interest by Federal agencies, instrumentalities or United States government sponsored enterprises, if the debt obligations are rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations.
5. Repurchase agreements with respect to United States Treasury bills or obligations, participations or other instruments of or guaranteed by the United States or any Federal agency, instrumentality or United States government sponsored enterprise.
6. Negotiable certificates of deposit or other evidences of deposit, with a remaining maturity of three years or less, issued by a nationally or State-chartered bank, a Federal or State savings and loan association or a State-licensed branch of a foreign bank. For obligations with a maturity of one year or less, the debt obligations of the issuing institution or its parent must be rated in the top short-term rating category by at least two nationally recognized statistical ratings organizations. For obligations with a maturity in excess of one year, the senior debt obligations of the issuing institution or its parent must be rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations.

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

7. Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, if the bankers' acceptances do not exceed 180 days maturity and the accepting bank is rated in the top short-term category by at least two nationally recognized statistical ratings organizations.
8. Commercial paper issued by corporations or other business entities organized in accordance with Federal or State law, with a maturity not to exceed 270 days, if the paper is rated in the top short-term category by at least two nationally recognized statistical ratings organizations.
9. Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933 and, if all of the following conditions are met:
 - The investments of the company are the authorized investments listed above.
 - The investment company is managed in accordance with 17 CFR 270.2a-7 (related to money market funds).
 - The investment company is rated in the highest category by a nationally recognized rating agency.
10. Savings or demand deposits placed in accordance with the following conditions:
 - The money is initially deposited and invested through a federally insured institution having a place of business in this Commonwealth, which is selected by the public corporation or municipal authority.
 - The selected institution arranges for the redeposit of the money in savings or demand deposits in one or more financial institutions insured by the Federal Deposit Insurance Corporation, or the account of the public corporation or municipal authority.
 - The full amount of principal and any accrued interest of each such deposit is insured by the Federal Deposit Insurance Corporation.
 - On the same date that the money is redeposited pursuant to above, the selected institution receives an amount of deposits from customers of other financial institutions equal to or greater than the amount of money initially invested through the selected institution by the public corporation or municipal authority.

Primary Government

As of December 31, 2024, the Township had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
PA Local Government Investment Trust		\$ 8,694,732
Certificates of deposit		-
Total		<u>\$ 8,694,732</u>

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

Fair Value Reporting

The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs. All investments of the Township and its component unit are classified as Level 1 investments.

Interest Rate Risk

The Township has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Township's investments are in Certificates of Deposit at Quakertown National Bank as of December 31, 2024.

Credit Risk

The Township has an investment policy that would limit its investment choices to certain credit ratings. As of December 31, 2024, the Township's investment in the PA Local Government Investment Trust was rated AAA by Standard & Poors.

Concentration of Credit Risk

The Township places no limit on the amount the Township may invest in any one issuer. Of the Township's investments, 100% are in certificates of deposit at QNB Bank. Of the Governmental Activities' investments, 100% are in certificates of deposit at QNB Bank. Of the General Fund's investments, 100% are in certificates of deposit in QNB Bank.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Township had no investments subject to custodial credit risk.

Reconciliation to Financial Statements

Total investments above	\$ 8,694,732
Less: deposits in investment pools considered cash equivalents	(8,694,732)
Certificates of deposit considered cash equivalents	-
Total investmetns per financial statements	\$ -

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

Component Unit

As of December 31, 2024, the Authority had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
PA Local Government Investment Trust	N/A	\$ 3,654,472
Certificates of deposit	13 Months	788,152
Total		<u>\$ 4,442,624</u>

Fair Value Reporting

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs. All of the Authority's investments are valued based on Level 1 inputs.

Interest Rate Risk

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

Credit Risk

The Authority has no investment policy that would limit its investment choices to certain credit ratings. The Authority's investment in the PA Local Government Investment Trust was rated AAA by Standard & Poor's.

Concentration of Credit Risk

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

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Authority had no investments subject to custodial credit risk.

Reconciliation to Financial Statements

Total investments above	\$ 4,442,624
Less: deposits in pooled investments considered cash equivalents	(3,654,472)
Total investments per financial statements	<u>\$ 788,152</u>

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

Note 6 – Short-Term Debt

Interfund Transfers

The Township also made the following interfund transfers during the fiscal year ended December 31, 2024:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 78,402	\$ 169,356
Special Revenue (Fire) Fund	-	78,402
Capital Project (Solar Project Bond) Fund	169,356	-
TOTAL	<u>\$ 247,758</u>	<u>\$ 247,758</u>

Interfund Receivables and Payables

The following interfund receivable and payables were in existence as of December 31, 2024.

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 40,201	\$ 726
Solar Project Fund	726	52
Developers escrow fund	-	40,149
Total	<u>\$ 40,927</u>	<u>\$ 40,927</u>

Due from Component Unit

Richland Township entered into a joint project with the Richland Township Water Authority to construct a solar power system to reduce the electricity needs for both the Township and Authority. The project was being funded by a \$500,000 federal grant from the Pennsylvania Department of Environmental Protection and a bond issue, both in the name of the Township. Each entity has agreed to finance half of the project, although the grant and bond issue were entered into in the Township's name. As of December 31, 2024, the Authority owes the Township \$372,500. This amount represents the net of all solar project transactions for 2010 through 2024, since all bond proceeds, grant funds and interest were originally deposited into the Township accounts and all project expenditures were paid from Township accounts.

Note 7 – Long-Term Debt Commitments

Long-term liability balances and activity for the year ended December 31, 2024, were:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
GOVERNMENTAL ACTIVITIES					
<i>General Obligation Debt:</i>					
<i>Bonds and Notes Payable:</i>					
2021 General Obligation Note	\$ 945,000	\$ -	\$ 152,000	\$ 793,000	\$ 151,000
Total	<u>\$ 945,000</u>	<u>\$ -</u>	<u>\$ 152,000</u>	<u>\$ 793,000</u>	<u>\$ 151,000</u>

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

Payments on bonds and notes are made by the General Fund and Capital Project (Solar Project Bond) Funds.

Total interest paid during the year:

	<u>Paid</u>
GOVERNMENTAL ACTIVITIES:	
General Obligation Note - Series of 2021	\$ 34,356
Total interest paid by governmental activities	<u>\$ 34,356</u>

The total interest paid includes \$17,178 reimbursed by the Richland Township Water Authority (a component unit of Richland Township).

Primary Government Debt

A summary of long-term debt is:

General Obligation Note – Series of 2021

On August 3, 2021, the Township issued a \$1,750,000 general obligation note purchased by QNB. The purpose of this Note is to refinance the existing General Obligation Bond – Series of 2015 and to pay costs associated with issuance. The effective interest rate is 1.70% for nine (9) years. The Note matures December 1, 2029. The Richland Township Water Authority has agreed to pay one-half of the debt applicable to the photovoltaic solar system in the amount of \$1,150,000. In 2024, \$67,500 in principal was reimbursed by the Authority. The remaining amount due from the Authority is \$372,500.

The future debt service obligations are:

Fiscal Year	Principal	Interest	Total Payments
2025	\$ 151,000	\$ 13,481	\$ 164,481
2026	156,000	10,914	166,914
2027	160,000	8,262	168,262
2028	164,000	5,542	169,542
2029	162,000	2,754	164,754
Total	<u>\$ 793,000</u>	<u>\$ 40,953</u>	<u>\$ 833,953</u>

Note 8 – Lease Agreement

On January 4, 2021, Richland Township Water Authority (lessee) entered into a lease agreement with Richland Township (lessor) to lease the 27' X 65' modular located behind the Municipal Building at 1328 California Road. The term of the lease agreement is for a six-year period commencing on January 4, 2021 and continuing for an additional one-year period subject to the approval and consent of the Richland Township Board of Supervisors at the end of the initial six-year period. The yearly lease fee will be \$12,000 per year to be payable on or before January 31st each year. Due to the use of the modified cash basis of accounting and the component unit presentation, this lease has not been included on the Statement of Net Assets.

Note 9 - Retirement Plans***General***

The Township contributes to three public employee retirement systems (PERS) plans. Two are defined benefit plans – one for its police employees and one for its non-uniformed employees hired before December 31, 2011. The third plan is a defined contribution plan for non-uniformed employees hired after December 31, 2011. The Plans participate in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employer public employee retirement system, which consists of over 1,000 participating employer plans. PMRS was created by the Pennsylvania General Assembly to administer pension plans on a contract basis. PMRS is trustee of the pension plans. PMRS maintains separate records for each plan and issues separate financial statements for each plan which can be obtained from the Township at 1328 California Road, Suite A, Quakertown, PA 18951. PMRS also issues a publicly available Comprehensive Financial Report (CAFR) that may be obtained by writing to PMRS, P.O. Box 1165, Harrisburg, PA 17108-1165 or by calling 1-800-622-7968. The Authority under which the benefit provisions have been established, or maybe amended, remains with the Supervisors of the Township of Richland.

Non-Uniformed Pension Plan***Plan Description***

The Richland Township Non-Uniformed Pension Plan is an agent multiple employers defined benefit pension plan controlled by the provisions of the Richland Township Code and various ordinances adopted pursuant to Act 69 of the Commonwealth of Pennsylvania. Act 205, the Municipal Pension Plan Funding Standard and Recovery Act, provides the authority for the Borough to establish and amend the plan.

All full-time salaried non-police employees are eligible to participate in the plan. Benefits vest after five years of service. Normal retirement is at age 62 and 5 years of credited service. Early retirement is available after 20 years of service.

Upon normal retirement, employees should receive a benefit of 1.5% of their final average compensation multiplied by all years of service but may not exceed 60% of the final average salary. Average compensation is the last five years annualized salary. There is no social security offset. The plan also provides certain death and disability benefits.

A. Summary of Significant Accounting Policies***Basis of Accounting***

The financial statements of the plan are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due, in accordance with Act 205, as amended. Benefits and expenses are recognized when due and payable in accordance with the terms of the plan. Benefit payments and expenses are paid from the current income of the plan.

Method Used to Value Investments

Investments are reported at fair value. The plan's assets with PMRS are pooled for investment purposes and, therefore, do not represent specific identifiable investment securities. Disclosures are required by the Government Accounting Standards Board for aggregate PMRS investments are included in PMRS's separately issued CAFR and the separate plan statements issued by PMRS.

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

Funding Policy

Act 205, of the Commonwealth of Pennsylvania, requires that the annual contributions be based on the plans' annual minimum municipal obligation (MMO). The MMO is based on the plans' biennial actuarial valuations, which were performed as of January 1, 2023. For the Non-Uniform Plan, employees are not currently required to make contributions to the Plan. If a participating employee leaves covered employment of the Township, other than due to employment-connected death or disability, before 5 years of credited service, any accumulated employee contributions plus related investment earnings are refunded to the employee or to a designated beneficiary.

The Township's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The employer's contribution rate for normal cost is determined using the entry age normal actuarial funding method.

The Township's covered employees may be required to contribute a percentage of their salary to the employees' PERS as noted above. The Township is required to contribute the remaining amounts necessary to fund the plans, using the actuarial basis specified by state statute.

Investments

The Plans' assets are managed by the Pennsylvania Municipal Retirement System (PMRS). The Plans' assets with PMRS are pooled for investment purposes and, therefore, do not represent specific identifiable investment securities. Disclosures required by GASB Statement No. 3 for aggregate PMRS investments are included in PMRS' separately issued Comprehensive Annual Financial Report (CAFR). A copy of the CAFR can be obtained from the PMRS or contacting their accounting office.

The PMRS Board is governed by the "prudent investor" rule in establishing investment policy. The "prudent investor" rule requires the exercise of that degree of judgment, skill, and care under the circumstances then prevailing which investors of prudence, discretion, and intelligence, who are familiar with such matters, exercise in the management of their own affairs not in regard to speculation, but in regard to permanent disposition of the funds, considering the probable income to be derived there from, as well as the probable safety of their capital.

The board has adopted its Statement of Investment Policy to formally document investment objectives and responsibilities. This policy, as well as applicable state law, established guidelines for permissible investments of PMRS. The pension plan's policy in regards to the allocation of invested plan assets is established and may be amended by the Board. For the measurement period ending December 31, 2024, the adopted allocation policy is as follows:

Domestic equities	32.5%
Fixed income	29.0%
International equities	17.5%
Global equities	5.0%
Real estate	10.0%
Timber	5.0%
Cash and cash equivalents	1.0%

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

The Plans may also be eligible to receive an allocation of state aid from the General Municipal Pension System Aid Program which must be used for pension funding. Any funding requirements established by the MMO in excess of aid must be paid by the municipality in accordance with Act 205.

Expenses

Investment expenses consist of investment management, custodial fees, and other significant investment related costs. Administrative expenses consist of consulting, actuarial, legal, and accounting services, along with any other significant Plant related costs. The above expenses are allowable pension plan expenditures in accordance with Act 205 and may be funded with Plan assets.

Plan Membership

Plan membership of the plan as of the last measurement date consisted of the following:

Active Plan Members	3
Retirees and beneficiaries currently receiving benefits	13
Inactive members entitled to benefits but not yet receiving them	6
Total	22

Annual Pension Cost and Net Pension Obligation

The Township's annual pension cost and net pension obligation for the year are:

Annual Pension costs per MMO	\$	69,935
Contributions made	\$	69,935

Three-Year Trend Information

Year Ending Fund Balance	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2022	\$ 71,547	100%	\$ -
12/31/2023	\$ 88,400	100%	\$ -
12/31/2024	\$ 69,935	100%	\$ -

The annual required contribution for the current year was determined as part of the January 1, 2024, actuarial valuation using the entry age normal level dollar closed actuarial cost method. The actuarial assumptions at January 1, 2023, included (a) 5.25% rate of return, and (b) projected salary average increase are on age related scale with merit and inflation component which includes an inflation component for moderate cost of living increases. The actuarial value of the plan's assets was determined using market values as determined by the trustee.

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

Funded Status and Funding Progress

As of December 31, 2023, based on the most recent actuarial valuation date of January 1, 2023, the plan was fully funded. The actuarial accrued liability for benefits was \$2,768,122 and the actuarial value of the assets was \$2,835,628, resulting in an actuarial net pension asset of \$67,506. The covered payroll of active employees covered by the plan was \$151,599 and the ratio of the UAAL to the covered payroll was -44.53%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial valuation of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Changes in Net Assets and Net Pension Liability

The table below shows the changes in the Total Pension Liability and the Plan Fiduciary Net Position (i.e., fair value of Plan assets) during the Measurement Period, and the Net Pension Liability (NPL) as of the Measurement date.

This report does not reflect changes in benefits, assumptions, or reserve accounts after the Measurement date. Except where noted below, the TPL as of December 31, 2023 was based on the data, actuarial methods and assumptions, and plan provisions described in Appendix A and Appendix E of the PMRS GASB 68 Report with a Measurement Date of December 31, 2023. The assumptions used to determine the TPL as of December 31, 2022 measurement date can be found in the January 1, 2022 PMRS actuarial valuation report or the prior year's GASB report.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 12/31/2022	\$ 3,060,244	\$ 2,920,511	\$ 139,733
Changes for the year:			
Service cost	14,967	-	14,967
Interest	149,613	-	149,613
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Contributions - employer	-	87,980	(87,980)
Contributions - PMRS assessment	-	420	(420)
Contributions - employee	-	-	-
PMRS investment income	-	143,748	(143,748)
Market value investment income	-	148,142	(148,142)
Transfers	-	-	-
Benefit payments	(456,702)	(456,702)	-
PMRS administrative expense	-	(420)	420
Additional administrative expense	-	(8,051)	8,051
Net changes	(292,122)	(84,883)	(207,239)
Balances at 12/31/2023	\$ 2,768,122	\$ 2,835,628	\$ (67,506)

Year Ended December 31, 2024

Police Pension Plan***Plan Description***

The Richland Township Police Pension Plan is an agent multiple employer defined benefit pension plan controlled by the provisions of the Richland Township Code and various ordinances adopted pursuant to Act 69 of the Commonwealth of Pennsylvania. Act 205, the Municipal Pension Plan Funding Standard and Recovery Act, provides the authority for the Township to establish and amend the plan.

All full-time police employees are eligible to participate in the plan. Benefits vest after five years of service. Normal retirement is at age 62 and five years of credited service. Early retirement is available after 20 years of service.

Upon normal retirement, employees should receive a benefit of 1.5% of their final average compensation multiplied by all years of service but may not exceed 60% of the final average salary. Average compensation is the last five years annualized salary. There is no social security offset. The plan also provides certain death and disability benefits.

A. Summary of Significant Accounting Policies***Basis of Accounting***

The financial statements of the plan are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due, in accordance with Act 205, as amended. Benefits and expenses are recognized when due and payable in accordance with the terms of the plan. Benefit payments and expenses are paid from the current income of the plan.

Method Used to Value Investments

Investments are reported at fair value. The plan's assets with PMRS are pooled for investment purposes and, therefore, do not represent specific identifiable investment securities. Disclosures are required by the Government Accounting Standards Board for aggregate PMRS investments are included in PMRS's separately issued CAFR and the separate plan statements issued by PMRS.

Funding Policy

Act 205, of the Commonwealth of Pennsylvania, requires that the annual contributions be based on the plans' annual minimum municipal obligation (MMO). The MMO is based on the plans' biennial actuarial valuations, which were performed as of January 1, 2024. For the Police Plan, participating employees can be required to contribute 5% of their salary to the Plan. For the year 2024, members contributed 3% of their salary to the Plan. If a participating employee leaves covered employment of the Township, other than due to employment-connected death or disability, before 12 years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or to a designated beneficiary.

The Township's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The employer's contribution rate for normal cost is determined using the entry age normal actuarial funding method.

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

The Township's covered employees may be required to contribute a percentage of their salary to the employees' PERS as noted above. The Township is required to contribute the remaining amounts necessary to fund the plans, using the actuarial basis specified by state statute. The Commonwealth of Pennsylvania also provides funds (distribution of foreign casualty insurance premium taxes) to the Township, which are used by the Township in making its regular contributions to the plans.

Investments

The Plans' assets are managed by the Pennsylvania Municipal Retirement System (PMRS). The Plans' assets with PMRS are pooled for investment purposes and, therefore, do not represent specific identifiable investment securities. Disclosures required by GASB Statement No. 3 for aggregate PMRS investments are included in PMRS' separately issued Comprehensive Annual Financial Report (CAFR). A copy of the CAFR can be obtained from the PMRS or contacting their accounting office.

The PMRS Board is governed by the "prudent investor" rule in establishing investment policy. The "prudent investor" rule requires the exercise of that degree of judgment, skill, and care under the circumstances then prevailing which investors of prudence, discretion, and intelligence, who are familiar with such matters, exercise in the management of their own affairs not in regard to speculation, but in regard to permanent disposition of the funds, considering the probable income to be derived there from, as well as the probable safety of their capital.

The Board has adopted its Statement of Investment Policy to formally document investment objective and responsibilities. This policy, as well as applicable state law, established guidelines for permissible investment of PMRS. The pension plan's policy in regards to the allocation of invested plan assets is established and may be amended by the Board. For the measurement period ending December 31, 2024, the adopted allocation policy is as follows:

Domestic equities	32.5%
Fixed income	29.0%
International equities	17.5%
Global equities	5.0%
Real estate	10.0%
Timber	5.0%
Cash and cash equivalents	1.0%

The Plans may also be eligible to receive an allocation of state aid from the General Municipal Pension System Aid Program which must be used for pension funding. Any funding requirements established by the MMO in excess of aid must be paid by the municipality in accordance with Act 205.

Expenses

Investment expenses consist of investment management, custodial fees, and other significant investment related costs. Administrative expenses consist of consulting, actuarial, legal, and accounting services, along with any other significant Plan related costs. The above expenses are allowable pension plan expenditures in accordance with Act 205 and may be funded with Plan assets.

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

Plan Membership

Plan membership of the plan as of the last measurement date consisted of the following:

Active plan members	16
Retirees and beneficiaries currently receiving benefits	3
Terminated plan members entitled to benefits but not yet receiving them	2
Total	21

Annual Pension Cost and Net Pension Obligation

This Township's annual pension cost and a net pension obligation for the year are:

Annual Pension costs per MMO	\$ 198,148
Contributions made	\$ 198,148

Three-Year Trend Information

Year Ending Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2022	\$ 258,651	100%	\$ -
12/31/2023	\$ 308,746	100%	\$ -
12/31/2024	\$ 198,148	100%	\$ -

The required annual contribution for the current year was determined as part of the January 1, 2023, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at January 1, 2023 included (a) 5.25% rate of return, and (b) projected salary average increases are on an age-related scale with merit and inflation component which includes an inflation component for moderate cost of living increases. The actuarial value of the plan's assets was determined using market values as determined by the trustee.

Funded Status and Funding Progress

As of December 31, 2023, based on the most recent actuarial valuation date of January 1, 2023, the plan was 94.54% funded. The actuarial accrued liability for benefits was \$7,902,873 and the actuarial value of the assets was \$7,471,680, resulting in an actuarial accrued liability of \$431,193. The covered payroll of active employees covered by the plan was \$1,800,419 and the ratio of the UAAL to the covered payroll was 23.95%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial valuation of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

Changes in Net Assets and Net Pension Liability

The table below shows the changes in the Total Pension Liability and the Plan Fiduciary Net Position (i.e., fair value of Plan assets) during the Measurement Period, and the Net Pension Liability (NPL) as of the Measurement date.

This report does not reflect changes in benefits, assumptions, or reserve accounts after the Measurement date. Except where noted below, the TPL as of December 31, 2023 was based on the data, actuarial methods and assumptions, and plan provisions described in Appendix A and Appendix E of the PMRS GASB 68 Report with a Measurement Date of December 31, 2023. The assumptions used to determine the TPL as of December 31, 2022 measurement date can be found in the January 1, 2022 PMRS actuarial valuation report or the prior year's GASB report.

Changes in Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (Asset) (a) - (b)</u>
Balances at 12/31/2022	\$ 7,282,113	\$ 6,471,595	\$ 810,518
Changes for the year:			
Service cost	269,548	-	269,548
Interest	395,319	-	395,319
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Contributions - employer	-	308,326	(308,326)
Contributions - PMRS assessment	-	420	(420)
Contributions - employee	-	36,008	(36,008)
PMRS investment income	-	338,949	(338,949)
Market value investment income	-	379,894	(379,894)
Transfers	-	-	-
Benefit payments	(44,107)	(44,107)	-
PMRS administrative expense	-	(420)	420
Additional administrative expense	-	(18,985)	18,985
Net changes	<u>620,760</u>	<u>1,000,085</u>	<u>(379,325)</u>
Balances at 12/31/2023	<u>\$ 7,902,873</u>	<u>\$ 7,471,680</u>	<u>\$ 431,193</u>

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

Note 10 - Deferred Compensation Plan

The Township provides a deferred compensation plan for voluntary participation of eligible township employees. The plan is administered by the International City Manager's Association Retirement Corporation and is in accordance with IRC Section 457, permitting the employees to defer a portion of their current salary until future years. The deferred amounts are not available to the employees until termination, retirement, death or unforeseeable emergency.

All compensation deferred under the plan, the property and rights purchased with such amounts, and all income attributable to such amounts are held for the exclusive benefit of the plan participants and not available to the employer's creditors. Participants' rights created under the plan are equivalent and in an amount equal to the fair market value of the deferred account maintained with respect to each participant.

Note 11 – Risk Management

The Township is subject to risk of loss from employee risks, property damage, personal injury, auto accidents, etc. The Township lowers these risks through the purchase of commercial insurance. The Township's workers' compensation policy is a retrospectively rated policy. The final premium is based on actual payroll for the policy year and is determined by the insurance company. Any settlements received by the Township, or its employees did not exceed insurance coverage in the last three years.

Note 12 - Litigation

The Township is party to legal proceedings. The Township is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the Township.

Note 13 – Related Party Disclosure

Tim Arnold, an employee of the Richland Township Water Authority, holds the elected position of Supervisor for Richland Township, of which the Richland Township Water Authority is a component unit.

The Pennsylvania Ethics Commission has provided the following advice to directly address any potential conflict of interest:

The Ethics Act states that, where there is 3-member Board of Supervisors and abstention by one member results in a tie vote on a matter before the Board, the member who would otherwise abstain from the vote due to a conflict of interest may participate in the vote in order to break the tie, provided the member discloses the nature of the conflict and submits such disclosure in writing in addition to announcing the conflict.

Mr. Arnold has followed the advice given by the Pennsylvania Ethics Commission.

Note 14 – Other Loan Agreement

On April 25, 2008, Richland Township and the Richland Township Area Softball Association (RASA) amended a loan agreement as it related to the \$660,000 loan for the construction of the infrastructure of the softball fields for the new Veterans Park owned by the Township. The terms and conditions for the funding provide that RASA will repay the Township the entire amount of any monies received for the project over a term of 20 years at an interest rate of 3%. For financial statement purposes any funding provided to RASA is treated as

RICHLAND TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

an expenditure for Parks and Recreation. Any future payments received from RASA will be treated as revenue in the year of receipt. The Township received \$40,979 from RASA during the 2024 year.

Note 15 – Non-Financing Lease Right of Use Assets and Liabilities

The Organization has evaluated their lease obligations and has determined that there are no non-financing leases that are material to the financial statements as a whole that would require disclosure based on FASB ASU 2016-02 – Leases (Topic 842).

Note 16 – Fund Balance

Detailed information about aggregated fund balances:

Assigned Fund Balances

Operating Open Space Fund	\$ 2,200,710
Solar Project Bond Fund	<u>346,874</u>
Total capital projects funds	<u>\$ 2,547,584</u>

Restricted Fund Balances

State Liquid Fuels Fund	\$ <u>13</u>
Total special revenue funds	<u>\$ 13</u>

Note 17 – Subsequent Events

The subsequent events have been evaluated through July 18, 2025, which is the date the financial statements were available to be issued.



July 18, 2025

Board of Supervisors
Richland Township
1328 California Road
Quakertown, PA 18951

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Richland Township, as of and for the year ended December 31, 2024, which collectively comprise the Richland Township's basic financial statements and have issued our report thereon dated July 18, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

MVA Audit PLLC

July 18, 2025

REQUIRED SUPPLEMENTAL INFORMATION

RICHLAND TOWNSHIP

SCHEDULE OF CHANGES IN NET PENSION LIABILITY – POLICE PENSION FUND REQUIRED SUPPLEMENTAL INFORMATION

December 31, 2024

Measurement Date as of:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost (beginning of year)	\$ 269,548	\$ 255,480	\$ 233,316	\$ 233,510	\$ 210,423	\$ 204,496	\$ 181,238	\$ 161,566	\$ 198,680	\$ 182,421
Interest	395,319	349,212	321,249	280,234	255,830	234,215	213,286	192,576	182,655	169,776
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	303,588	-	142,459	-	(13,794)	-	58,766	-	(115,147)
Changes of assumptions	-	-	-	162,202	-	-	-	147,771	(144,717)	-
Transfers	-	-	-	-	-	-	-	-	-	-
Benefit payments	(44,107)	(44,107)	(44,107)	(30,010)	(19,134)	(19,134)	(19,134)	(19,134)	(19,134)	(19,134)
Net changes in total pension liability	620,760	864,173	510,458	788,395	447,119	405,783	375,390	541,545	217,484	217,916
Total pension liability, beginning	7,282,113	6,417,940	5,907,482	5,119,087	4,671,968	4,266,185	3,890,795	3,349,250	3,131,766	2,913,850
Total pension liability, ending	\$ 7,902,873	\$ 7,282,113	\$ 6,417,940	\$ 5,907,482	\$ 5,119,087	\$ 4,671,968	\$ 4,266,185	\$ 3,890,795	\$ 3,349,250	\$ 3,131,766
Plan fiduciary net position										
Contributions - employer	308,326	258,251	225,167	221,443	211,407	224,745	210,471	219,086	215,103	161,415
Contributions - PMRS assessment	420	400	420	400	320	360	300	280	280	-
Contributions - employee	36,008	34,062	31,106	47,787	43,063	40,765	36,014	28,273	22,395	19,704
PMRS investment income	338,949	320,330	293,181	262,063	235,716	209,403	187,241	173,526	153,554	137,363
Market value investment income	379,894	(1,205,898)	459,062	467,876	634,454	(481,006)	413,980	57,412	(181,126)	(29,474)
Transfers	-	-	-	-	-	-	-	-	-	-
Benefit payments	(44,107)	(44,107)	(44,107)	(30,010)	(19,134)	(19,134)	(19,134)	(19,134)	(19,134)	(19,134)
PMRS administrative expense	(420)	(400)	(420)	(400)	(320)	(300)	(300)	(260)	(280)	(260)
Additional administrative expense	(18,985)	(16,925)	(16,605)	(11,418)	(8,148)	(9,345)	(8,611)	(8,501)	(6,401)	(5,268)
Net change in plan fiduciary net position	1,000,085	(654,287)	947,804	957,741	1,097,358	(34,512)	819,961	450,682	184,391	264,346
Plan Fiduciary net position, beginning	6,471,595	7,125,882	6,178,078	5,220,337	4,122,979	4,157,491	3,337,530	2,886,848	2,702,457	2,438,111
Plan Fiduciary net position, ending	\$ 7,471,680	\$ 6,471,595	\$ 7,125,882	\$ 6,178,078	\$ 5,220,337	\$ 4,122,979	\$ 4,157,491	\$ 3,337,530	\$ 2,886,848	\$ 2,702,457
Net pension liability (asset) - ending	\$ 431,193	\$ 810,518	\$ (707,942)	\$ (270,596)	\$ (101,250)	\$ 548,989	\$ 108,694	\$ 553,265	\$ 462,402	\$ 429,309
Plan fiduciary net position as a percentage of the total pension liability	94.54%	88.87%	111.03%	104.58%	101.98%	88.25%	97.45%	85.78%	86.19%	86.29%
Covered employee payroll	1,800,419	1,703,107	1,555,353	1,592,915	1,435,422	1,358,837	1,204,294	1,130,923	1,120,457	1,031,008
Net pension liability (asset) as a percentage of covered employee payroll	23.95%	47.59%	-45.52%	-16.99%	-7.05%	40.40%	9.03%	48.92%	41.27%	41.64%

RICHLAND TOWNSHIP

SCHEDULE OF CHANGES IN NET PENSION LIABILITY – NON-UNIFORMED PENSION FUND REQUIRED SUPPLEMENTAL INFORMATION

December 31, 2024

Measurement Date as of:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost (beginning of year)	\$ 14,967	\$ 31,150	\$ 30,822	\$ 30,086	\$ 33,156	\$ 36,746	\$ 34,909	\$ 49,840	\$ 57,586	\$ 69,766
Interest	149,613	154,721	154,294	143,607	143,372	138,923	137,361	136,470	132,161	128,071
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	48,232	-	63,943	-	65,346	-	17,004	-	(45,384)
Changes of assumptions	-	-	-	142,476	-	-	-	66,127	(12,365)	-
Transfers	-	-	-	-	-	-	-	-	-	-
Benefit payments	(456,702)	(177,298)	(177,298)	(177,298)	(160,852)	(144,711)	(144,027)	(95,298)	(87,400)	(44,975)
Net changes in total pension liability	(292,122)	56,805	7,818	202,814	15,676	96,304	28,243	174,143	89,982	107,478
Total pension liability, beginning	3,060,244	3,003,439	2,995,621	2,792,807	2,777,131	2,680,827	2,652,584	2,478,441	2,388,459	2,280,981
Total pension liability, ending	\$ 2,768,122	\$ 3,060,244	\$ 3,003,439	\$ 2,995,621	\$ 2,792,807	\$ 2,777,131	\$ 2,680,827	\$ 2,652,584	\$ 2,478,441	\$ 2,388,459
Plan fiduciary net position										
Contributions - employer	87,980	71,127	70,509	61,909	69,583	51,841	58,767	69,986	75,297	72,645
Contributions - PMRS assessment	420	420	420	420	420	420	460	460	460	-
Contributions - employee	-	-	-	-	-	-	-	-	-	-
PMRS investment income	143,748	147,690	144,882	134,966	132,650	124,696	120,347	151,876	113,805	117,125
Market value investment income	148,142	(528,517)	293,051	275,808	360,596	(197,914)	270,031	(168,822)	(20,315)	(16,034)
Transfers	-	-	-	-	-	-	-	-	-	-
Benefit payments	(456,702)	(177,298)	(177,298)	(177,298)	(160,852)	(144,711)	(144,027)	(95,298)	(87,400)	(44,975)
PMRS administrative expense	(420)	(420)	(420)	(420)	(420)	(420)	(460)	(460)	(460)	(480)
Additional administrative expense	(8,051)	(7,803)	(8,206)	(5,880)	(4,585)	(5,565)	(5,535)	(7,441)	(4,744)	(4,492)
Net change in plan fiduciary net position	(84,883)	(494,801)	322,938	289,505	397,392	(171,653)	299,583	(49,699)	76,643	123,789
Plan Fiduciary net position, beginning	2,920,511	3,415,312	3,092,374	2,802,869	2,405,477	2,577,130	2,277,547	2,327,246	2,250,603	2,126,814
Plan Fiduciary net position, ending	\$ 2,835,628	\$ 2,920,511	\$ 3,415,312	\$ 3,092,374	\$ 2,802,869	\$ 2,405,477	\$ 2,577,130	\$ 2,277,547	\$ 2,327,246	\$ 2,250,603
Net pension liability (asset) - ending	\$ (67,506)	\$ 139,733	\$ (411,873)	\$ (96,753)	\$ (10,062)	\$ 371,654	\$ 103,697	\$ 375,037	\$ 151,195	\$ 137,856
Plan fiduciary net position as a percentage of the total pension liability	102.44%	95.43%	113.71%	103.23%	100.36%	86.62%	96.13%	85.86%	93.90%	94.23%
Covered employee payroll	151,599	3,066,340	303,110	295,758	325,928	358,758	340,828	535,044	601,881	725,842
Net pension liability (asset) as a percentage of covered employee payroll	-44.53%	45.61%	-135.88%	-32.71%	-3.09%	103.59%	30.43%	70.09%	25.12%	18.99%

RICHLAND TOWNSHIP

SCHEDULE OF NET PENSION LIABILITY REQUIRED SUPPLEMENTAL INFORMATION

December 31, 2024

Schedule of Employer Contributions - Police Pension Plan Last 10 Measurement years (if available)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution (ADC)	\$ 308,746	\$ 258,651	\$ 225,567	\$ 221,803	\$ 211,727	\$ 177,800	\$ 210,771	\$ 219,346	\$ 215,363	\$ 161,415
Contributions in relation to the ADC	308,746	258,651	225,587	221,843	211,727	225,045	210,771	219,366	215,383	161,415
Contribution deficiency / (excess)	-	-	(20)	(40)	-	(47,245)	-	(20)	(20)	-
Covered employee payroll	1,800,419	1,703,107	1,555,353	1,592,915	1,435,422	1,358,837	1,204,294	1,130,923	1,120,457	1,031,008
Contributions as a percentage of covered employee payroll	17.15%	15.19%	14.50%	13.93%	14.75%	16.57%	17.50%	19.40%	19.22%	15.66%

Schedule of Employer Contributions - Non-Uniform Pension Plan Last 10 Measurement years (if available)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution (ADC)	\$ 88,400	\$ 71,547	\$ 70,929	\$ 62,329	\$ 82,583	\$ 52,261	\$ 59,227	\$ 70,446	\$ 75,757	\$ 72,645
Contributions in relation to the ADC	88,400	71,547	70,929	62,329	70,003	52,261	59,227	70,446	75,757	72,645
Contribution deficiency / (excess)	-	-	-	-	12,580	-	-	-	-	-
Covered employee payroll	151,599	306,340	303,110	295,758	325,928	358,758	340,828	535,044	601,881	725,842
Contributions as a percentage of covered employee payroll	58.31%	23.36%	23.40%	21.00%	21.48%	14.57%	17.38%	13.17%	12.59%	10.01%

OTHER SUPPLEMENTAL INFORMATION

RICHLAND TOWNSHIP

COMBINING BALANCE SHEET MODIFIED CASH BASIS ALL NON-MAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2024

	Non Major Special Revenue Funds	Non Major Capital Project Funds	Total Non-Major Governmental Funds
	Fire Fund	Solar Project Fund	
ASSETS			
Cash and cash equivalents	\$ -	\$ 363,410	\$ 363,410
Investments	-	-	-
Due from component unit	-	-	-
Due from other funds	-	726	726
Total assets	\$ -	\$ 364,136	\$ 364,136
LIABILITIES AND FUND BALANCES			
Due to general fund	\$ -	\$ 52	\$ 52
Due to component unit	-	17,210	17,210
Total liabilities	-	17,262	17,262
Fund Balances			
Restricted	-	-	-
Assigned	-	346,874	346,874
Unassigned	-	-	-
Total fund balances	-	346,874	346,874
Total liabilities and fund balances	\$ -	\$ 364,136	\$ 364,136

RICHLAND TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS ALL NON-MAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2024

	Non Major Special Revenue Funds	Non Major Capital Project Funds	Total
	Fire Fund	Solar Project Fund	Non-Major Governmental Funds
REVENUES			
Taxes	\$ 516,691	\$ -	\$ 516,691
Intergovernmental revenue	-	-	-
Charges for service	-	84,678	84,678
Miscellaneous revenue	-	9,861	9,861
Investment earnings	-	8,259	8,259
Total revenues	<u>516,691</u>	<u>102,798</u>	<u>619,489</u>
EXPENDITURES			
General government	-	701	701
Public safety	438,289	-	438,289
Public works	-	4,584	4,584
Debt service - principal	-	135,000	135,000
Debt service - interest	-	34,356	34,356
Total expenditures	<u>438,289</u>	<u>174,641</u>	<u>612,930</u>
Deficiency of revenues over expenditures	<u>78,402</u>	<u>(71,843)</u>	<u>6,559</u>
OTHER FINANCING USES			
Transfer to general fund	(78,402)	169,356	90,954
Total other financing sources	<u>(78,402)</u>	<u>169,356</u>	<u>90,954</u>
Net change in fund balance	-	97,513	97,513
Fund balances - beginning	<u>-</u>	<u>249,361</u>	<u>249,361</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ 346,874</u></u>	<u><u>\$ 346,874</u></u>

**INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

RICHLAND TOWNSHIP

GENERAL FUND - STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE MODIFIED CASH BASIS

For the Year Ended December 31, 2024

REVENUES RECEIVED

Taxes

Real estate taxes - current	\$	1,812,882	
Real estate taxes - delinquent		23,428	
Real estate transfer tax		515,543	
Earned income tax		2,767,847	
Emergency and municipal services tax		309,824	\$ 5,429,524

Licenses and Permits

Mobile park licenses		2,856	
Cable TV franchise		220,794	
Police permits		1,000	
Plumbing permits		-	
Driveway permits		35	
Street & curb permits		160	
Highway occupancy permit		-	224,845

Fines and Forfeits

Fines			41,060
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Intergovernmental

Federal grants		4,456	
Public safety grant		44,614	
Public utility realty tax		5,817	
Community grant		73,834	
Sanitation grant		39,709	
Beverage Licenses		1,350	
Pension state aid		301,995	
Foreign fire ins. premium tax		112,570	
Game commission land		534	
Other Local Grants		853	
Local government intergovernmental services		12,879	598,611

Charges for Services

General government		92,938	
Public safety		278,414	
Culture and recreation		33,936	405,288

Investment and rental earnings

Interest income		400,723	
Rental income		39,600	440,323

Miscellaneous Earnings

Miscellaneous revenue	\$	10,542	
Donations from private sources		56,331	
Donations - developers		94,500	161,373

Total revenue received \$ 7,301,024

RICHLAND TOWNSHIP

GENERAL FUND - STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE MODIFIED CASH BASIS

For the Year Ended December 31, 2024

EXPENDITURES

General Government

Legislative:

Salaries	\$	9,750	
Employee benefits		746	
Dues		417	
Meetings/conferences		4,094	
Contributions/grants/subsidies		3,551	\$ 18,558

Executive:

Salaries		176,173	
Employee benefits		98,512	
Contracted services		47,960	
Supplies		981	
Office supplies		13,780	
Computer supplies		29,050	
Professional services		3,245	
Ordinance		3,991	
Postage		3,637	
Advertising		6,387	
Dues/subscriptions/memberships		7,241	
Meetings/conferences		1,285	
Miscellaneous expenses		355	
Capital purchases		-	392,597

Finance and Accounting:

Salaries		72,038	
Employee Benefits		29,393	
Auditing services		22,475	
Payroll processing fees		11,517	
Meetings/conferences		-	135,423

Tax Collection:

Salaries		25,291	
Employee benefits		1,935	
Office supplies		1,077	
Postage		1,473	
Professional services		41,676	71,452

IT-Networking Services:

IT-Networking Services-Data Processing			19,431
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Engineering:

Engineering fees			284,387
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Legal:

Legal fees			132,506
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Buildings and Plant:

Communication		14,752	
Supplies		2,488	
Heating fuel		8,159	
Repairs and maintenance		116,859	
Capital construction		22,770	
Electricity		8,245	173,273

Total general government

\$ 1,227,627

RICHLAND TOWNSHIP

GENERAL FUND - STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE MODIFIED CASH BASIS

For the Year Ended December 31, 2024

PUBLIC SAFETY

Police:

Salaries	\$ 2,072,694	
Employee Benefits	581,834	
Materials and supplies	70,718	
Town watch expenses	3,240	
Fuel - gasoline	23,887	
Data and information systems	-	
Professional services	66,494	
MDT Wireless solution	8,046	
Police training	17,416	
Telephone services	7,416	
Staff enrichment	1,341	
Recruiting	3,262	
Insurance	69,386	
Electric	27,540	
Dues/subscriptions/memberships	17,883	
Uniforms	34,293	
Vehicle operating exp	25,438	
Facility exp	43,634	
Capital equipment	59,935	
	<u>59,935</u>	\$ 3,134,457

Fire:

Insurance	41,274	
Water - hydrants	16,250	
Contributions to Fire Co Relief Fund	112,570	
Contributions - Richland Twp. Fire Co.	31,700	
Contributions - Quakertown Fire Co.	44,000	
Contributions - Richlandtown Fire Co.	16,000	
Contributions - Trumbauersville Fire Co.	13,000	
Equip. Contributions - Richland Twp. Fire Co.	24,900	
Equip. Contributions - Q-Town Fire Co.	116,195	
Equip. Contributions - Trumbauersville Fire Co.	22,400	
Less Fire Fund Tax Allocation to Contributions	<u>(438,289)</u>	-

Code Enforcement:

Salaries	83,348	
Employee benefits	11,186	
Supplies	293	
Vehicle operating exp	1,806	
Professional services	-	
Staff training	-	
Dues/subscriptions/memberships	<u>258</u>	96,891

Planning and Zoning:

Salaries	102,702	
Employee benefits	30,211	
Engineering/architectural services	-	
Legal services	-	
Dues/subscriptions/memberships	1,530	
Advertising	5,365	
Miscellaneous	-	
Meetings/Conferences	<u>1,263</u>	141,071

Total public safety

\$ 3,372,419

RICHLAND TOWNSHIP

GENERAL FUND - STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE MODIFIED CASH BASIS

For the Year Ended December 31, 2024

PUBLIC WORKS - SANITATION

Solid Waste:

Contracted services	\$ 17,853	\$ 17,853
Total public works - sanitation		17,853

PUBLIC WORKS - HIGHWAYS AND STREETS

General Services:

Salaries	359,503	
Employee benefits	132,474	
Supplies	2,972	
Vehicle fuel	34,435	
Propane	-	
Vehicle repairs and maintenance	21,883	
Repairs and maintenance supplies	26,583	
Small tools	3,666	
Electricity	42,251	
Transportation	-	
Uniform rental	4,101	
Meetings/conferences	823	
Dues/subscriptions/memberships	350	
Miscellaneous expenses	732	
Highway construction - repairs and maintenance	-	
Capital purchases	42,640	672,413

Winter Maintenance:

Miscellaneous	580	
Repairs and maintenance supplies	40,362	
Contracted service	15,760	56,702

Traffic Control Devices:

Supplies	13,627	
Electricity	8,137	
Capital purchases	-	
Repair/maintenance services	77,450	99,214

Maintenance and Repairs of Roads and Bridges:

Highway repairs and maintenance	7,423	
Rent machinery/equipment	180	
Highway construction	393,723	
Storm water control improvements	474,996	
Contracted services	73,757	950,079
Total public works - highways and street		1,778,408

CULTURE AND RECREATION

Parks:

Supplies	3,434	
Repair/maint. Supplies	191	
Community day	15,258	
Dues/subscriptions/memberships	-	
Park utilities	63,714	
Capital construction	125,748	
Engineering	18,250	226,595
Total culture and recreation		226,595

COMMUNITY DEVELOPMENT

Preservation - professional services	-	-
Total community development		\$ -

RICHLAND TOWNSHIP

GENERAL FUND - STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE MODIFIED CASH BASIS

For the Year Ended December 31, 2024

DEBT SERVICE

Debt principal	\$ 17,000	\$ 17,000
Total debt service		17,000

EMPLOYER BENEFITS AND WITHHOLDING ITEMS

Police Pension	290,677	
Non-Uniformed Pension	133,548	424,225
Total employer benefits and withholding items		424,225

INSURANCE

Life Insurance	8,297	
Property Insurance	57,843	
Surety/Fidelity Bonds	7,332	
Liability/Casualty Insurance	26,442	
Workers Compensation Insurance	17,871	117,785
Total insurance		117,785

UNCLASSIFIED EXPENDITURES

Total expenditures	7,197,675
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Deficiency of revenues over expenditures

103,349

OTHER FINANCING SOURCES AND OTHER FINANCING USES

Sale of Fixed Assets	8,200	
Refund of Prior Year Expenditures	78,661	
Refund of Prior Year Revenue	(50)	
Interfund Transfers In	78,402	
Interfund Transfers Out	(169,356)	(4,143)

Net change in fund balances	99,206
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Fund balance - January 1, 2024	7,349,387
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Fund balance - December 31, 2024	\$ 7,448,593
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RICHLAND TOWNSHIP

OTHER FUNDS - STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE MODIFIED CASH BASIS

For the Year Ended December 31, 2024

Operating Open Space Fund

FUND BALANCE - JANUARY 1, 2024		\$	1,583,525
REVENUES AND OTHER FINANCING SOURCES			
Interest income	\$	96,060	
Rents		1,650	
Earned income taxes		<u>522,705</u>	<u>620,415</u>
Total fund available			2,203,940
EXPENDITURES AND OTHER FINANCING USES			
Community Development:			
Conservation easements		-	
Professional fees		788	
Legal fees		<u>2,442</u>	<u>3,230</u>
FUND BALANCE - DECEMBER 31, 2024		\$	<u>2,200,710</u>

Solar Project Bond Fund

FUND BALANCE - JANUARY 1, 2024		\$	249,361
REVENUES AND OTHER FINANCING SOURCES			
Interest	\$	8,259	
Charges for Service		84,678	
Energy credits		9,861	
Transfer from general fund		<u>169,356</u>	<u>272,154</u>
Total fund available			521,515
EXPENDITURES AND OTHER FINANCING USES			
General Government:			
Internet fees		701	
Public Works:			
Maintenance and repairs		4,584	
Debt Service:			
Bond principal		135,000	
Interest expense		<u>34,356</u>	<u>174,641</u>
FUND BALANCE - DECEMBER 31, 2024		\$	<u>346,874</u>

RICHLAND TOWNSHIP

OTHER FUNDS - STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE MODIFIED CASH BASIS

For the Year Ended December 31, 2024

Highway Fund

FUND BALANCE - JANUARY 1, 2024

\$ 19,640

REVENUES AND OTHER FINANCING SOURCES

Interest	\$ 5,201	
Commonwealth of PA - Subsidy	<u>429,015</u>	<u>434,216</u>

Total fund available

453,856

EXPENDITURES AND OTHER FINANCING USES

Public Works:

Winter Maintenance and Supplies	\$ 19,620	
Highway Construction	<u>434,223</u>	<u>453,843</u>

FUND BALANCE - DECEMBER 31, 2024

\$ 13

Fire Fund

FUND BALANCE - JANUARY 1, 2024

\$ -

REVENUES

Real Estate Taxes	\$ <u>516,691</u>	<u>516,691</u>
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Total fund available

516,691

EXPENDITURES AND OTHER FINANCING USES

Public Safety:

Contributions to Fire Companies	\$ 438,289	
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OTHER FINANCING SOURCES AND

OTHER FINANCING USES

Interfund Transfers Out	<u>78,402</u>	<u>516,691</u>
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FUND BALANCE - DECEMBER 31, 2024

\$ -

RICHLAND TOWNSHIP

OTHER FUNDS - STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE MODIFIED CASH BASIS

For the Year Ended December 31, 2024

Developers Escrow Fund

NET POSITION - JANUARY 1, 2024			\$	272,736
RECEIPTS				
Admin Fees Due to General Fund	\$	43,068		
Engineering Fees Reimbursed		371,708		
Legal Fees Reimbursed		41,304		
Receipts from Developers		83,204		<u>539,284</u>
Total fund available				812,020
DISBURSEMENTS				
Admin Fees Due To General Fund	\$	43,068		
Engineering Fees Paid		371,708		
Legal Fees Paid		41,304		
Developer Funds Reimbursed - Other		<u>23,744</u>		<u>479,824</u>
NET POSITION - DECEMBER 31, 2024			\$	<u>332,196</u>