

TOWNSHIP OF  
—MIDDLETOWN—  
BUCKS COUNTY

COMMONWEALTH OF PENNSYLVANIA



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2024

**TOWNSHIP OF MIDDLETOWN  
BUCKS COUNTY, PENNSYLVANIA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FISCAL YEAR ENDED DECEMBER 31, 2024**

Prepared by the Middletown Township Finance Department  
Under the Direction of:

**Laura Hucklebridge  
Director of Finance**

TOWNSHIP OF MIDDLETOWN  
BUCKS COUNTY, PENNSYLVANIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2024

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## INTRODUCTORY SECTION

December 17, 2025

To the Board of Supervisors, Township Manager, and the Citizens of the Township of Middletown:

The Annual Comprehensive Financial Report (ACFR) of the Township of Middletown, County of Bucks, Commonwealth of Pennsylvania, for the year ended December 31, 2024, is hereby submitted.

This report was prepared by the Township's Finance Department in conformity with generally accepted accounting principles (GAAP) and the financial statements have been audited in accordance with U.S. generally accepted auditing standards by Bee Bergvall & Co., Certified Public Accountants.

To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Township. All disclosures necessary to enable the reader to gain an understanding of the Township's financial activities have been included.

United States generally accepted accounting principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). The MD&A can be found immediately following the report of the Independent Auditors. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the report.

## **PROFILE OF THE GOVERNMENT**

The Township of Middletown, established in 1692, is a township of the second class and is one of the oldest municipalities in Bucks County. Located in the southeastern part of Pennsylvania, the Township covers approximately 19 square miles in the heart of lower Bucks County estimated population of 46,040 residents. The Township is situated approximately 20 miles northeast of Center City Philadelphia, Pennsylvania, and 75 miles southwest of New York, New York. The lower Bucks County area is popular due to its proximity to interstate highways and public transit options to allow for commuting opportunities throughout the Mid-Atlantic Region.

Middletown Township administers a full range of municipal services, including police and fire protection; construction and maintenance of streets, storm sewers and other infrastructures; recycling, yard waste and residential solid waste services; zoning regulation and building inspection; parks and recreational activities; and the maintenance and replacement of streetlights. In addition to general government activities, the governing body has a fiduciary responsibility for the pension trust funds, and custodial trust funds. Additional information on all services and funds can be found in the MD&A and in the notes to the financial statements.

In 2023, Moody's reaffirmed Middletown Township's "Aaa" credit rating and "stable" outlook. This significant accomplishment reflects the Township's sound fiscal position and the expectation that finances will remain stable in the near term.

### Governing Body

The governing body of the Township is the Board of Supervisors, comprised of five (5) members, who are elected at large and serve six (6) year staggered terms. The Board is empowered with legislative functions which include enacting ordinances and resolutions, adopting a budget, levying taxes, awarding bids and contracts, and making appointments to various advisory boards and commissions.

The chief executive officer of the Township is the Township Manager, who is appointed by and serves at the pleasure of the Board of Supervisors. The Township Manager is responsible for implementing ordinances and resolutions of the Board, supervising the administration of all departments and boards, and preparing and submitting the annual budget and capital improvement programs for the Township. The Manager oversees all aspects of municipal operations.

The Board is required to adopt an initial budget for the fiscal year no later than December 31 preceding the beginning of the fiscal year on January 1. The annual budget serves as the foundation for the Township's financial planning and control. The budget is prepared by fund, function (e.g. public safety), and department (e.g. fire protection). Budget-to-actual comparisons are provided in this report for each governmental and proprietary fund for which an appropriated annual budget is adopted. For the General Fund and Investment Fund, this comparison is presented in the financial statements, while the remaining fund reports are included in the required supplementary information in the notes to the financial statements. There is no board approved budget for the Police Forfeiture Fund, Curb/Road Revolving Fund and the Contingency funds.

### Local Economy

Middletown Township is a highly desirable community in which to live, raise a family, and work. The Township is principally residential with large retail and commercial areas. The Township's growth is due largely to its position in the center of Lower Bucks County at the intersection of several major interstate highways and near the Pennsylvania Turnpike.

While potential for future residential, commercial, and industrial development exists, the peak growth trend for Middletown has ended. As with other retail and commercial districts, there has been an increase in vacant store fronts since 2020, but there has been a recent increase in redevelopment of existing sites. Residential development has seen a significant increase and housing continues to be in high demand in the Township.

The unemployment rate for Bucks County has continued to decrease over the last ten years from a high of 4.5% in 2015 to 3.30% in 2024. Due to the location and varied economic opportunities of the Township, the unemployment rate for Middletown was 2.7% for 2024, which was below both the County (3.30%) and National (4.0%) average. The Township has a strong work force and the average civilian labor force for Middletown Township for the last ten years was 28,413. The labor force for 2024 was at the lowest level for the ten-year period at 25,046.

Wages have continued to increase and the 2024 median household income per the U.S. Census Bureau was \$112,306 for Middletown, which is just under the Bucks County median of \$112,678, but is significantly higher than the Commonwealth of Pennsylvania median of \$77,545.

## **FINANCIAL CONDITION AND OUTLOOK**

### Current Year - Ended December 31, 2024

Middletown Township remained committed throughout 2024 to providing excellent service and maintaining efficiency across the organization. Each department worked tirelessly and contributed toward making Middletown Township a great and safe community.

Overall, the actual results for 2024 were better than budgeted, with increases in Real Estate Transfer Tax and Earned Income Taxes that exceeded expectations. In addition, the Township benefited from the high interest rates in 2024, and interest income earned on Township accounts was significantly higher than projected. Across all funds, revenue was \$1.7 million higher than budget for 2024.

In 2024, the Township increased real estate taxes by 1.455 mills to fund Fire Protection Services. This was the first real estate tax increase since 2010 and the increased revenue of \$750,476 is restricted for use on staff firefighters and apparatus. The total real estate tax rate for 2024 was 19.025 mills.

Across all funds, spending was less than budgeted resulting in budget savings of \$812,400. Some of the savings were from reductions in budgeted employee costs due to the timing of hirings and decreases in overtime hours. Most of the savings resulted from a mild winter which led to reductions in road salt purchases and reduced employee snow plowing hours. There were also reductions in highway construction costs as road paving and repairs were carried into the next year. In addition, there was a \$2.4 million unbudgeted transfer from the Investment Fund to the Capital Fund to aid in funding infrastructure projects for 2025,

### Fiscal Year - Beginning January 1, 2025

The budget for the General Fund for fiscal 2025 is \$27.6 million, which includes \$23.9 million (86.52% of the total budget) for salaries, benefits and pensions for Township personnel. There was no tax increase proposed for 2025, however, the budget includes a \$2.8 million deficit that will be covered by utilizing the fund balance.

In 2025, the Township added a new Stormwater Fund, and established a Stormwater Impact Fee, which is projected to generate nearly \$1.8 million annually in revenue. Expenses of the Stormwater Fund will include capital improvements related to stormwater infrastructure, equipment and materials needed to maintain the stormwater infrastructure, and engineering fees associated with stormwater management and improvements.

### Long-Term Financial Goals

Setting and achieving goals is vital for the Township to prevent stagnation and continually improve the services provided to its residents. In 2025 and beyond, the Township will prioritize the following long-term objectives:

1. Continuously seek sustainable revenue sources to finance capital improvement projects
2. Stabilize expenditures in the upcoming years to align them more closely with projected revenues.
3. Maintain a focus on strategic planning initiatives and practices.
4. Persist in the implementation of performance management systems and practices to more accurately assess changes in service levels and growth opportunities in 2025 and beyond.
5. Uphold the General Fund Balance at levels in accordance with the recommendations of the Government Finance Officers Association (GFOA) and as specified in the Fund Balance Policy.
6. Pursue economic development initiatives aimed at attracting and retaining businesses within the community.

These objectives represent both new and ongoing efforts to enhance the financial and organizational well-being of the Township.

## **SYSTEMS AND INTERNAL CONTROLS**

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Township Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Township are protected from loss, theft, or misuse and ensure that adequate accounting data is compiled and maintained to allow for the preparation of financial statements in conformity with generally accepted accounting principles. We believe that the Township's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of transactions and maintenance of asset accountability.

## **INDEPENDENT AUDIT**

The independent auditor appointed by the Board of Supervisors for the year ended December 31, 2024, was the firm Bee, Bergvall & Co., Certified Public Accountants. The independent auditor's report on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information is included in the Financial Section of this report. They have issued an unmodified opinion for the year ended December 31, 2024.

The organization, form, and contents of this report and the accompanying financial statements and statistical tables were prepared in accordance with standards established by the Governmental Accounting Standards Board (GASB), the Government Finance Officers' Association (GFOA), The American Institute of Certified Public Accountants (AICPA), and the Second-Class Township Code of the Commonwealth of Pennsylvania.

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Township of Middletown for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2023. This was the 21st time that Middletown Township has achieved this prestigious award. To be awarded a Certificate of Achievement, the Township of Middletown had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program and legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. The Township believes that the current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we intend to submit it to the GFOA to determine its eligibility for another certificate.

Middletown Township also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning January 1, 2025. To qualify for the Distinguished Budget Presentation Awards, Middletown Township's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

## **ACKNOWLEDGEMENTS**

The publication of this Annual Comprehensive Financial Report continues to reinforce the accountability of Middletown Township to the taxpayers of the community. The preparation of the 2024 report was made possible by the dedicated service of the Finance Department and the Manager's Office. I would like to express my appreciation to all Township employees that assisted and contributed to this report.

I would also like to thank the Board of Supervisors for their support and continued leadership regarding the financial operations of the Township. Without their support, the preparation of this report would not have been possible.

Respectfully submitted,

*Laura Hucklebridge*

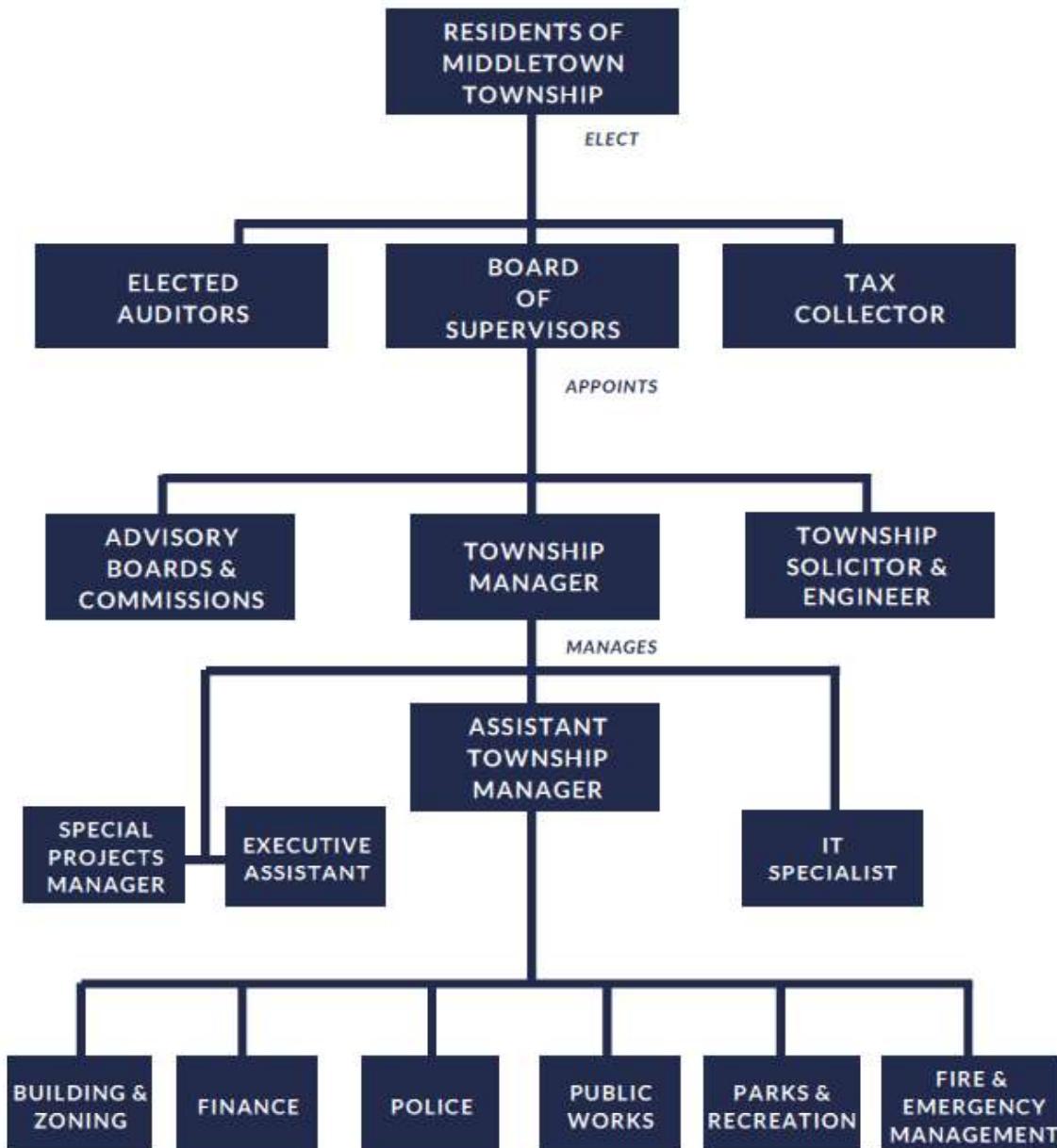
Laura Hucklebridge  
Director of Finance

TOWNSHIP OF MIDDLETOWN  
BUCKS COUNTY, PENNSYLVANIA  
ORGANIZATION CHART

December 31, 2024

## Organization Chart

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### APPOINTED CITIZENS ADVISORY BOARDS & COMMISSIONS

Board of Auditors  
Citizen's Traffic Commission  
Environmental Advisory Council  
Financial Advisory Committee  
Historic Preservation Commission

Human Relations Commission  
Parks & Recreation Board  
Planning Commission  
Youth Aid Panel  
Zoning Hearing Board

TOWNSHIP OF MIDDLETOWN  
BUCKS COUNTY, PENNSYLVANIA

December 31, 2024

## Elected & Appointed Officials

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### ELECTED OFFICIALS

#### **Board of Supervisors**

Mike Ksiazek, Chairperson  
Bernadette Hannah, Vice Chairperson  
Dawn Quirple, Secretary  
Dana Kane

#### **Tax Collector**

Ray Chapman

#### **Elected Auditors**

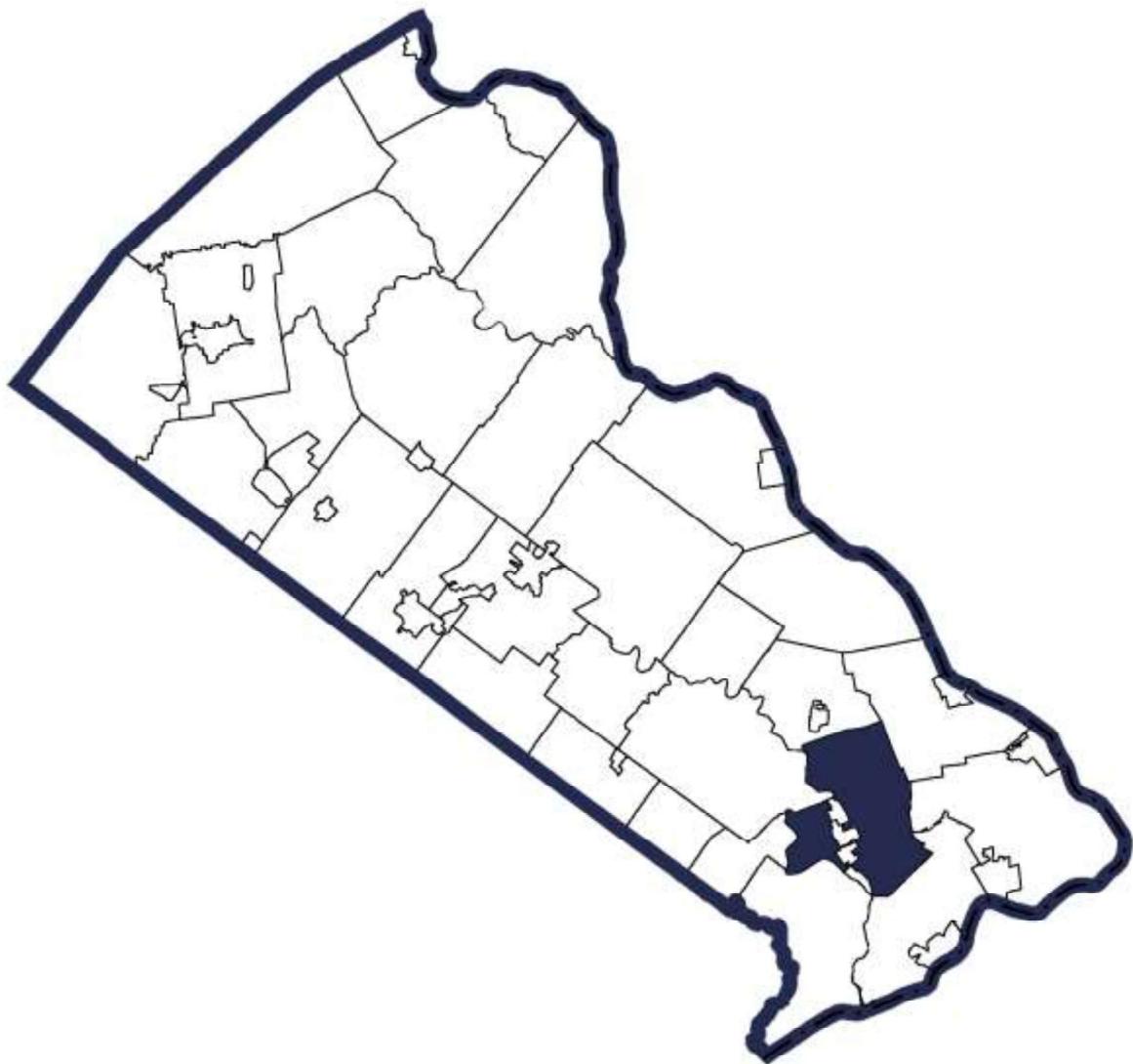
Hannah Stackawitz, Chairperson  
Matthew Diaz, Vice Chairperson  
Susan Corcoran, Secretary

### APPOINTED OFFICIALS

#### **Executive Officials**

Eden Ratliff, Township Manager  
Nick Valla, Assistant Township Manager  
Joseph Bartorilla, Chief of Police  
Laura Hucklebridge, Director of Finance  
Miranda Colon, Executive Assistant  
Jim Ennis, Director of Building & Zoning  
Eric Gartenmayer, Director of Public Works  
Paul Kopera, Director of Parks & Recreation

## Map of Bucks County





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Township of Middletown  
Pennsylvania**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2023

*Christopher P. Morill*

Executive Director/CEO

## FINANCIAL SECTION



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215-343-2727 | [www.bbco-cpa.com](http://www.bbco-cpa.com)

## INDEPENDENT AUDITORS' REPORT

Board of Supervisors  
Middletown Township, Pennsylvania

### ***Report on the Audit of the Financial Statements***

#### ***Opinions***

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

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

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

#### ***Emphasis of Matter-Change in Accounting Principle***

As discussed in Note 1 to the financial statements, the Township implemented to the provisions of Governmental Accounting Standards Board Statements No. 100, *Accounting Changes and Error Corrections*, and No. 101, *Compensated Absences*, for the year ended December 31, 2024, which represents changes in accounting principles. Our opinion is not modified with respect to this 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 the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the historical trend information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

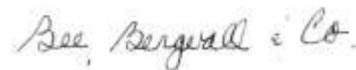
### ***Supplementary Information***

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

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Bee, Bergvall and Company, P.C.  
Certified Public Accountants

Warrington, PA  
December 17, 2025

# **Middletown Township Bucks County, Pennsylvania**

## **Management's Discussion and Analysis (Unaudited) For the Fiscal Year Ended December 31, 2024**

The Management's Discussion and Analysis (MD&A) section of the Township of Middletown's annual comprehensive financial report provides an overview of the Township's financial performance for the fiscal year ended December 31, 2024, focusing on why amounts changed from the prior year. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the subsequent financial statements to obtain a thorough understanding of the Township's financial performance for fiscal 2024.

### **FINANCIAL HIGHLIGHTS**

#### **Government-Wide Financial Statements**

- The Township's total net position, on a government-wide basis, totaled \$81.7 million as of December 31, 2024. Of this amount, \$30.8 million (unrestricted net position) may be used to meet the Township's ongoing obligations to its citizens and creditors.
- The total net position of the Township's governmental activities for 2023 was restated from \$79.1 million to \$76.8 million, a decrease of \$2.3 million. The restatement was due to police leave not previously accrued. After the restatement, net position for governmental activities decreased by \$123,409. The unrestricted net position decreased by \$3.9 million, or -11.5% in 2024.
- The Township's real property tax rate increased 1.455 mills in 2024 to 19.025 mills. The earned income tax (EIT) rate remained at 0.5% for 2024.

#### **Governmental Funds**

- The net position of the Township's governmental funds at the end of the current year was \$59.1 million, a \$2.7 million decrease from the prior year. Of the net position, \$1.9 million is unassigned.
- The General Fund, using the current financial resources measurement focus and the modified accrual basis of accounting, reported revenues \$400,883 over budget. Several Act 511 taxes (earned income tax and real estate transfer tax) performed better than expected. Expenditures increased by \$395,389 over budget due to increases in public safety costs which include police and fire protection services.

#### **Long-Term Liabilities**

- The Township did not issue any general obligation bonds in 2024.

Comparative financial results for the prior and current fiscal years is only presented in this MD&A section of the annual comprehensive financial report. The remaining sections of the report only include financial results for the current fiscal year.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report, beginning on page 3, presents the Township's basic financial statements, which consist of:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements, including required supplementary information

The basic financial statements present the Township's operations in two ways:

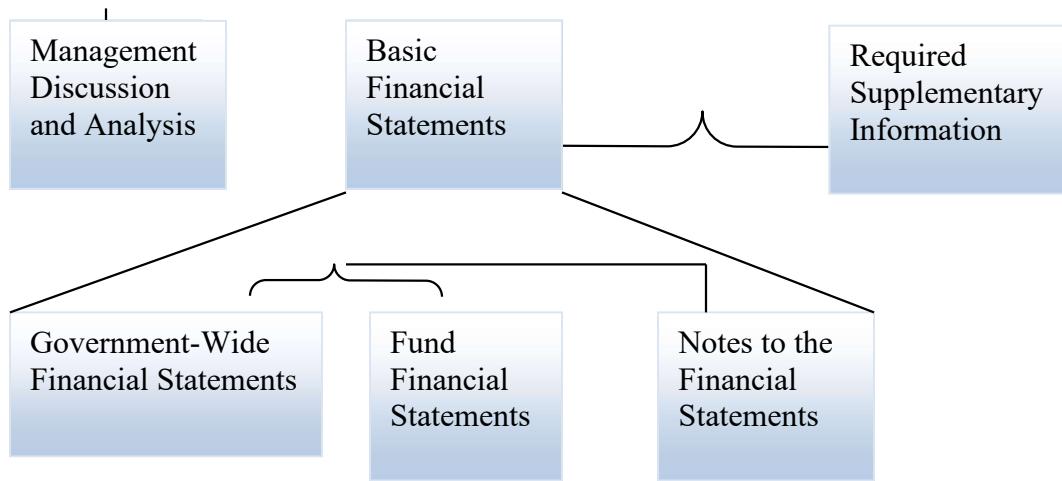
- The first two statements are the *government-wide financial statements* that provide long-term and short-term information about the Township's overall financial status. They present a high-level overview of total operations.
- The *fund financial statements* focus on individual parts of the Township's operations and are more detailed than the government-wide statements.

The fund financial statements include:

- *Governmental fund* statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The governmental funds statements tell how general Township services, like Public Safety, were financed in the short-term as well as what remains for future spending.
- *Proprietary fund* statements offer financial information about the activities that the Township operates like a business, which are the Middletown Country Club and Styer's Farm. The proprietary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting. These funds are also referred to as *enterprise funds*.
- *Fiduciary fund* statements provide information about retirement and other postemployment benefit plans for municipal employees where the Township acts solely as a trustee or agent for the benefit of others, i.e. Pension and Escrow Funds. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support municipal activities. The Fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. In addition, the notes are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another.

**Figure 1**  
**Required Components of the**  
**Annual Comprehensive Financial Report**



## GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *government-wide financial statements* report information about the Township's finances as a whole to show how the Township did financially during the fiscal year. These reports present all assets and liabilities using the accrual basis of accounting like the accounting method used by private sector companies. This basis of accounting includes revenues when earned and expenses when the liability is incurred, regardless of when cash is received or paid. They provide *long-term* and *short-term* information about the Township's overall financial status.

The *Statement of Net Position* on pages 23-25 includes all the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the Township is improving or diminishing.

The *Statement of Activities* on page 26 reports on how the Township's net position has changed during the current fiscal year. It accounts for all the current year's revenues and expenditures regardless of when cash is received or paid. This statement shows how the cost to operate each activity or function of the Township, such as Public Safety or Parks and Recreation, is covered by fees charged for services, grant funding and tax revenues.

To assess the overall health of the Township, you need to consider both financial and non-financial factors, such as changes in the property tax base, condition of Township infrastructure, and required government services.

The government-wide financial statements distinguish between functions of the Township that are funded by taxes and grants, *governmental activities*, and those where fees charged for services are intended to cover operating costs, *business-type activities*.

In the *Statement of Net Position* and *Statement of Activities*, the Township is divided into two categories:

- *Governmental activities* – The Township's basic services are included here, such as police, fire, public works, parks and recreation and general administration. These activities are financed by property, earned income and business taxes, in addition to fees, and state and local grants.
- *Business type activities* – The Township owns the Middletown Country Club and Styer's Farm, and rental income and user fees cover the annual operating costs.

## FUND FINANCIAL STATEMENTS

A fund is a grouping of accounts used to track funding sources and spending for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Some funds are required by state law or by bond requirements. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. The Township's funds are divided into three categories:

- *Governmental Funds* – Most of the Township's basic services are reported in governmental funds, which focus on (1) how cash, and other financial assets that can readily be converted to cash, flow in and out of the Township and (2) the balances remaining at the end of the year that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that help to determine whether there are more or less financial resources that can be spent in the near future to finance the Township's operations and services. Major funds are reported separately while non-major funds are combined into a single, aggregated presentation in the Other Governmental Funds column. The differences between the *governmental activities* (reported in the government-wide *Statement of Net Position* and the *Statement of Activities*) and the *governmental fund* are explained in a reconciliation that follows each governmental fund financial statement. The governmental fund financial statements begin on page 26.
- - They are reported on a modified accrual basis of accounting. Consequently, the determination of financial position and changes in financial position, not on income determination, which measures cash and all other financial assets that can readily be converted to cash. Deferred inflows of resources refer to deferred activity that will be recognized in future periods.
- *Proprietary Funds* – Township activities that are operated like businesses in the private sector where user fees or other revenue provide the funding for operations are reported in proprietary funds. The total of all proprietary funds is the same as the *business type activities* column in the *government-wide financial statements*. Proprietary fund statements provide both short-term and long-term financial information consistent with the focus provided by the *government-wide financial statements* but with more detail, such as a *statement of cash flows*. The Township has two *enterprise funds* (one type of proprietary fund) that are used to account for the investment in assets and the revenue derived from the rental and operation of the Middletown Country Club and Styer's Farm and Store. The proprietary fund financial statements begin on page 32.

- **Fiduciary Funds** – Fiduciary funds are used to report assets held for the benefit of others outside the government. These funds are not reflected in the government-wide financial statements because the Township cannot use these assets to finance its own operations. The Township acts as trustee for two pension trust funds for retirement and post-employment benefits and acts as custodian for escrow funds. The fiduciary fund financial statements begin on page 35.

## NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found at the end of the basic financial section of this report on pages 37 through 79. *Required supplementary information* related to pension and other post-employment benefit liabilities follow the notes section.

## FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

### Statement of Net Position

Net position may serve, over time, as a useful indicator of a government's financial position. Net position is the difference between assets and liabilities, plus deferred outflows of resources, less deferred inflows of resources. The following table provides a condensed Statement of Net Position for Middletown Township as of December 31, 2024, and December 31, 2023:

**Table 1**  
**Condensed Statement of Net Position**  
**For the Years Ending December 31, 2024 and 2023**  
**(Government-Wide)**

	Governmental Activities		Business-type Activities		Total	
	2024	2023 Restated	2024	2023	2024	2023 Restated
Current and Other Assets	\$ 63,944,392	\$ 67,798,171	\$ 1,584,768	\$ 1,472,578	\$ 65,529,160	\$ 69,270,749
Capital Assets	54,235,991	53,671,147	4,440,133	4,488,388	58,676,124	58,159,535
Total Assets	<u>118,180,383</u>	<u>121,469,318</u>	<u>6,024,901</u>	<u>5,960,966</u>	<u>124,205,284</u>	<u>127,430,284</u>
Deferred Outflows of Resources	<u>6,330,681</u>	<u>9,112,600</u>	<u>-</u>	<u>-</u>	<u>6,330,681</u>	<u>9,112,600</u>
Current and Other Liabilities	4,831,148	5,514,908	894	1,347	4,832,042	5,516,255
Long-Term Liabilities	37,711,037	44,338,578	-	-	37,711,037	44,338,578
Total Liabilities	<u>42,542,185</u>	<u>49,853,486</u>	<u>894</u>	<u>1,347</u>	<u>42,543,079</u>	<u>49,854,833</u>
Deferred Inflows of Resources	<u>5,327,885</u>	<u>3,964,029</u>	<u>936,644</u>	<u>992,765</u>	<u>6,264,529</u>	<u>4,956,794</u>
Net Position						
Net investment in Capital Assets	41,625,133	38,408,320	4,440,133	4,488,388	46,065,266	42,896,708
Restricted	4,834,904	4,234,963	-	-	4,834,904	4,234,963
Unrestricted	30,180,957	34,121,120	647,230	478,466	30,828,187	34,599,586
Total Net Position	<u>\$ 76,640,994</u>	<u>\$ 76,764,403</u>	<u>\$ 5,087,363</u>	<u>\$ 4,966,854</u>	<u>\$ 81,728,357</u>	<u>\$ 81,731,257</u>

In Middletown Township, the total net position only changed slightly from December 31, 2023 to 2024, and remained at \$81.7 million for both years. The largest portion of the Township's net position for the current fiscal year of \$46.1 million (56.4%) represents the Township's investment in capital assets (infrastructure, land, buildings, vehicles and equipment), less accumulated depreciation, less any related outstanding debt used to acquire the assets, and adding unspent debt proceeds used to acquire the assets. The Township maintains and utilizes these capital assets to meet the service demands of its residents and therefore these assets are not available for future spending.

Restricted net position of \$4.8 million is subject to external restrictions on how the funds can be used. The primary source is real estate tax millage allocated to specific governmental funds.

The unrestricted portion of \$30.8 million represents 37.7% of the total net position of \$81.7 million at December 31, 2024. The Township may use these unrestricted funds to meet its debt requirements related to capital assets or other ongoing obligations to citizens and creditors.

### **Governmental Activities**

The net position of the Township's governmental activities decreased \$123,409 to \$76.6 million. This decrease is due to a combination of a reduction in grant revenue, increases in debt payments and increased expenses.

The current assets of the Township are comprised primarily of cash, short-term investments, and accounts receivable. The largest portion of the current assets balance is made up of cash and investments held by the Investment Fund (\$38.1 million in 2024). Current and other assets decreased by \$3.9 million during 2024, as a \$3.3 million decrease in grant revenue was coupled with a \$2.7 million increase in expenses for public safety, public works and parks and recreation. Net capital assets increased by \$564,844 to \$54.2 million in 2024. Additional details about capital asset balances can be found in note E to the financial statements.

Current liabilities consist primarily of accounts payable, various accruals and the current portion of long-term liabilities. Current and other liabilities decreased by \$3.0 million, primarily due to the \$2.3 million adjustment that restated the 2023 balance to include police leave that was not previously recorded. If the adjustment is excluded, the change from the prior year was \$683,757, which is due to a decrease in accounts payable.

Long-term liabilities include principal balances owed on various general obligation bonds and notes, accrued sick and severance pay, and net pension liabilities. The outstanding principal on the 2020 and 2021 bond issues makes up \$10,685,000 of current and long-term liabilities balance at year end 2024. Debt administration is discussed later in this report and in Note F to the financial statements. Net pension liability and other post-retirement benefits (OPEB) liability make up a combined \$23.1 million (61.1%) of long-term liabilities at year end 2024, which is a \$3.9 million decrease from 2023.

Deferred outflows of resources represent the usage of net assets in the current year, that are for a future period, like a prepaid expense. The Township's deferred outflows are primarily related to post-retirement benefits including the police and non-uniform pension plans. Deferred outflows for pensions are primarily for the net difference between projected and actual earnings on plan investments. A deferred outflow indicates that actual investment returns were less than expected returns, and differences are expensed over 5 years. Deferred outflows of \$6.3 million, which is a decrease of \$2.8 million from 2023 to 2024, indicates the difference between the expected and actual earnings for 2024 was less than in 2023.

Deferred inflows of resources represent the receipt of net assets in the current year, that cannot be recognized as revenue until a future period when the service is provided. The Township's deferred inflows related to special assessments, unamortized deferred gains on refunding, leases, police and non-uniform pension, and other post-retirement benefits (OPEB). Deferred inflows are \$6.2 million, which is an increase of \$1.4 million over the prior year. Deferred inflows for OPEB is primarily a result of changes in the assumptions or the difference between expected and actual experience.

### **Business-type Activities**

The Township's net position for business-type activities increased by \$120,509, or 2.4%, to \$5.1 million in 2024. Business-type activities include rental income from the Middletown Country Club, and Styer's Farm and Orchard properties. There are minimal operating expenses incurred by the Township for these properties and increases in net position are related to the rental income, less depreciation.

The results of this year's operations are reported in the *Statement of Activities* on page 33. All expenditures are reported in the first column. Specific charges, grants, and contributions that directly relate to specific expenditures categories are netted against them to determine the final amount of the Township's activities that are supported by other general revenues, primarily property taxes, earned income and other taxes (Act 511 Taxes). Basically, the Statement shows which Township expenditures are funded by specific program revenues and the balance of expenditures left to be funded by tax revenues.

### **Statement of Activities**

In addition to the *statement of net position*, the *government-wide financial statements* also include the *statement of activities*, which shows how the Township's net position has changed during the current fiscal year. The following table shows the revenues and expenses of the governmental and business-type activities:

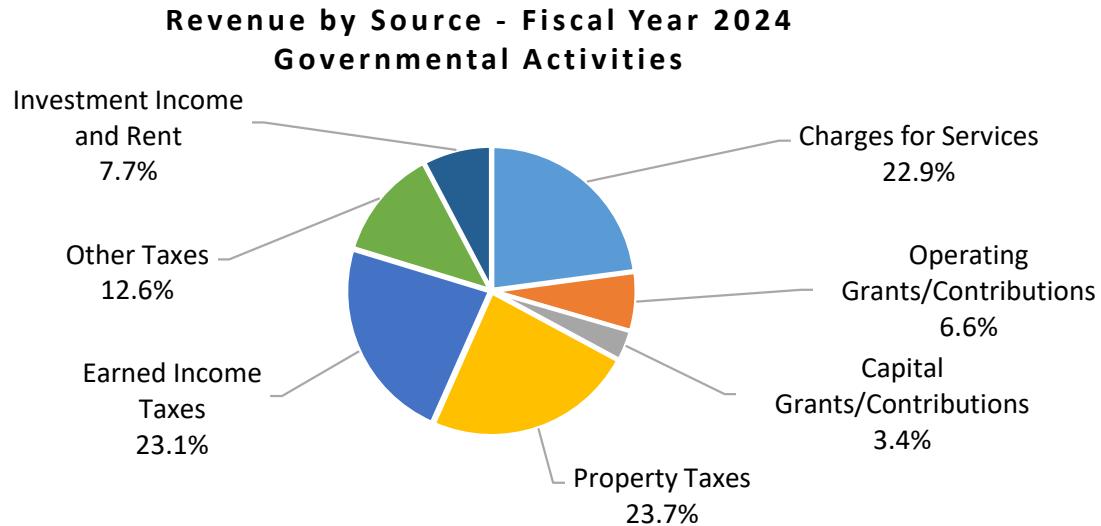
**Table 2**  
**Changes in Net Position**  
**For the Years Ending December 31, 2024 and 2023**  
**(Government-Wide)**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023 Restated	2024	2023	2024	2023 Restated
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 9,612,584	\$ 9,634,712	\$ 107,960	\$ 105,229	\$ 9,720,544	\$ 9,739,941
Operating grants and contributions	2,772,705	2,744,369	-	-	2,772,705	2,744,369
Capital grants and contributions	1,430,089	4,764,033	-	-	1,430,089	4,764,033
General revenues:						
Property taxes	9,971,903	9,133,731	-	-	9,971,903	9,133,731
Earned income taxes	9,702,603	9,730,136	-	-	9,702,603	9,730,136
Other taxes	5,278,048	4,991,029	-	-	5,278,048	4,991,029
Investment income and rent	3,240,948	3,597,783	68,664	65,376	3,309,612	3,663,159
Miscellaneous	45,897	57,379	-	-	45,897	57,379
<b>Total Revenues</b>	<b>42,054,777</b>	<b>44,653,172</b>	<b>176,624</b>	<b>170,605</b>	<b>42,231,401</b>	<b>44,823,777</b>
<b>Expenses:</b>						
General government	2,532,167	3,241,704	-	-	2,532,167	3,241,704
Public safety	21,945,341	20,460,784	-	-	21,945,341	20,460,784
Public works	12,109,886	11,199,163	-	-	12,109,886	11,199,163
Parks and recreation	3,042,716	2,108,884	-	-	3,042,716	2,108,884
Miscellaneous	1,362,632	1,251,832	-	-	1,362,632	1,251,832
Debt service interest	226,842	289,075	-	-	226,842	289,075
Unallocated depreciation on infrastructure	958,602	964,321	-	-	958,602	964,321
Business-type activities - Country Club	-	-	32,917	32,916	32,917	32,916
Business-type activities - Styer's Farm	-	-	23,198	15,763	23,198	15,763
<b>Total Expenses</b>	<b>42,178,186</b>	<b>39,515,763</b>	<b>56,115</b>	<b>48,679</b>	<b>42,234,301</b>	<b>39,564,442</b>
Change in Net Position before transfers	(123,409)	5,137,409	120,509	121,926	(2,900)	5,259,335
Transfers, net	-	-	-	-	-	-
<b>Change in Net Position</b>	<b>(123,409)</b>	<b>5,137,409</b>	<b>120,509</b>	<b>121,926</b>	<b>(2,900)</b>	<b>5,259,335</b>
Net Position - Beginning of Year (Restated)	<b>76,764,403</b>	<b>71,626,994</b>	<b>4,966,854</b>	<b>4,844,928</b>	<b>81,731,257</b>	<b>76,471,922</b>
Net Position - End of Year	<b>\$ 76,640,994</b>	<b>\$ 76,764,403</b>	<b>\$ 5,087,363</b>	<b>\$ 4,966,854</b>	<b>\$ 81,728,357</b>	<b>\$ 81,731,257</b>

### **Governmental Activities**

The Township's total revenues from governmental activities were \$42.1 million and expenses were \$42.2 million for the fiscal year ended December 31, 2024, resulting in a \$123,409 decrease in net position. Property taxes and earned income taxes are the largest revenue sources for the Township and make up \$19.7 million, or 46.8%, of total revenue.

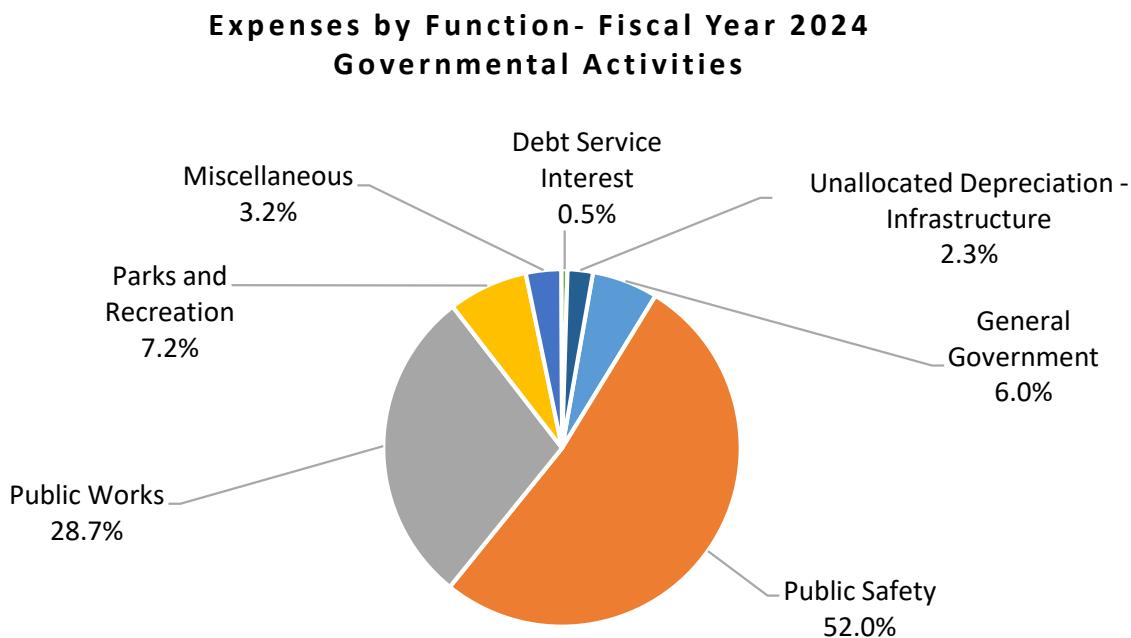
Total revenue from governmental activities decreased \$2.6 million, or 5.8%, from 2023. Program revenues (charges for services, grants, and contributions) decreased by \$3.3 million to \$1.4 million in 2024, mainly due to receipt of a \$1 million one-time contribution that increased 2023 revenue. The decrease in program revenue was offset by a \$729,341 increase in general revenues (property tax, earned income tax, other taxes, and interest), with property taxes increasing \$838,172, or 9%, from 2023. Property tax millage increased by 1.455 mills in 2024 for fire protection. The increase was expected to result in an additional \$750,476 of property tax revenue in 2024.



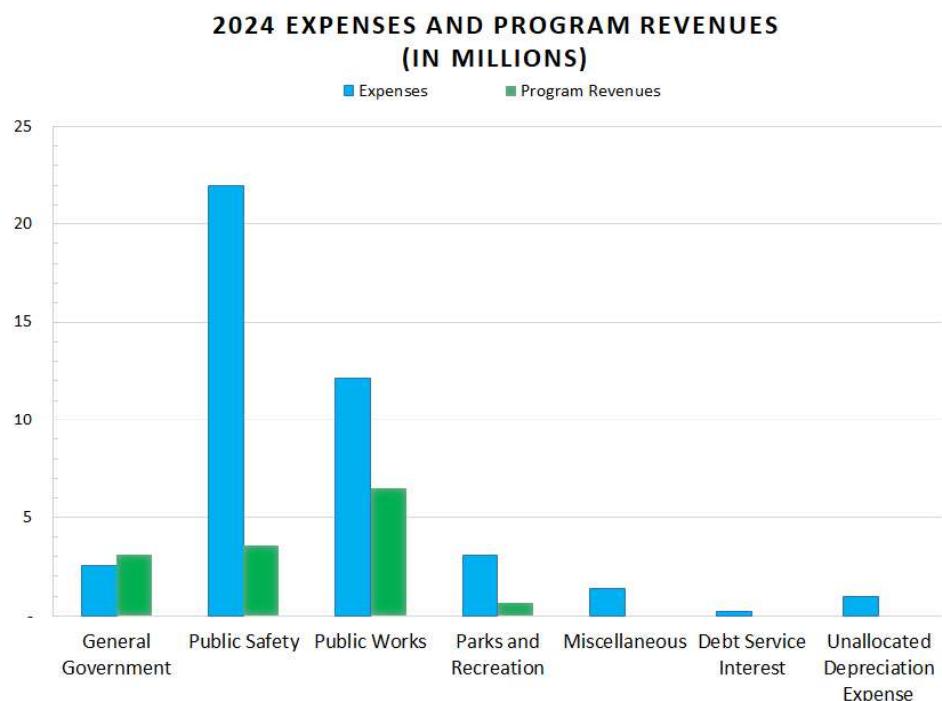
Total expenses from governmental activities increased \$2.7 million, or 6.7%, from 2023 to \$42.2 million. The largest share of expenditures in 2024 is related to public safety, a broad category including police protection, fire protection, animal control, school crossing guards, code enforcement, planning and zoning, and ambulance services. Public safety increased \$1.5 million, or 7.3%, to \$21.9 million.

There were also increases in expenses for parks and recreation of \$933,832, or 44.3%, and public works of \$910,723, or 8.1%. Parks and recreation expenditures of \$3.0 million fund the operation and maintenance of our Township parks, including buildings, grounds and equipment as well as administrative and program costs. Public Works expenditures of \$12.1 million include items such as solid waste collection expenditures, general road maintenance, repairs to tools and machinery, construction and rebuilding of storm sewers and guide rails, operation and maintenance of traffic signals, street signs, and snow removal. The increases in these functions or activities were offset by a 21.9% decrease in general government expenses from \$3.2 million to \$2.5 million. This category covers the costs of staffing, benefits, and other administrative costs and ancillary expenditures.

The following chart shows the Government-wide sources of program expenditures for the year ended December 31, 2024.



As shown in the chart below, program revenues are not sufficient to cover the cost of operations. The Township relies on general revenues such as property taxes. The following chart shows the government-wide sources of program revenues and related expenditures for the year ended December 31, 2024:



General government revenues exceeded expenses by \$539,060. For the remaining activities, 2024 expenses exceeded revenues: public safety by \$18.4 million, public works by \$5.6 million, and parks and recreation by \$2.4 million.

### **Business-type Activities**

The Township's net position for business-type activities increased by \$120,509 to \$5.1 million in 2024.

Daily operation and management of the Country Club is handled by Agro Golf and their lease with the Township expires in December 2028. Depreciation for the Country Club ends in 2026.

## **ANALYSIS OF TOWNSHIP FUNDS**

### **Governmental Funds**

As noted earlier, the Township of Middletown uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of Middletown Township's governmental funds is to provide information on inflows, outflows, and balances of spendable resources. Such information is useful in assessing the township's financing requirements. Unreserved fund balance may serve as a useful measurement of a government's net resources available for spending at the end of the fiscal year. The Township reports three major funds individually in the governmental fund financial statements: the General Fund, the Investment Fund, and the Capital Reserve Fund.

At the close of the year, the governmental funds for the Township reported a combined fund balance of \$59.1 million which represents a decrease of \$2.7 million from the previous year. The largest component of this increase was the General Fund.

- *General Fund* – The General Fund had a total fund balance of \$9.9 million at year end, which is a \$1.3 million decrease from the prior year. The decrease is primarily due to the increase in expenses of \$1.5 million related to contractual salary and benefit increases. The Sanitation Fund is budgeted and accounted for as a separate fund, however, for financial reporting purposes, the Sanitation Fund is combined with the General Fund. As the solid waste contract spans several years, the Sanitation Fund fluctuates from a surplus to deficit during the life of the contract.

**Table 3**  
 Sanitation Fund (Combined with the General Fund)  
 For the Years Ending December 31, 2024 and 2023

	Sanitation Fund		\$
	2024	2023	Change
Revenues			
Solid Waste Collection Charges	\$ 4,920,193	\$ 4,932,229	\$ (12,036)
Interest	80,566	92,129	(11,563)
Penalties & Other	<u>16,940</u>	<u>17,783</u>	<u>(843)</u>
Total Revenue	<u><u>5,017,699</u></u>	<u><u>5,042,141</u></u>	<u><u>(24,442)</u></u>
Expenses			
Refuse Removal	\$ 5,185,707	\$ 5,029,445	\$ 156,262
Salaries, Wages & Benefits	<u>94,908</u>	<u>168,994</u>	<u>(74,086)</u>
Total Expenses	<u><u>5,280,615</u></u>	<u><u>5,198,439</u></u>	<u><u>82,176</u></u>
Net Position of Sanitation Fund	<u><u><u>\$ (262,916)</u></u></u>	<u><u><u>\$ (156,298)</u></u></u>	<u><u><u>\$ (106,618)</u></u></u>

- *Investment Fund* – The Investment Fund had a total fund balance of \$40.1 million at fiscal year-end, a decrease of \$700,813 from the prior year. This decrease is attributed to a \$226,941 decrease in investment income coupled with a \$400,000 increase in the transfer out to the Capital Reserve Fund. The Investment Fund holds the \$40.0 million proceeds from the sale of water and sewer facilities in 2022. The principal balance is restricted by Township resolution which provides that only excess revenue over \$40 million may be used. The Township transfers funds from the Investment Fund to the Capital Reserve Fund periodically.
- Capital Reserve Fund – The Capital Reserve Fund has a total fund balance of \$3.9 million at year end, which is a \$1.3 million decrease from the prior year. This fund does not have its own source of dedicated revenue and instead funds projects with grants or transfers from the General and Investment Funds. The decrease from the prior year is due to capital spending in 2024 that exceed revenues by \$3.7 million. A transfer of \$2.4 million was received from the Investment Fund in 2024, which offset some of the additional spending.

### Proprietary Funds

The Township of Middletown reports its two enterprise funds as major funds in the proprietary fund financial statements, Country Club Fund, and the Farm Fund. The enterprise funds provide the same type of information found in the business-type activities portion of the government-wide financial statements, but in more detail.

The unrestricted net position of the Country Club Fund at the end of the current year was \$2.2 million, which was an increase of \$21,438 from 2023. The Country Club is supported by non-tax revenue and instead the Township receives licensing fees paid by the long-term tenant at the facility.

The Farm Fund had an unrestricted net position of \$2.9 million at the end of 2024, which was an increase of \$99,071 from 2023. The fund manages the township-owned property known as Styer's Farm & Orchard and tenants pay both a licensing fee and rent.

## General Fund Budgetary Highlights

The Middletown Township Board of Supervisors approved the 2024 Budget that included a 1.455 mill increase to the total property tax, increasing it to 19.025 mills.

General Fund revenues were higher than the budgeted amounts by \$400,883, 1.35%. The increase is due to increases in 3 revenue lines: Investment income and rent increased by \$369,675, real estate transfer tax increased by \$358,436, and earned income tax (EIT) increased by \$243,603 from the budget at year-end. The increase in investment income is due to higher interest rates during the year and EIT increased as wages have been increasing steadily year over year. Transfer tax fluctuates annually based on the timing of property sales.

Expenditures for the General Fund were \$395,389 over budget with total expenses for the year of \$30.9 million. The increase was for public safety wages, which include police and fire protection services.

A schedule showing the Township's original and final budget amount compared with amounts actually paid and received is provided on page 30.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

On December 31, 2024, the Township had \$58,676,124 invested in a broad range of capital assets (net), including land, land improvements, buildings, building improvements, machinery & equipment, furniture, and infrastructure for governmental and business-type activities.

**Table 4**  
Capital Assets  
For the Years Ending December 31, 2024 and 2023  
(Government-Wide)

	Governmental Activities		Business-Type Activities		Total		\$ Change
	2024	2023	2024	2023	2024	2023	
Land	\$ 8,615,686	\$ 8,327,435	\$ 3,355,000	\$ 3,355,000	\$ 11,970,686	\$ 11,682,435	\$ 288,251
Construction in progress	1,671,903	5,215,115	-	-	1,671,903	5,215,115	(3,543,212)
Capital assets, not depreciated	10,287,589	13,542,550	3,355,000	3,355,000	13,642,589	16,897,550	(3,254,961)
Land improvements	\$ 9,147,850	\$ 7,970,858	\$ 649,647	\$ 655,382	\$ 9,797,497	\$ 8,626,240	\$ 1,171,257
Building and building improvements	24,675,649	21,141,928	1,847,378	1,847,378	26,523,027	22,989,306	3,533,721
Machinery, furniture and equipment	17,263,347	15,975,225	551,037	691,199	17,814,384	16,666,424	1,147,960
Infrastructure	83,867,299	83,469,553	-	-	83,867,299	83,469,553	397,746
Accumulated depreciation	(91,005,743)	(88,428,967)	(1,962,929)	(2,060,570)	(92,968,672)	(90,489,537)	(2,479,135)
Capital assets, being depreciated, net	43,948,402	40,128,597	1,085,133	1,133,389	45,033,535	41,261,986	3,771,549
Net Investment in Capital Assets	\$ 54,235,991	\$ 53,671,147	\$ 4,440,133	\$ 4,488,389	\$ 58,676,124	\$ 58,159,536	\$ 516,588

Major capital assets added during the current fiscal year include the following, shown at cost basis (rounded):

- Forsythia Park hockey rink \$500,000
- Traffic improvements and road widening on Woodbourne Rd. \$945,000
- Public Works: Brine building & equipment \$3,000,000
- Public Works: Fueling system \$1,625,000

Additional information on Middletown Township's capital assets can be found in Note E to the financial statements.

## Debt Administration

As of December 31, 2024, the Township had total outstanding long-term debt of \$11.1 million (principal only). Obligations of the Township include two general obligation bonds and a note payable. During the current fiscal year, debt decreased by \$2.2 million (principal only).

In 2023, Middletown Township earned its second consecutive Aaa credit rating by Moody's Investor Service, the highest possible credit rating issued by the in 2019, Middletown Township is one of two municipalities in Bucks County with this rating. Moody's issued the Township a Aaa credit rating for strong management, financial health, and vibrant local economy.

Other Long-term Liabilities of the Township include leases, accrued vacation, sick and severance pay for specific employees and pension liability and other post-retirement benefit liabilities for police. As of December 31, 2024, the Township had long-term liabilities of \$29.2 million. During the current year, total Township long-term liabilities decreased by \$1.8 million.

Compensated absences reflect a balance of \$4.9 million in earned vacation, vested sick pay, and vested severance pay as of December 31, 2024. Compensated absences increased by \$2.4 million in the current year. The net pension liability decreased \$3.0 million to \$9.3 million during the current year, and net other post-employment benefits decreased by \$867,953 to \$13.8 million in 2024.

**Table 5**  
**Long-Term Liabilities**  
For the Years Ending December 31, 2024 and 2023  
(Governmental Activities)

	Long-Term Liabilities		\$ Change
	2024	2023	
Bonds & Notes Payable			
G.O. Bonds 2020	\$ 6,180,000	\$ 7,840,000	\$ (1,660,000)
G.O. Bonds 2021	4,505,000	5,000,000	(495,000)
Notes payable	427,915	542,589	(114,674)
Total Outstanding Debt	<u>11,112,915</u>	<u>13,382,589</u>	<u>(2,269,674)</u>
Other Long-Term Liabilities			
Deferred bond amounts	\$ 1,302,128	\$ 1,628,682	\$ (326,554)
Compensated absences	4,851,367	2,421,454	2,429,913
Net pension liability	9,301,933	12,339,215	(3,037,282)
Net OPEB liability	<u>13,763,582</u>	<u>14,631,535</u>	<u>(867,953)</u>
Total Other Long-term Liabilities	<u>29,219,010</u>	<u>31,020,886</u>	<u>(1,801,876)</u>
Total Governmental Long-Term Liabilities	<u>\$ 40,331,925</u>	<u>\$ 44,403,475</u>	<u>\$ (4,071,550)</u>

See Note F to the financial statements for more detailed information regarding debt.

## ECONOMIC FACTORS INFLUENCING NEXT YEAR'S BUDGET AND RATES

### 2025 Budget Overview

The most challenging issue facing Middletown Township over the past several budget cycles has been the recurring structural imbalance which has existed in the General Fund since 2006. Without any tax increases, the 2025 budget projects a \$2.8 million structural deficit as contractual obligations outpace revenue collections.

The 2025 budget includes the addition of a new Stormwater Fund that will be funded by a Stormwater Fee billed on every tax parcel in the Township. Fee rates will be based on impervious surface area, with different rates for residential parcels and commercial parcels.

### General Fund Budget

Excluding the fund balance forward and transfers, the revenue budget for the General Fund for 2025 is \$24.6 million, which is a \$2.7 million, or 10%, increase from the 2024 budget.

Property taxes are expected to increase minimally as the total assessed value of property continues to go down. Bucks County has not performed a re-assessment of property values since 1972 and owner appeals have continued to reduce assessment values and ultimately revenue to the Township. Earned Income Tax has been increasing every year along with the increase in local wages. There are no proposed tax increases for 2025, and the property tax rate will remain at 19.025 mills.

General fund expenditures are budgeted to be \$27.1 million for 2025, excluding transfers and bad debt. This represents an increase of \$1.1 million, or 4.1%. The Police department has the highest budget at \$14.4 million, and Employer Benefits is the next largest at \$4.9 million. These categories are significantly impacted by contractual salary and benefit increases for the Township's police force. The Township signed a new Collective Bargaining Agreement with the Police Benevolent Association in 2024 that includes 4.0% wage increases through 2027.

**Table 6**  
General Fund Budget  
For the Years Ending December 31, 2024 and 2023

	Budget		\$
	2025	2024	
Revenue			
Real Property Taxes	\$ 3,930,000	\$ 3,878,000	\$ 52,000
Local Enabling Act Taxes	14,577,000	14,782,000	(205,000)
Business Licenses and Permits	920,000	979,000	(59,000)
Public Safety	3,070,500	3,260,500	(190,000)
State Grants and Shared Revenue	1,094,975	1,019,216	75,759
Other	1,043,800	858,000	185,800
Total Operational Revenues	<u>24,636,275</u>	<u>24,776,716</u>	<u>(140,441)</u>
Expenditures			
Executive & Administration	\$ 3,177,600	\$ 2,700,600	\$ 477,000
Police Services	14,380,000	13,963,865	416,135
Fire Protection Services	335,900	315,850	20,050
Building and Zoning	1,241,300	1,104,800	136,500
Public Works	1,811,100	1,627,500	183,600
Employer Paid Benefits	4,926,120	4,757,414	168,706
Other	<u>1,275,415</u>	<u>1,604,000</u>	<u>(328,585)</u>
Total Operating Expenditures	<u>27,147,435</u>	<u>26,074,029</u>	<u>1,073,406</u>
Total Governmental Long-Term Liabilities	<u>\$ 51,783,710</u>	<u>\$ 50,850,745</u>	<u>\$ 932,965</u>

The complete 2025 Budget is available for review on the Middletown Township website at [www.middletownbucks.org](http://www.middletownbucks.org) under forms and documents, finance department.

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

This financial report is designed to provide a general overview of the Township's finances, comply with finance-related laws and regulations, and demonstrate the Township's commitment to public accountability. If you have any questions about this report, or would like to request additional financial information, please contact the Township's Finance Department at 3 Municipal Way, Langhorne, PA 19047, (215) 750-3800.

## BASIC FINANCIAL STATEMENTS

TOWNSHIP OF MIDDLETOWN

STATEMENT OF NET POSITION

December 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	<hr/>		
<b><u>ASSETS</u></b>			
Current Assets			
Cash and cash equivalents	\$ 24,079,044	\$ 468,591	\$ 24,547,635
Investments	35,647,982	-	35,647,982
Receivables	3,685,685	3,939	3,689,624
Leases receivable	25,619	24,752	50,371
Other assets	<u>241,179</u>	<u>25,000</u>	<u>266,179</u>
Total Current Assets	<u>63,679,509</u>	<u>522,282</u>	<u>64,201,791</u>
Non-Current Assets			
Lease receivable, non-current	264,883	1,062,486	1,327,369
Capital Assets (net of accumulated depreciation)			
Land	8,615,686	3,355,000	11,970,686
Construction in progress	1,671,903	-	1,671,903
Depreciable capital assets, net	<u>43,948,402</u>	<u>1,085,133</u>	<u>45,033,535</u>
Total Capital Assets (net)	<u>54,235,991</u>	<u>4,440,133</u>	<u>58,676,124</u>
Total Non-Current Assets	<u>54,500,874</u>	<u>5,502,619</u>	<u>60,003,493</u>
Total Assets	<u>118,180,383</u>	<u>6,024,901</u>	<u>124,205,284</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Police Pension related	2,986,677	-	2,986,677
Non-Uniformed Pension related	768,877	-	768,877
OPEB related	<u>2,575,127</u>	<u>-</u>	<u>2,575,127</u>
Total Deferred Outflows of Resources	<u>6,330,681</u>	<u>-</u>	<u>6,330,681</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 124,511,064</u>	<u>\$ 6,024,901</u>	<u>\$ 130,535,965</u>

(continued)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b><u>LIABILITIES</u></b>			
Current Liabilities			
Accounts payable	\$ 1,320,108	\$ 894	\$ 1,321,002
Accrued salaries and benefits	268,017	-	268,017
Deposits and refunds	319,437	-	319,437
Due to other governments	91,263	-	91,263
Accrued interest payable	211,435	-	211,435
Bonds and notes payable, current maturity	2,260,000	-	2,260,000
Notes payable, current maturity	118,319	-	118,319
Compensated absences, current maturity	242,569	-	242,569
Total Current Liabilities	<u>4,831,148</u>	<u>894</u>	<u>4,832,042</u>
Long-term Liabilities			
Bonds and notes payable, net of current maturity	9,727,128	-	9,727,128
Notes payable, net of current maturity	309,596	-	309,596
Compensated absences, net of current maturity	4,608,798	-	4,608,798
Net pension liability	9,301,933	-	9,301,933
Other post-employment benefits liability	<u>13,763,582</u>	<u>-</u>	<u>13,763,582</u>
Total Long-term Liabilities	<u>37,711,037</u>	<u>-</u>	<u>37,711,037</u>
Total Liabilities	<u>42,542,185</u>	<u>894</u>	<u>42,543,079</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Special assessments	229,401	-	229,401
Unamortized deferred gain on refunding	195,815	-	195,815
Leases	140,273	936,644	1,076,917
Non-Uniformed Pension related	500,459	-	500,459
OPEB related	<u>4,261,937</u>	<u>-</u>	<u>4,261,937</u>
Total Deferred Inflows of Resources	<u>5,327,885</u>	<u>936,644</u>	<u>6,264,529</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	41,625,133	4,440,133	46,065,266
Restricted for:			
Street lighting	629,671	-	629,671
Road machinery	505,025	-	505,025
Fire and ambulance	1,696,654	-	1,696,654
Police	-	-	-
Streets and highway	1,493,401	-	1,493,401
Debt service	510,153	-	510,153
Unrestricted	<u>30,180,957</u>	<u>647,230</u>	<u>30,828,187</u>
Total Net Position	<u>76,640,994</u>	<u>5,087,363</u>	<u>81,728,357</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 124,511,064</u>	<u>\$ 6,024,901</u>	<u>\$ 130,535,965</u>

The notes to the financial statements are an integral part of this statement.

## TOWNSHIP OF MIDDLETOWN

### STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2024

	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total		
					Governmental Activities	Business-Type Activities			
<b>Primary Government</b>									
Governmental Activities:									
General government	\$ 2,532,167	\$ 1,204,798	\$ 810,035	\$ 1,056,394	\$ 539,060	\$ -	\$ 539,060		
Public safety	21,945,341	2,793,763	517,122	245,605	(18,388,851)	-	(18,388,851)		
Public works	12,109,886	4,945,143	1,431,081	128,090	(5,605,572)	-	(5,605,572)		
Parks and recreation	3,042,716	668,880	14,467	-	(2,359,369)	-	(2,359,369)		
Miscellaneous	1,362,632	-	-	-	(1,362,632)	-	(1,362,632)		
Debt service interest	226,842	-	-	-	(226,842)	-	(226,842)		
Unallocated depreciation expense	<u>958,602</u>	-	-	-	<u>(958,602)</u>	-	<u>(958,602)</u>		
Total Governmental Activities	<u>42,178,186</u>	<u>9,612,584</u>	<u>2,772,705</u>	<u>1,430,089</u>	<u>(28,362,808)</u>	-	<u>(28,362,808)</u>		
Business-Type Activities									
Country club	32,917	43,439	-	-	-	10,522	10,522		
Farm fund	<u>23,198</u>	<u>64,521</u>	-	-	-	<u>41,323</u>	<u>41,323</u>		
Total Business-Type Activities	<u>56,115</u>	<u>107,960</u>	-	-	-	<u>51,845</u>	<u>51,845</u>		
Total Primary Government	<u>\$ 42,234,301</u>	<u>\$ 9,720,544</u>	<u>\$ 2,772,705</u>	<u>\$ 1,430,089</u>	<u>(28,362,808)</u>	<u>51,845</u>	<u>(28,310,963)</u>		
General Revenues									
Property taxes, levied for general purposes				9,971,903	-	9,971,903			
Earned income tax				9,702,603	-	9,702,603			
Amusement tax				1,137,710	-	1,137,710			
Local services taxes				986,325	-	986,325			
Mercantile tax				992,682	-	992,682			
Real estate transfer tax				1,658,436	-	1,658,436			
Parking transaction fee				317,592	-	317,592			
Other taxes				185,303	-	185,303			
Investment income and rents				3,240,948	68,664	3,309,612			
Miscellaneous revenues				<u>45,897</u>	-	<u>45,897</u>			
Total General Revenues and Transfers				<u>28,239,399</u>	<u>68,664</u>	<u>28,308,063</u>			
Change in Net Position									
Net Position-Beginning				(123,409)	120,509	(2,900)			
Adjustment-Compensated Absences				<u>79,089,728</u>	<u>4,966,854</u>	<u>84,056,582</u>			
Net Postion-Beginning, as Adjusted				<u>(2,325,325)</u>	-	<u>(2,325,325)</u>			
Net Position-Ending				<u>76,764,403</u>	<u>4,966,854</u>	<u>81,731,257</u>			
				<u>\$ 76,640,994</u>	<u>\$ 5,087,363</u>	<u>\$ 84,053,682</u>			

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF MIDDLETOWN

BALANCE SHEET -  
GOVERNMENTAL FUNDS

December 31, 2024

	General	Investment Fund	Capital Reserve	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 10,651,398	\$ 4,237,041	\$ 3,950,603	\$ 5,240,002	\$ 24,079,044
Investments	-	35,647,982	-	-	35,647,982
Other receivables	1,000,090	236,047	-	548	1,236,685
Leases receivable	290,502	-	-	-	290,502
Deposit	-	241,179	-	-	241,179
Due from other funds	-	-	-	2,222	2,222
Due from other governments	-	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 11,941,990</u></b>	<b><u>\$ 40,362,249</u></b>	<b><u>\$ 3,950,603</u></b>	<b><u>\$ 5,242,772</u></b>	<b><u>\$ 61,497,614</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,220,732	\$ -	\$ 32,700	\$ 66,676	\$ 1,320,108
Accrued salaries and benefits	242,930	-	-	25,087	268,017
Deposits and refunds	119,533	199,904	-	-	319,437
Due to other funds	-	-	-	2,222	2,222
Due to other governments	27,027	64,236	-	-	91,263
<b>Total Liabilities</b>	<b><u>1,610,222</u></b>	<b><u>264,140</u></b>	<b><u>32,700</u></b>	<b><u>93,985</u></b>	<b><u>2,001,047</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Leases	140,273	-	-	-	140,273
Unavailable revenue - special assessments	227,056	-	-	2,345	229,401
<b>Total Deferred Inflows of Resources</b>	<b><u>367,329</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,345</u></b>	<b><u>369,674</u></b>
<b>FUND BALANCES</b>					
Nonspendable:					
Leases	150,229	-	-	-	150,229
Restricted:					
Street lighting	-	-	-	629,671	629,671
Road machinery	-	-	-	505,025	505,025
Fire and ambulance	-	-	-	1,696,654	1,696,654
Streets and highways	-	-	-	1,493,401	1,493,401
Debt service	-	-	-	510,153	510,153
Committed:					
Culture and recreation	-	-	-	305,316	305,316
Other post employment benefits	419,032	-	-	-	419,032
Assigned:					
Operations	-	98,109	-	-	98,109
Emergency reserve	-	40,000,000	-	-	40,000,000
Capital projects	-	-	3,917,903	6,222	3,924,125
Subsequent year's budget appropriation	7,532,650	-	-	-	7,532,650
Unassigned	1,862,528	-	-	-	1,862,528
<b>Total Fund Balances</b>	<b><u>9,964,439</u></b>	<b><u>40,098,109</u></b>	<b><u>3,917,903</u></b>	<b><u>5,146,442</u></b>	<b><u>59,126,893</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 11,941,990</u></b>	<b><u>\$ 40,362,249</u></b>	<b><u>\$ 3,950,603</u></b>	<b><u>\$ 5,242,772</u></b>	<b><u>\$ 61,497,614</u></b>

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF MIDDLETOWN

RECONCILIATION OF THE BALANCE SHEET FOR GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION

December 31, 2024

TOTAL GOVERNMENTAL FUND BALANCES	\$ 59,126,893
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Capital assets used in governmental activities are not financial resources and, therefore, are reported in the funds.

Cost of capital assets	\$ 145,241,734
Accumulated depreciation	<u>(91,005,743)</u>
	54,235,991

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred revenues in the governmental funds, and thus are not included in fund balance.

Earned income tax receivables	<u>2,449,000</u>
	2,449,000

Deferred inflows and outflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflow of resources for Police Pension	2,986,677
Deferred outflow of resources for Non-Uniformed Pension	768,877
Deferred inflow of resources for Non-Uniformed Pension	(500,459)
Deferred inflow of resources for OPEB	<u>(1,686,810)</u>
	1,568,285

Long term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Those liabilities consist of the following:

Accrued interest on bonds	(211,435)
Bonds, notes, and leases payable	(11,112,915)
Unamortized bond premiums	(1,302,128)
Unamortized deferred gain on refunding	(195,815)
Compensated absences	(4,851,367)
Net pension liability	(9,301,933)
Other post employment benefits liability	<u>(13,763,582)</u>
	(40,739,175)

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 76,640,994</u>
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The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF MIDDLETOWN

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2024

Revenues	General	Investment Fund	Capital Reserve	Other Governmental Funds	Total Governmental Funds
Taxes:					
Property	\$ 3,903,693	\$ -	\$ -	\$ 6,138,074	\$ 10,041,767
Earned income	9,843,603	-	-	-	9,843,603
Amusement	1,137,710	-	-	-	1,137,710
Local service	986,325	-	-	-	986,325
Mercantile	992,682	-	-	-	992,682
Real estate transfer	1,658,436	-	-	-	1,658,436
Parking transaction	317,592	-	-	-	317,592
Per Capita	138,403	-	-	-	138,403
Mechanical devices	46,900	-	-	-	46,900
Fees, licenses and permits	948,949	-	-	-	948,949
Fines and forfeitures	116,466	-	-	-	116,466
Investment income and rent	1,055,675	1,740,440	165,758	264,597	3,226,470
Intergovernmental revenues	1,089,843	-	1,325,579	1,628,395	4,043,817
Charges for services	7,808,425	-	-	668,880	8,477,305
Contributions private sources	40,000	-	-	14,467	54,467
Other	45,897	-	104,510	-	150,407
Total Revenues	<u>30,130,599</u>	<u>1,740,440</u>	<u>1,595,847</u>	<u>8,714,413</u>	<u>42,181,299</u>
Expenditures					
Current:					
General government	3,084,008	41,253	-	-	3,125,261
Public safety	19,088,553	-	-	2,096,247	21,184,800
Public works	7,417,103	-	-	1,983,046	9,400,149
Parks and recreation	-	-	-	1,702,648	1,702,648
Miscellaneous	1,362,632	-	-	-	1,362,632
Debt service:					
Principal	-	-	-	2,269,673	2,269,673
Interest	-	-	-	550,085	550,085
Paid to fiscal agent	-	-	-	1,560	1,560
Capital outlay/development	-	-	5,323,199	-	5,323,199
Total Expenditures	<u>30,952,296</u>	<u>41,253</u>	<u>5,323,199</u>	<u>8,603,259</u>	<u>44,920,007</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>(821,697)</u>	<u>1,699,187</u>	<u>(3,727,352)</u>	<u>111,154</u>	<u>(2,738,708)</u>
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	905	-	14,477	-	15,382
Transfers in	40,116	-	2,400,000	689,500	3,129,616
Transfers out	(560,000)	(2,400,000)	-	(169,616)	(3,129,616)
Total Other Financing Sources (Uses)	<u>(518,979)</u>	<u>(2,400,000)</u>	<u>2,414,477</u>	<u>519,884</u>	<u>15,382</u>
Net Change in Fund Balance	(1,340,676)	(700,813)	(1,312,875)	631,038	(2,723,326)
Fund Balance - Beginning	<u>11,305,115</u>	<u>40,798,922</u>	<u>5,230,778</u>	<u>4,515,404</u>	<u>61,850,219</u>
Fund Balance - Ending	<u>\$ 9,964,439</u>	<u>\$ 40,098,109</u>	<u>\$ 3,917,903</u>	<u>\$ 5,146,442</u>	<u>\$ 59,126,893</u>

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF MIDDLETOWN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2024

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (2,723,326)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 4,954,963
Depreciation expense	<u>(4,389,214)</u>
	565,749

The effect of sale of capital assets is to decrease Net Position	(905)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(141,000)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of premiums, discounts, and losses	382,295
Repayment of debt	<u>2,269,674</u>
	2,651,969

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

Compensated absences	(104,588)
Net pension liability and deferred items	662,592
Other post employment benefits liability	(976,407)
Interest expense	<u>(57,493)</u>
	(475,896)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u>(123,409)</u>
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The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF MIDDLETOWN

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended December 31, 2024

	GENERAL FUND		
	Original and Final Budget	ACTUAL	Variance with Final Budget
Revenues			
Taxes			
Property	\$ 3,883,000	\$ 3,903,693	\$ 20,693
Earned income	9,600,000	9,843,603	243,603
Amusement	1,500,000	1,137,710	(362,290)
Local service	1,020,000	986,325	(33,675)
Mercantile	1,175,000	992,682	(182,318)
Real estate transfer	1,300,000	1,658,436	358,436
Parking transaction	280,000	317,592	37,592
Per Capita	142,000	138,403	(3,597)
Mechanical devices	45,000	46,900	1,900
Fees, licenses and permits	979,000	948,949	(30,051)
Investment income and rent	686,000	1,055,675	369,675
Intergovernmental revenues	1,019,216	1,089,843	70,627
Fines and forfeitures	96,000	116,466	20,466
Charges for services	8,002,500	7,808,425	(194,075)
Contributions private sources	1,000	40,000	39,000
Other	1,000	45,897	44,897
Total Revenues	<u>29,729,716</u>	<u>30,130,599</u>	<u>400,883</u>
Expenditures			
Current:			
General government	3,021,600	3,084,008	(62,408)
Public safety	19,458,091	19,088,553	369,538
Public works	7,443,656	7,417,103	26,553
Miscellaneous	1,424,338	<u>1,362,632</u>	<u>61,706</u>
Total Expenditures	<u>31,347,685</u>	<u>30,952,296</u>	<u>395,389</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,617,969)</u>	<u>(821,697)</u>	<u>796,272</u>
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	5,000	905	(4,095)
Transfers in	-	40,116	40,116
Transfers out	<u>(560,000)</u>	<u>(560,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(555,000)</u>	<u>(518,979)</u>	<u>36,021</u>
Net Change in Fund Balance	(2,172,969)	(1,340,676)	832,293
Fund Balance - Beginning	11,305,115	11,305,115	-
Fund Balance - Ending	<u>\$ 9,132,146</u>	<u>\$ 9,964,439</u>	<u>\$ 832,293</u>

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF MIDDLETOWN

INVESTMENT FUND

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended December 31, 2024

	<u>INVESTMENT FUND</u>		
	<u>Original and Final Budget</u>	<u>ACTUAL</u>	<u>Variance with Final Budget</u>
Revenues			
Investment income and rent	\$ 901,000	\$ 1,740,440	\$ 839,440
Total Revenues	<u>901,000</u>	<u>1,740,440</u>	<u>839,440</u>
Expenditures			
Current:			
General government	46,500	41,253	5,247
Total Expenditures	<u>46,500</u>	<u>41,253</u>	<u>5,247</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>854,500</u>	<u>1,699,187</u>	<u>844,687</u>
Other Financing Sources (Uses)			
Transfers out	-	(2,400,000)	(2,400,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(2,400,000)</u>	<u>(2,400,000)</u>
Net Change in Fund Balance	854,500	(700,813)	(1,555,313)
Fund Balance - Beginning	40,798,922	40,798,922	-
Fund Balance - Ending	<u>\$ 41,653,422</u>	<u>\$ 40,098,109</u>	<u>\$ (1,555,313)</u>

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF MIDDLETOWN

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

December 31, 2024

	Country Club	Farm Fund	Total
<b>ASSETS</b>			
Current Assets			
Cash	\$ 316,033	\$ 152,558	\$ 468,591
Accounts receivable	-	3,939	3,939
Other assets	25,000	-	25,000
Lease receivable	-	24,752	24,752
Total Current Assets	<u>341,033</u>	<u>181,249</u>	<u>522,282</u>
Non-Current Assets			
Lease receivable, non-current	-	1,062,486	1,062,486
Capital Assets (net of accumulated depreciation)			
Land	1,155,000	2,200,000	3,355,000
Capital assets subject to depreciation	2,507,920	540,143	3,048,063
Accumulated depreciation	<u>(1,807,748)</u>	<u>(155,182)</u>	<u>(1,962,930)</u>
Total capital assets (net)	<u>1,855,172</u>	<u>2,584,961</u>	<u>4,440,133</u>
Total Non-Current Assets	<u>1,855,172</u>	<u>3,647,447</u>	<u>5,502,619</u>
Total Assets	<u>\$ 2,196,205</u>	<u>\$ 3,828,696</u>	<u>\$ 6,024,901</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ -	\$ 894	\$ 894
Total Liabilities	<u>-</u>	<u>894</u>	<u>894</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases	-	936,644	936,644
Total deferred inflows of resources	<u>-</u>	<u>936,644</u>	<u>936,644</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,855,172	2,584,961	4,440,133
Unrestricted	<u>341,033</u>	<u>306,197</u>	<u>647,230</u>
Total Net Position	<u>2,196,205</u>	<u>2,891,158</u>	<u>5,087,363</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 2,196,205</u>	<u>\$ 3,828,696</u>	<u>\$ 6,024,901</u>

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF MIDDLETOWN

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS

For the Year Ended December 31, 2024

	Country Club	Farm Fund	Total
Operating Revenues			
Charges for services			
Licensing fees	\$ 43,439	\$ 56,121	\$ 99,560
Rent	-	8,400	8,400
Total Operating Revenues	<u>43,439</u>	<u>64,521</u>	<u>107,960</u>
Operating Expenses			
Park and recreation	-	7,859	7,859
Depreciation	<u>32,917</u>	<u>15,339</u>	<u>48,256</u>
Total Operating Expenses	<u>32,917</u>	<u>23,198</u>	<u>56,115</u>
Operating Income (Loss)	<u>10,522</u>	<u>41,323</u>	<u>51,845</u>
Nonoperating Revenues (Expense)			
Interest income	<u>10,916</u>	<u>57,748</u>	<u>68,664</u>
Total Nonoperating Revenues (Expense)	<u>10,916</u>	<u>57,748</u>	<u>68,664</u>
Changes in Net Position	21,438	99,071	120,509
Total Net Position - Beginning	<u>2,174,767</u>	<u>2,792,087</u>	<u>4,966,854</u>
Total Net Position - Ending	<u>\$ 2,196,205</u>	<u>\$ 2,891,158</u>	<u>\$ 5,087,363</u>

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF MIDDLETOWN

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended December 31, 2024

	Proprietary Fund Types		
	Country Club	Farm Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 43,439	\$ 24,772	\$ 68,211
Cash paid to suppliers	-	(8,312)	(8,312)
Net cash provided by (used in) operating activities	<u>43,439</u>	<u>16,460</u>	<u>59,899</u>
Cash flows from investing activities			
Earnings on investments	<u>10,915</u>	<u>57,748</u>	<u>68,663</u>
Net cash provided by (used in) investing activities	<u>10,915</u>	<u>57,748</u>	<u>68,663</u>
Net increase (decrease) in cash and cash equivalents	54,354	74,208	128,562
Beginning cash and cash equivalents	<u>261,679</u>	<u>78,350</u>	<u>340,029</u>
Ending cash and cash equivalents	<u>\$ 316,033</u>	<u>\$ 152,558</u>	<u>\$ 468,591</u>

**Reconciliation of Net Operating Income (Loss)  
to Net Cash Provided (Used) by Operating Activities**

Net operating income (loss)	<u>\$ 10,522</u>	<u>\$ 41,323</u>	<u>\$ 51,845</u>
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities			
Depreciation	32,917	15,339	48,256
Changes in assets and liabilities			
(Increase) decrease in accounts receivable	-	(1,313)	(1,313)
(Increase) decrease in lease receivable	-	17,685	17,685
Increase (decrease) in payables	-	(453)	(453)
Increase (decrease) in deferred leases	-	(56,121)	(56,121)
Net adjustments	<u>32,917</u>	<u>(24,863)</u>	<u>8,054</u>
Cash provided (used) by operating activities	<u>\$ 43,439</u>	<u>\$ 16,460</u>	<u>\$ 59,899</u>

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF MIDDLETOWN

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

December 31, 2024

	Pension Trust Funds	Custodial Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,225,352	\$ 3,203,854
Prepaid expenses	426,168	-
Receivables:		
Accrued interest	379,319	-
Investments, at fair value:		
U.S. government obligations	11,371,636	-
Government sponsored mortgages	3,665,408	-
Corporate obligations	6,590,908	-
Municipal obligations	7,471,571	-
Asset backed and mortgages	735,402	-
Mutual funds-equity	5,728,808	-
Mutual funds-international equity	263,766	-
Mutual funds-debt	1,037,035	-
Stock equities	31,068,918	-
International stock	1,963,634	-
Real estate securities	26,155	-
Total investments	<u>69,923,241</u>	<u>-</u>
Total Assets	<u>\$ 75,954,080</u>	<u>\$ 3,203,854</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 75,682	\$ 102,649
Total Liabilities	<u>75,682</u>	<u>102,649</u>
<b>NET POSITION</b>		
Net Position - Restricted for:		
Pension benefits	75,878,398	-
Custodial Funds	-	3,101,205
Total Net Position	<u>\$ 75,878,398</u>	<u>\$ 3,101,205</u>

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF MIDDLETOWN

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

For the Year Ended December 31, 2024

	Pension Trust Funds	Custodial Funds
<b>Additions</b>		
Contributions		
Employee contributions	\$ 667,777	\$ -
Employer contributions	2,774,382	-
State aid	899,692	-
Escrow receipts	-	1,306,805
Total Contributions	<u>4,341,851</u>	<u>1,306,805</u>
 Investment Income		
Net appreciation (depreciation) in fair value of investments	4,220,792	-
Interest and dividend income	<u>2,101,831</u>	<u>-</u>
Total investment earnings	6,322,623	-
Less investment expense	<u>(214,354)</u>	<u>-</u>
Net Investment Income	<u>6,108,269</u>	<u>-</u>
 Total Additions	<u>10,450,120</u>	<u>1,306,805</u>
 Deductions		
Benefits	4,187,885	-
Administrative expenses	35,250	-
Escrow disbursements	-	2,035,638
Total Deductions	<u>4,223,135</u>	<u>2,035,638</u>
 Change in Net Position	6,226,985	(728,833)
 Net Position - Restricted for Pension Benefits and Custodial Funds:		
Beginning of Year	69,651,413	3,830,038
End of Year	<u>\$ 75,878,398</u>	<u>\$ 3,101,205</u>

The notes to the financial statements are an integral part of this statement.

## TOWNSHIP OF MIDDLETOWN

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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

##### **Nature of Entity**

Middletown Township, County of Bucks, Commonwealth of Pennsylvania, (the "Township") was founded in 1692. The Township is a second-class township and is governed by an elected board of five supervisors and a board-appointed Township Manager. Middletown covers approximately 19.017 square miles in Lower Bucks County and has a population of 44,141, per the 2000 U.S. Census.

Middletown Township provides a full range of municipal services. These services include police protection, fire protection, park and recreation activities, highway maintenance and reconstruction operations, solid waste collection, and general administrative services. The major accounting principles and practices followed by the Township are presented to assist the reader in understanding the financial statements and accompanying notes to financial statements. The accounting principles and practices and format of the financial statements are presented in conformity with accounting principles generally accepted in the United States, as applicable to governmental units.

In evaluating the Township (the primary government) as a reporting entity, all potential component units that may or may not fall within the financial accountability of the Township have been addressed. Financial accountability is present if the Township appoints a voting majority of a component unit's governing body and has the ability to impose its will on the organization or if the organization is fiscally dependent on the Township. Based on the aforementioned criteria, there were no entities which were considered for inclusion in the reporting entity.

##### **Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges for services which report fees and other charges to users of the Township's services; (2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**A. Summary of Significant Accounting Policies (Continued)**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's proprietary functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Fund Financial Statements**

Fund financial statements are provided for governmental funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate column in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The financial statements of the Township are prepared in accordance with accounting principles generally accepted in the United States of America. The Township's reporting entity applies all relevant Governmental Accounting Standards Board ("GASB") pronouncements.

The government-wide statements report using the *economic resources measurement focus* and the *accrual basis of accounting* generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using the same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues, net of any uncollectible amounts, are recognized in the year for which they are levied while grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**A. Summary of Significant Accounting Policies (Continued)**

Governmental fund financial statements reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Township considers revenues to be available if they are collected within 30 days of the end of the fiscal year. Property taxes levied but collected beyond 30 days after year-end are recorded as deferred revenue to be recognized as revenue when the taxes are collected. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**Basis of Presentation - Fund Accounting and Measurement Focus**

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following is a description of the fund types used by the Township in the accompanying basic financial statements.

**Governmental Fund Types**

Governmental Funds are those through which the majority of governmental functions of the Township are financed. The acquisition, use and balances of the expendable financial resources and the related liabilities (except those accounted for in the Proprietary Funds) are accounted for through Governmental Funds. The government reports the following major governmental funds:

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

The *Investment Fund* is used to account for the revenue derived from the sale of the water and sewer operations, the principal investment from the proceeds of \$40,000,000 is assigned by the Board of Supervisors for use in a state of emergency.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**A. Summary of Significant Accounting Policies (Continued)**

The *Capital Reserve Fund* is maintained for anticipated capital expenditures. The monies accumulated in this fund are expended at the discretion of the Board of Supervisors for purposes involving the construction, purchase, lease to own, or replacement of or addition to municipal buildings, equipment, land, recreation facilities, parks, playgrounds, machinery, motor vehicles, infrastructure, or other capital assets or capital improvements. These expenditures are financed by the transportation and recreation impact fees paid by developers, as well as proceeds from the nonresidential building permit privilege tax.

*Special Revenue Funds* - These funds account for revenues derived from real estate taxes or other specific revenue sources, including state liquid fuels tax, federal and state grants, program fees and assessments that are legally restricted to expenditures for specific purposes. The Fund reported as major funds in this category is the Investment Fund. The remaining funds are classified as non-major funds in the balance sheet of governmental funds. Funds included in this category are:

General Street Lighting Fund	Fire Hydrant Fund
Fire Protection Fund	Fire Apparatus Fund
Parks and Recreation Fund	Police Forfeiture Fund
Ambulance and Rescue Squad	State Highway Aid Fund
Road Machinery Fund	

*Capital Projects Funds* - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds). The Funds reported as major funds in this category are the Community Development Fund and the Capital Reserve Fund. The remaining funds are classified as non-major funds in the balance sheet of governmental funds. Funds included in this category are:

Curb/Road Revolving Fund	Contingency Fund
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*Debt Service Fund* - This fund is used to account for the accumulation of resources for the payment of principal and interest on certain long-term and short-term debt. The principal source of revenue is real estate taxes.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**A. Summary of Significant Accounting Policies (Continued)**

**Proprietary Fund Types**

*Enterprise Funds* - These funds are used to account for operations: (a) that are financed and operated in a manner similar to private business where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, long-term debt obligation, management control, accountability or other purposes. The government reports the following major proprietary funds:

The *Country Club Fund* is used to account for the investment in assets and the revenue derived from the operations of the Middletown Country Club currently managed under license agreement with Agro Golf.

The *Farm Fund* is used to account for account for the investment in assets and the revenue derived from the operations of Styer's Farm and Styer's Store.

**Fiduciary Funds**

*Trust and Custodial Funds* - Are used to account for assets held by the Township in a trustee or agent capacity for individuals, private organizations, other governments and/or other funds.

*Pension Trust Funds* - These funds are used to account for resources required to be held in trust for the members and beneficiaries of the Township's defined benefit pension plans. Funds included in this category are:

Non-Uniformed Pension Plan  
Police Pension Plan

*Custodial Fund* - This fund is used to account for subdivision/land development, shade tree, water/sewer, and all other types of escrows held by the Township in a custodial capacity.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**A. Summary of Significant Accounting Policies (Continued)**

Major revenue sources susceptible to accrual include: Property taxes, interest earnings, special assessments, levies, intergovernmental revenues and charges for services. In general, other revenues are recognized when cash is received. In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the Township; therefore, revenues are recognized based upon the expenditures incurred. In the other, monies are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges for services, consisting of licensing fees and rent. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition classified as nonoperating in the financial statements.

When an expenditure occurs, and both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as needed.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental-activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental-activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**A. Summary of Significant Accounting Policies (Continued)**

**Budgetary Accounting Controls**

In accordance with provisions of Public Law of the Commonwealth of Pennsylvania, commonly known as the Second-Class Township Code, the Township prepares and adopts a budget on or before December 31 for the following calendar year for all funds. The Code requires that budgets be legally adopted for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds. The appropriated budgets are prepared by fund, function, and department. The legal level of budgetary control is at the fund level. There is no board approved budgets for the Police Forfeiture Fund, Curb/Road Revolving Fund, and the Contingency Fund.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Expenditures cannot legally exceed the appropriations established in the budget. All annual appropriations lapse at year-end and must be re-appropriated. In accordance with state regulations, the Board of Supervisors, by resolution, may make supplemental budgetary appropriations from additional revenues and/or unexpended funds appropriated but not spent in prior years and/or from budget transfers. During the year, the Township did not materially amend the budget in such a manner that would require disclosure.

The Township prepares a flexible budget for the Proprietary Funds. The flexible budget does not provide a basis for appropriations but rather serves as an approved plan that can facilitate budgetary control and operational evaluations.

*Excess of expenditures over appropriations:* For the year ended December 31, 2024, expenditures exceeded budget in the General Fund for general government by \$62,408. For the Investment Fund, transfers exceeded budget by \$2,400,000. The excess expenditures were funded by greater than anticipated revenues and fund balance.

**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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures expenses during the reporting period. Actual results could differ from those estimates.

**Cash Equivalents and Investments**

The Township considers all highly liquid investments with maturities of 90 days or less from the date of purchase to be cash equivalents. All investments of the Township are stated at fair value.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**A. Summary of Significant Accounting Policies (Continued)**

**Receivables**

Real estate tax receivables are recorded at face (original levy) and do not include penalty and interest. The taxes are recognized when levied to the extent that they are available as current assets. Real estate taxes are levied March 1. An elected tax collector bills and collects all real estate taxes and remits them to the Township. Taxes unpaid in the current year are liened January 15 of the succeeding year. Taxes are paid as follows: two percent (2%) discount, March 1 through April 30; face amount, May 1 through June 30; and a ten percent (10%) penalty thereafter. Millage rates approved in the 2024 budget:

	<u>Mills</u>
General	7.325
Street Lighting	0.788
Fire	1.920
Park and Recreation	1.920
Ambulance and Rescue	0.440
Debt Service	5.115
Fire Hydrant	0.137
Fire Apparatus	1.080
Road Machinery	<u>0.300</u>
	<u>19.025</u>

Assessment receivables for streetlights and solid waste collection are recognized when billed. The elected tax collector bills all current year assessments for streetlights and solid waste. The collection of all delinquent assessments is the responsibility of the Township. No discounts are given on assessments.

Accounts receivable includes all invoices owed by other governments, individuals and private enterprises for services rendered and/or materials supplied. Revenue is recognized when the invoice is prepared.

**Leases**

The Township is a lessor for various long-term noncancellable lease agreements. The Township recognizes leases receivable and deferred inflows of resources in the government-wide and fund financial statements.

At the commencement of a lease, the Township initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**A. Summary of Significant Accounting Policies (Continued)**

Key estimates and judgments include how the Township determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Township uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease plus any options to extend. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

Any variable payments received are based on direct monthly usage and are recognized as revenue when received.

The Township monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the leases receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the leases receivable.

**Capital Assets and Depreciation**

The Township's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The Township generally capitalizes assets with a cost of \$5,000 or more as purchases and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are generally as follows:

Land improvements	20 years
Buildings and building improvements	50 years
Machinery, furniture, and equipment	5-20 years
Infrastructure	15-50 years

**Accrued Salaries and Wages**

Accrued salaries and wages are recorded based on wages earned in the current year, paid in the next year, including related employee benefits.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**A. Summary of Significant Accounting Policies (Continued)**

**Long-Term Debt, Deferred Debt Expense and Bond Discounts/Premiums**

In the government-wide and proprietary financial statements, outstanding debt is reported as liabilities. Bond discounts or premiums are capitalized and amortized over the term of the respective bonds using the straight-line method. Bond issuance costs are expensed in the year of issue. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Compensated Absences**

It is the Township's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Non-Uniformed and DPW employees are granted 14 days and 17 days sick leave per year, respectively, with an accumulation of unused sick leave of 200 days. With 5 years' service, non-uniformed and DPW employees are paid for up to a maximum of 50 percent of their accumulated unused sick leave to a maximum of 30 days upon termination, or 65 days upon retirement. All police officers are entitled to 50 days severance pay at retirement with 10 years' service. Any liability is accrued in the government-wide and proprietary financial statements.

**Other Post-Employment Benefits ("OPEB") Other than Pensions**

The Township provides post-employment benefits other than pensions for police officers. A liability for the amount is reported in the government-wide financial statements based on an actuarial valuation.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**A. Summary of Significant Accounting Policies (Continued)**

**Net Position**

In the government-wide financial statements, net position is classified as follows:

**Net investment in capital assets** - This category groups all capital assets, including infrastructure, into one component of Net Position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance of this category.

	Governmental Activities	Business-Type Activities
Capital assets, net	\$ 54,235,991	\$ 4,440,133
Outstanding notes and bonds	(11,112,915)	-
Unamortized premium on debt	(1,338,325)	-
Unamortized discount on debt	36,197	-
Unamortized gain on refunding	(195,815)	-
<b>Total</b>	<b><u>\$ 41,625,133</u></b>	<b><u>\$ 4,440,133</u></b>

**Restricted net position** - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net position** - This category represents net position of the entity, not restricted for any project or other purpose.

**Fund Balance**

Governmental funds report fund balance in classifications based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

**Nonspendable Fund Balance** - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable, and leases receivable net of deferred inflows of resources.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**A. Summary of Significant Accounting Policies (Continued)**

**Restricted Fund Balance** - includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

**Committed Fund Balance** - includes amounts that can only be used for the specific purposes determined by a formal action of the Township's highest level of decision-making authority, the Board of Supervisors. Commitments may be changed or lifted only by the Township taking the same formal action that imposed the constraint originally (for example: resolution).

**Assigned Fund Balance** - includes amounts intended to be used by the Township for specific purposes but do not meet the criteria to be classified as committed. The governing body, the Board of Supervisors, has by resolution authorized the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The Township, by Board Resolution, has created a fund balance policy which requires that a minimum of three months or 25% of the most recent Fiscal Year total revenue be held in the General Fund and that the Investment Fund principal of \$40,000,000 be held in reserve and is not available for normal expenditure in annual budgets or to supplement normal and ordinary budgetary operational and capital expenditures.

**Unassigned Fund Balance** - this residual classification is used for all negative fund balances in Special Revenue, Capital Projects, and Debt Service funds; or any residual amounts in the General Fund. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned. In all cases, encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

**Interfund Transfers**

In connection with its operations, the Township affects a variety of transactions among funds to finance operations. The basic financial statements reflect such transactions as transfers, both in the fund receiving the subsidy as revenue and the fund paying the subsidy as an expenditure.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**A. Summary of Significant Accounting Policies (Continued)**

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net asset that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Township has the following items that qualify for reporting in these categories:

1. *Differences between expected and actual experience on pension plan and OPEB liability* are reported in the government-wide statement. A difference results when actual economic or demographic factors differ from expected results. These amounts are deferred and recognized in the period that the amounts become available.
2. *Change in assumptions* is reported in the government-wide statement of net position. A net difference results when actuarial assumptions are changed. This amount is deferred and amortized over a five-year period.
3. *Net difference between projected and actual earnings on investments* is reported in the government-wide statement of net position. A net difference results from the actual earnings in the plan either exceeding or falling short of projected earnings. This amount is deferred and amortized over a five-year period.
4. *Deferred revenue - special assessments* is reported in the government-wide statement. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
5. *Unavailable revenue - intergovernmental revenues, Unavailable revenue - special assessments* are reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**A. Summary of Significant Accounting Policies (Continued)**

**Deferred Outflows/Inflows of Resources (continued)**

6. *Unamortized deferred gain on refunding* is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
7. *Leases* is reported in the governmental funds, proprietary funds, and the government-wide statement of net position. A deferred balance results at the initiation of the lease in an amount equal to the initial recording of the lease receivable. A deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

**Subsequent Events**

Management has evaluated subsequent events that occurred after the balance sheet date but before the date the financial statements were available for release. No amounts were recorded or disclosed.

**Accounting Pronouncements**

In 2024, the Township adopted GASB Statement No. 100, Accounting Changes and Error Corrections, and GASB Statement No. 101, Compensated Absences. The Township reviewed the criteria and has recorded a prior period adjustment for compensated absences as follows for governmental activities. There was no change to governmental funds.

Government-wide <u>Statement</u>	
Net Position-Beginning	\$ 79,089,728
Adjustment-Compensated Absences	<u>(2,325,325)</u>
Net Postion-Beginning, as Adjusted	<u><u>\$ 76,764,403</u></u>

GASB has issued statements that will become effective in future years. Management has not yet determined the impact of these statements on the financial statements.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**B. Deposits and Investments**

Under Section 3204(d) of the Second-Class Township Code of the Commonwealth of Pennsylvania, the Township is authorized to invest its funds in the following:

- United States Treasury bills. Short-term obligations of the United States Government or its agencies or instrumentalities. Section 3204(d)(2).
- Deposits in savings accounts or time deposits, other than certificates of deposit, or share accounts of institutions insured by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, the Pennsylvania Deposit Insurance Corporation or the Pennsylvania Savings Association Insurance Corporation, or their successor agencies, to the extent that the accounts are so insured and, for any amounts above the insured maximum, if approved, collateral therefore, is pledged by the depository. Section 3204(d)(3).
- Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or of any political subdivision of the Commonwealth or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision. Section 3204(d)(4).
- Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, provided that the only investments of that company are in authorized investments for Township funds listed above. Section 3204(d)(5).
- Certificates of deposit purchased from institutions insured by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, the Pennsylvania Deposit Insurance Corporation, the Pennsylvania Savings Association Insurance Corporation or their successor agencies to the extent that such accounts are so insured; however, for any amounts above the insured maximum, such certificates of deposit shall be collateralized by a pledge or assignment of assets of the institution, and such collateral may include loans (including interest in pools of loans) secured by first mortgage liens on real property. Certificates of Deposit purchased from commercial banks shall be limited to an amount equal to twenty percent of a bank's total capital and surplus. Certificates of deposit purchased from savings and loan associations or savings banks shall be limited to an amount equal to twenty percent of an institution's assets minus liabilities. Section 3204(d)(6).
- Any investments authorized by 20 Pa.C.S. Ch.73 (relating to fiduciaries investments) are authorized investments for pension and retirement funds. Section 3204(d)(7). The board of supervisors may permit assets pledged as collateral under Subsection (d)(3) relating to deposits in savings accounts or time deposits, to be pooled in accordance with the Act of August 6, 1971 (P.L. 281, No. 72).

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**B. Deposits and Investments (Continued)**

*Fair Value Measurements* - The Township categorizes its fair value measurements within the 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 that include quoted prices for similar assets in active markets and inputs that are observable for the asset, either directly, or indirectly, for substantially the full term of the financial instrument. Fair values of these instruments are estimated using pricing models, quoted pricing models, quoted prices of securities with similar characteristics, or discounted cash flows; Level 3 inputs are significant unobservable inputs, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The Township has the following recurring fair value measurements as of December 31, 2024:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Maturity (Years)</u>
GOVERNMENTAL ACTIVITIES				
Externally Pooled Investments (PLGIT)	\$ 6,380,402	\$ -	\$ 6,380,402	0
U.S. Government Obligations	33,969,390	33,969,390	-	4.35
Foreign Obligations	699,058	699,058	-	0.06
Certificates of Deposit	<u>979,534</u>	<u>979,534</u>	-	0.05
	<u>\$ 42,028,384</u>	<u>\$ 35,647,982</u>	<u>\$ 6,380,402</u>	
FIDUCIARY FUNDS				
U.S. Government Obligations	\$ 11,371,636	\$ 11,371,636	\$ -	6.55
Government Sponsored Mortgages	3,665,408	3,665,408	-	17.30
Corporate Obligations	6,590,908	6,590,908	-	4.10
Municipal Obligations	7,471,571	7,471,571	-	10.9
Asset Backed and Mortgages	735,402	735,402	-	13.17
Mutual Funds-Equity	5,728,808	5,728,808	-	Not applicable
Mutual Funds-International Equity	263,766	263,766	-	Not applicable
Mutual Funds-Debt	1,037,035	1,037,035	-	Not applicable
Stock Equities	31,068,918	31,068,918	-	Not applicable
International Stock	1,963,634	1,963,634	-	Not applicable
Real Estate Securities	<u>26,155</u>	<u>26,155</u>	-	Not applicable
	<u>\$ 69,923,241</u>	<u>\$ 69,923,241</u>	<u>\$ -</u>	

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**B. Deposits and Investments (Continued)**

*Custodial Credit Risk-Deposits* - is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. For disclosure purposes, deposits include checking, savings, demand and time deposits, and money market accounts at financial institutions. As of December 31, 2024, the Township's bank balance was \$24,128,601. Of that balance, \$750,000 was covered by federal depository insurance and \$6,380,402 was invested in externally pooled investments not subject to credit risk. Any balances exceeding depository insurance and investment in risk pools, are exposed to custodial credit risk because the deposits are uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the government's name.

*Investment Pool* - The Township has carrying deposits in external investment pools, held with PLGIT Bank and PA Treasury Invest. These deposits are considered cash equivalents because of their short maturity dates and are included in the carrying amount of deposits disclosed above. These deposits are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. The investment in the pool is the same as the value of the pool shares and is reported at amortized cost, which approximates fair value. Pool amounts are invested directly in a portfolio of securities, which are held by a third-party custodian. All investments in an external investment pool that is not SEC registered are subject to oversight by the Commonwealth of Pennsylvania. The Township can withdraw funds from the external investment pool without limitation or fees upon adequate notice. The investment pool was rated AAAm by Standard & Poor's and has average maturities of less than 30 days. The Investment Pool operates in accordance with appropriate state laws and regulations.

*Custodial Credit Risk-Investments* - For an investment, this is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The risk of default is eliminated due to the constraints imposed upon allowable investment instruments by the Township's investment policy and through state limitations as discussed above.

*Credit Risk* - is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The Township complies with the provisions of the Pennsylvania Second Class Township Code, 53 P.S. 68204 related to the types of investments permitted for Township funds. Also, the Township pre-qualifies the financial institutions, brokers/dealers, intermediaries and advisors with which the Township does business with related to investment decisions. The investment portfolio is diversified so that potential losses on individual securities will be minimized.

## TOWNSHIP OF MIDDLETOWN

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

#### **B. Deposits and Investments (Continued)**

The ratings for investments are as follows:

GOVERNMENTAL ACTIVITIES	<u>Fair Value</u>	<u>S&amp;P Rating</u>		<u>Moody's Rating</u>	
		AAAm	Aaa-A3	Baa1-B3	Not rated
Externally Pooled Investments (PLGIT)	\$ 6,380,402	\$ 6,380,402	\$ -	\$ -	\$ -
U.S. Government Obligations	33,969,390	-	17,838,618	-	16,130,772
Foreign Obligations	699,058	-	699,058	-	-
	<u>\$ 41,048,850</u>	<u>\$ 6,380,402</u>	<u>\$ 18,537,676</u>	<u>\$ -</u>	<u>\$ 16,130,772</u>
FIDUCIARY FUNDS					
Corporate Obligations	\$ 6,590,908	\$ -	\$ 3,592,097	\$ 2,616,487	\$ 382,324
Municipal Obligations	7,471,571	-	6,694,871	-	776,700
Asset Backed and Mortgages	735,402	-	-	-	735,402
	<u>\$ 14,797,881</u>	<u>\$ -</u>	<u>\$ 10,286,968</u>	<u>\$ 2,616,487</u>	<u>\$ 1,894,426</u>

*Concentration of Credit Risk* - Is the concentration of investments in anyone single user of debt securities presents a greater risk for loss in the event the issuer fails on its obligations. The Township's policy is to diversify the investment portfolio by security type and institution. No more than 50% of the Township's total investment portfolio managed by one investment manager will be invested in a single security type or with a single financial institution with the exception of US. Treasury Securities and authorized pools. At December 31, 2024, the Township had five bond investments that individually each exceeded 5% of total investments.

*Foreign Current Risk* - All investments are denominated in U.S. dollars.

*Interest Rate Risk* - Is the risk that changes in interest rates will adversely affect an investment's value. In accordance with its investment policy, the Township invests operating funds primarily in short-term securities, money market mutual funds or similar investments. Also, the Township structures its investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The weighted average maturities are disclosed in the chart on the previous page.

#### ***Custodial cash deposits and investments***

The Township acts in a custodial capacity with respect to monies deposited with it by developers and others. These monies are held by the Township and used to pay legal, engineering, and other fees incurred on behalf of a specific project. Any unused deposits are returned to the developer upon completion of the project, except for an administrative handling fee. None of the monies received from or expended on behalf of the developers are recorded in the revenues or expenses of the Township. At December 31, 2024, \$3,203,854 represents the balance of these monies held in escrow.

## TOWNSHIP OF MIDDLETOWN

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

#### **C. Receivables**

Amounts are aggregated into a single account receivable line for certain funds and aggregated columns. Below is the detail of receivables as of year-end for the government's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Investment Fund	Farm Fund	Pension Trust Funds	Nonmajor and Other Funds	Total
<b>Receivables:</b>						
Taxes receivable	\$ 666,995	\$ -	\$ -	\$ -	\$ -	\$ 666,995
Special assessment	45,313	-	-	-	-	45,313
Accounts receivable	287,782	-	3,939	-	548	292,269
Leases receivable	290,502	-	1,087,238	-	-	1,377,740
Accrued interest	-	236,047	-	379,319	-	615,366
<b>Total Receivables</b>	<b>\$ 1,290,592</b>	<b>\$ 236,047</b>	<b>\$ 1,091,177</b>	<b>\$ 379,319</b>	<b>\$ 548</b>	<b>\$ 2,997,683</b>

#### **D. Leases**

The Township has entered in to various lease agreements for cell tower property rentals. Under these agreements, the Township receives minimum monthly payments. Only one of the lease agreements is noncancelable, which includes annual payments of \$22,800 for a period of five years. The noncancelable lease has four options for an extension period of an additional 5 years each through 2041. There were no variable payments due or received. As of December 31, 2024, the lease receivable for the noncancelable portion and additional options was \$290,502 and the deferred inflows of resources associated with this lease that will be recognized as revenue over the lease term was \$140,273.

The Township entered in to lease agreements for both Styer's Orchard and Styer's Store. Under these noncancelable lease agreements, the Township receives \$10,800 annually for a period of ten years for the Orchard and \$4,000, increasing to \$4,500, monthly for a period of ten years for the Store. The leases have two options for an extension period of an additional 5 years each through 2041. There were no variable payments due or received. As of December 31, 2024, the lease receivable for the noncancelable portion and additional options was \$1,087,238 and the deferred inflows of resources associated with these leases that will be recognized as revenue over the lease terms was \$936,644.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**D. Leases (Continued)**

The Township entered into a lease agreement with an independent management company, Agro Golf Corporation, to operate the property which is known as the Middletown Country Club through December 31, 2024, with an option to extend through 2028. The terms of the agreement state that the Township receives 2% of total gross receipts over \$1,500,000 but not to exceed \$3,000,000 and 4% of total gross receipts over \$3,000,000. The Township maintains a fund (Proprietary Fund Type: Country Club Fund) that records the general capital assets acquired at the time of purchase and the revenues generated from the lease agreement. Revenue generated from this lease has been designated to pay for capital improvements and repairs. The management company is solely responsible for the day-to-day operations of the Country Club and exclusively responsible for administration of its fiscal affairs.

For the year ended December 31, 2024, the principal and interest received on long-term noncancellable leases was as follows:

Year Ending December 31	Governmental Activities		Business-Type Activities		Total	
	Lease		Lease		Lease	
	Revenue	Interest	Revenue	Interest	Revenue	Interest
2024	\$ 24,372	\$ 15,026	\$ 17,685	\$ 54,115	\$ 42,057	\$ 69,141

Amounts receivable are as follows:

Year Ending December 31	Governmental Activities		Business-Type Activities		Total	
	Lease		Lease		Lease	
	Revenue	Interest	Revenue	Interest	Revenue	Interest
2025	\$ 25,619	\$ 13,779	\$ 24,752	\$ 53,047	\$ 50,371	\$ 66,826
2026	26,930	12,468	31,537	51,623	58,467	64,091
2027	28,308	11,091	40,676	49,685	68,984	60,776
2028	37,852	9,426	43,121	47,610	80,973	57,036
2029	39,789	7,489	47,230	45,355	87,019	52,844
2030-2034	132,004	9,830	296,606	186,244	428,610	196,074
2035-2039	-	-	425,761	96,961	425,761	96,961
2040-2041	-	-	177,555	7,047	177,555	7,047
Total	<u>\$ 290,502</u>	<u>\$ 64,083</u>	<u>\$ 1,087,238</u>	<u>\$ 537,572</u>	<u>\$ 1,377,740</u>	<u>\$ 601,655</u>

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**E. Capital Assets**

Capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 8,327,435	\$ 295,614	\$ (7,363)	\$ 8,615,686
Construction in progress	5,215,115	1,185,342	(4,728,554)	1,671,903
Total capital assets, not being depreciated	<u>13,542,550</u>	<u>1,480,956</u>	<u>(4,735,917)</u>	<u>10,287,589</u>
Capital assets, being depreciated:				
Land improvements	7,970,858	1,443,582	(266,590)	9,147,850
Building and building improvements	21,141,928	3,540,559	(6,838)	24,675,649
Machinery and equipment	15,975,225	3,254,007	(1,965,885)	17,263,347
Infrastructure	83,469,553	606,079	(208,333)	83,867,299
Total capital assets being depreciated	<u>128,557,564</u>	<u>8,844,227</u>	<u>(2,447,646)</u>	<u>134,954,145</u>
Less accumulated depreciation for:				
Land improvements	5,666,520	283,271	(102,734)	5,847,057
Building and building improvements	9,231,200	479,275	(6,838)	9,703,637
Machinery and equipment	12,319,245	1,273,970	(1,494,533)	12,098,682
Infrastructure	61,212,002	2,352,698	(208,333)	63,356,367
Total accumulated depreciation	<u>88,428,967</u>	<u>4,389,214</u>	<u>(1,812,438)</u>	<u>91,005,743</u>
Total capital assets, being depreciated, net	<u>40,128,597</u>	<u>4,455,013</u>	<u>(635,208)</u>	<u>43,948,402</u>
Governmental activities capital assets, net	<u><u>\$ 53,671,147</u></u>	<u><u>\$ 5,935,969</u></u>	<u><u>\$ (5,371,125)</u></u>	<u><u>\$ 54,235,991</u></u>
 <b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 3,355,000	\$ -	\$ -	\$ 3,355,000
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>3,355,000</u>	<u>-</u>	<u>-</u>	<u>3,355,000</u>
Capital assets, being depreciated:				
Land improvements	655,382	-	(5,735)	649,647
Building and building improvements	1,847,378	-	-	1,847,378
Furniture and equipment	691,199	-	(140,162)	551,037
Total capital assets being depreciated	<u>3,193,959</u>	<u>-</u>	<u>(145,897)</u>	<u>3,048,062</u>
Less accumulated depreciation for:				
Land improvements	638,516	5,908	(5,735)	638,689
Building and building improvements	739,154	40,273	-	779,427
Furniture and equipment	682,900	2,075	(140,162)	544,813
Total accumulated depreciation	<u>2,060,570</u>	<u>48,256</u>	<u>(145,897)</u>	<u>1,962,929</u>
Total capital assets, being depreciated, net	<u>1,133,389</u>	<u>(48,256)</u>	<u>-</u>	<u>1,085,133</u>
Business-type activities capital assets, net	<u><u>\$ 4,488,389</u></u>	<u><u>\$ (48,256)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,440,133</u></u>

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**E. Capital Assets (Continued)**

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

Governmental activities:	
General government	\$ 375,068
Public safety	565,525
Public works	1,257,678
Parks and recreation	<u>1,232,341</u>
Subtotal	3,430,612
Unallocated expense	<u>958,602</u>
Total depreciation expense-governmental activities	<u>\$ 4,389,214</u>
Business-type activities:	
Country club	\$ 32,917
Farm fund	<u>15,339</u>
Total depreciation expense-business-type activities	<u>\$ 48,256</u>

**F. Bond and Other Long-Term Debt**

*General Obligation Bonds, Series 2021*

In 2021, Middletown Township issued General Obligation ("G.O.") bonds in the amount of \$6,260,000 to advance refund the Township's G.O. bond Series 2016, and to pay the costs of issuing the bonds. Upon issuance of the bonds, a portion of the proceeds were irrevocably deposited an escrow account with the fiscal agent in an amount sufficient to redeem the 2016 bond series. The refunding resulted in a gain of defeasance of \$290,113, a cash flow change of (\$14,150), and an economic present value loss of (\$12,878). The bonded debt is comprised of serially numbered bonds. Interest is payable February 15 and August 15 until maturity. The interest rate is 5%. Principal and interest payments will be made until maturity in 2027 as follows:

Year Ending	Principal	Interest	Total
December 31			
2025	\$ 1,465,000	\$ 225,250	\$ 1,690,250
2026	1,825,000	152,000	1,977,000
2027	<u>1,215,000</u>	<u>60,750</u>	<u>1,275,750</u>
Total	<u>\$ 4,505,000</u>	<u>\$ 438,000</u>	<u>\$ 4,943,000</u>

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**F. Bond and Other Long-Term Debt (Continued)**

*General Obligation Bonds, Series 2020*

In 2020, Middletown Township issued General Obligation ("G.O.") bonds in the amount of \$13,895,000 to advance refund the Township's G.O. bond Series 2012 and 2014, to pay for capital projects, and to pay the costs of issuing the bonds. Upon issuance of the bonds, a portion of the proceeds were irrevocably deposited in an escrow account with the fiscal agent in an amount sufficient to redeem the 2012 and 2014 bond series. The bonded debt is comprised of serially numbered bonds. Interest is payable April 15 and October 15 until maturity. Interest rates range from 2.00% to 5.00%. Principal and interest payments will be made until maturity in 2029 as follows:

Year Ending December 31	Principal	Interest	Total
2025	\$ 795,000	\$ 202,350	\$ 997,350
2026	550,000	162,600	712,600
2027	1,280,000	135,100	1,415,100
2028	2,615,000	71,100	2,686,100
2029	940,000	18,800	958,800
Total	<u>\$ 6,180,000</u>	<u>\$ 589,950</u>	<u>\$ 6,769,950</u>

*Defeased Debt*

The Township has prior series bonds which are considered to be defeased, since all future debt service payments on these bonds will be paid from an irrevocable trust by an escrow agent. The trust invests exclusively in government securities. At December 31, 2024, the balance outstanding for the General Obligation Bond, Series 2011, 2012, 2014 and 2016 that was advanced refunded and defeased was \$9,780,000.

## TOWNSHIP OF MIDDLETOWN

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

#### **F. Bond and Other Long-Term Debt (Continued)**

##### *LED Note*

In 2018, Middletown Township obtained a \$1,306,448 draw-down note to purchase LED street lights for the Township. In 2021, an additional \$189,800 was drawn down. The note is payable in monthly installments based on a twelve-year repayment schedule, with interest of 2.6%. A schedule of the Township's debt service requirements are as follows:

	Year Ending			
	<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2025	\$ 118,319	\$ 11,089	\$ 129,408
	2026	121,857	7,551	129,408
	2027	125,501	3,532	129,033
	2028	62,238	3,281	65,519
	<b>Total</b>	<b><u>\$ 427,915</u></b>	<b><u>\$ 25,453</u></b>	<b><u>\$ 453,368</u></b>

##### *Long-Term Liabilities Summary*

The following is a summary of the Township's long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable					
G.O. Bonds 2020	\$ 7,840,000	\$ -	\$ (1,660,000)	\$ 6,180,000	\$ 1,465,000
G.O. Bonds 2021	<u>5,000,000</u>	<u>-</u>	<u>(495,000)</u>	<u>4,505,000</u>	<u>795,000</u>
Subtotal	12,840,000	-	(2,155,000)	10,685,000	2,260,000
Deferred amounts:					
For issuance premiums	1,672,118	-	(333,793)	1,338,325	-
For issuance discount	<u>(43,436)</u>	<u>-</u>	<u>7,239</u>	<u>(36,197)</u>	<u>-</u>
Total bonds payable	14,468,682	-	(2,481,554)	11,987,128	2,260,000
Notes payable	542,589	-	(114,674)	427,915	118,319
Compensated absences	2,421,454	2,429,913	-	4,851,367	242,569
Net pension liability	12,339,215	7,377,589	(10,414,871)	9,301,933	-
Net OPEB liability	<u>14,631,535</u>	<u>2,086,755</u>	<u>(2,954,708)</u>	<u>13,763,582</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<b><u>\$ 44,403,475</u></b>	<b><u>\$ 11,894,257</u></b>	<b><u>\$ (15,965,807)</u></b>	<b><u>\$ 40,331,925</u></b>	<b><u>\$ 2,620,888</u></b>

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**F. Bond and Other Long-Term Debt (Continued)**

Debt service for general obligation bonds is funded primarily from real estate taxes for governmental activities and charges for service in the business type activities. Any liabilities for compensated absences, pension, and OPEB liabilities are generally liquidated by the general fund. Annual debt service requirements to maturity for bonds, loans and notes outstanding are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2025	\$ 2,378,319	\$ 438,689
2026	2,496,857	322,151
2027	2,620,501	199,382
2028	2,677,238	74,381
2029	940,000	18,800
Total	<u>\$ 11,112,915</u>	<u>\$ 1,053,403</u>

**G. Employee Retirement Systems**

Defined Benefit Plan Description and Membership

Middletown Township sponsors two single-employer defined benefit pension plans the Police Pension Plan and the Non-Uniformed Pension Plan. These plans are reported as Pension Trust Funds in the accompanying financial statements and do not issue stand-alone reports. The plans are administered by the Township. The most recent valuation was as of January 1, 2023. Details below are from the valuation.

*Police Pension Defined Benefit Pension Plan* - The plan is a contributory, single employer defined benefit plan that covers all full-time uniformed police officers of the Township. An employee enters the plan on the day he becomes a full-time police officer.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**G. Employee Retirement Systems (Continued)**

*Non-Uniformed Defined Benefit Pension Plan* - The plan is a contributory, single employer defined benefit plan that covers all full-time non-uniformed employees of the Township who have met the eligibility requirements. A Non-Uniformed employee of the Township who works at least 1,000 hours per year during each year of employment is eligible for plan membership upon completion of his probationary period. Employees hired but not plan members at January 1, 1987 were given a one-time election to be covered as either contributor or non-contributory employees. Plan members as of January 1, 2007 and employees hired after December 31, 1986 are required to enter the plan as contributory employees.

The Middletown Board of Supervisors has established an informal employee committee, the Pension Committee, for the purpose of reviewing investment managers and the investment performance thereof, for both the Police Pension Plan, and the Non-Uniformed Pension Plan. The Pension Committee consists of nine members - six of which are appointed members by their respective unions, and three from management; specifically two members of the Middletown Department of Public Works Collective Bargaining Unit, two members of the Middletown Police Collective Bargaining Unit, two members of the Middletown Teamsters Collective Bargaining Unit, the Chief of Police, the Finance Director, and the Chief Administrative Officer of the Pensions.

At December 31, 2024, Middletown Township Defined Benefit Pension Plans consisted of the following:

	<u>Police</u>	<u>Non-Uniform</u>
Inactive employees (or their beneficiaries)		
currently receiving benefits (1)	74	26
Inactive employees entitled to benefits		
but not yet receiving them	0	12
Active employees	<u>46</u>	<u>55</u>
	<u><u>120</u></u>	<u><u>93</u></u>

(1) Police: includes 13 DROP members

Benefits Provided - Police Pension Plan

*Police Pension Plan* - The pension plan provides retirement benefits as well as death, disability, survivor and late retirement benefits. Benefits vest after 12 years of service. Under Act 600, the minimum age and service requirement for normal retirement are the later of age 50 or completion of 25 years of service. A plan may optionally allow Early Retirement after 20 years of service.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**G. Employee Retirement Systems (Continued)**

**Benefits Provided - Police Pension Plan (continued)**

Normal retirement police employees are entitled to a retirement benefit, payable monthly for life, in an amount equal to 50% of their average compensation, plus a service increment of \$50 per month for each completed year of benefit service in excess of 25 years of benefit service, up to a maximum service increment of \$100 per month. Average compensation is calculated as the average of base salary plus overtime of such member over the final 36 months of employment. A member's earned or accrued benefit prior to his normal retirement date is equal to the benefit calculated under the normal retirement benefit formula, multiplied by the ratio of his years of benefit service to date to the total years of benefit service he would have worked had he continued employment to his normal retirement date. Members who retired on or after January 1, 1991 are eligible to receive an annual cost-of-living adjustment, effective each January 1 after retirement, based upon the certain criteria and limitations. The early retirement pension is equal to the accrued pension at the date of retirement, reduced actuarially for early commencement.

Retirement on or before December 31, 2022. In the event of the death of a police officer who retired or became disabled on or before December 31, 2022, his widow, or her widower, shall be entitled, during his or her lifetime, to sixty-five percent (65%) of the pension the police officer was receiving or would have been receiving had he or she been retired at the time of his or her death. If there is no surviving spouse, or if the spouse survives and subsequently dies, then benefit entitlement shall continue to the member's child or children under the age of eighteen (18) years, or if attending college, under or attaining the age of twenty-three (23) years. Retirement on or after January 1, 2022. In the event of the death of a police officer who retired or became disabled on or after January 1, 2022, his widow, or her widower, shall be entitled, during his or her lifetime, to seventy-five percent (75%) of the pension the police officer was receiving or would have been receiving had he or she been retired at the time of his or her death. If there is no surviving spouse, or if the spouse survives and subsequently dies, then benefit entitlement shall continue to the member's child or children under the age of eighteen (18) years, or if attending college, under or attaining the age of twenty-three (23) years.

A Deferred Retirement Option Plan ("DROP") is available to the Township's police officers who have fulfilled the age and service requirements of the Police Pension Plan as described in the above paragraph. Under the DROP program a participant may elect to defer receipt of normal retirement benefits while continuing employment with the Township. The maximum DROP period is 60 months; however, for officers hired prior to 2021, the maximum DROP period is 96 months.

Benefits and Contribution provisions are established and amended by Pennsylvania law. Administrative costs of the plan are financed through investment earnings.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**G. Employee Retirement Systems (Continued)**

**Benefits Provided - Non-Uniformed Pension Plan**

*Non-Uniformed Pension Plan* - The pension plan provides retirement benefits as well as death, disability, survivor and late retirement benefits. A member's normal retirement date is the first day of the month after a member turns age 65 and completes 5 years of vesting service or, if earlier, the first day of the month after a member turns age 62 and completes 30 years of vesting service. The plan's benefit formula for contributory members is a cash balance pension formula whereby the monthly pension is determined as the amount that can be purchased with a hypothetical account balance, consisting of accumulated member contributions with interest plus accumulated employer credits with interest. The account balance is maintained as a bookkeeping entry and is only used to determine the member's benefit under the plan and shall not represent an entitlement to the plan member. The normal retirement benefit is equal to the monthly life annuity that is the actuarial equivalent of the member's hypothetical account balance (for contributory members), but no less than the minimum pension. Compensation is defined as the base salary received by an employee, excluding bonuses, commissions, overtime payments or any additional forms of pay.

For noncontributory members who were hired prior to January 1, 1987 their pension benefit shall be no less than \$10 multiplied by their years of service earned after January 1, 1987. For contributory members who were plan members prior to January 1, 1987, their pension benefit shall be no less than the pension benefit that would have accrued under the prior plan formula if such formula had continued in effect after January 1, 1987. A member's earned or accrued benefit prior to his normal retirement date is equal to the monthly benefit payable at normal retirement equal to the actuarial equivalent of his hypothetical account balance or the benefit earned under the minimum pension formula.

A member is eligible for early retirement after age 60 and completion of 20 or more years of vesting service, but prior to his normal retirement date, and will be eligible to receive a pension benefit payable immediately. For members whose accrued pension is determined by his account balance, the early retirement pension is equal to the monthly life annuity that is the actuarial equivalent of the member's hypothetical account balance at early retirement. For members whose accrued pension is calculated under the minimum pension provisions, the early retirement pension is equal to their accrued pension, reduced actuarially.

If a contributory member is totally and permanently disabled, he will receive a distribution of his hypothetical account balance (the employee and employer accounts). If a non-contributory member is totally and permanently disabled, he will receive a pension payable at his normal retirement date equal to the accrued benefit at his date of disablement.

Benefits and Contribution provisions are established and amended by Pennsylvania law. Administrative costs of the Plan are financed through investment earnings.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**G. Employee Retirement Systems (Continued)**

**Measurement Focus and Basis of Accounting**

*Basis of Accounting:* Pension Plan financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Plan member contributions are recognized in the period in which they are due. Employer contributions are recognized as due when pursuant to formal commitments, as well as statutory or contractual requirements. Investment income is recognized as revenue when earned. Retirement benefits and refunds are recognized when due and payable in accordance with terms of the Plan. Other expenses are recognized when the corresponding liabilities are incurred. The net appreciation/(depreciation) in fair value of investments is recorded as an increase/(decrease) to investment income based on the valuation of investments. The entire expense of Plan administration is charged against the earnings of the Plan. Investment earnings are reduced for investment management fees, portfolio evaluation, custodial services, and actuarial services, as required by State statutes.

*Method Used to Value Investments:* Pension Plan investments are reported by the custodian at fair value. Investments that do not have an established market value are reported at estimated fair value.

**Contributions**

*Police Pension Plan* - Officers who are members in the plan are required to contribute 5.75% of their salaries to the plan. Interest is credited to each member's account each year at 6% per year. Contributions are determined on an annual basis. Administrative costs and investment costs of the plan are financed through an addition to the Actuarially Determined Employer Contribution.

*Non-Uniformed Pension Plan* - Employees who are members in the plan are required to contribute 5% of their salaries to the plan. Interest is credited to each member's account each year at 6% per year. Contributions are determined on an annual basis. Administrative costs and investment costs of the plan are financed through an addition to the Actuarially Determined Employer Contribution.

The Township is required by statute, principally Pennsylvania Act 205, to contribute the remaining amounts necessary to finance the Pension Fund. Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law. The Pension Plans funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**G. Employee Retirement Systems (Continued)**

**Contributions (continued)**

The Township's annual required contribution is equal to its minimum municipal obligation ("MMO") as calculated in accordance with Pennsylvania law (Act 205 of 1984) less state aid and employee contributions deposited in the pension fund during the year. State law requires that state aid be used first to fund the plan, then employee contributions and finally general Township funds. The Township received state aid for the pension, which is recognized as revenue and expense as follows for the year ended December 31, 2024.

	Police	Non-Uniformed	Total
Township contributions	\$ 2,407,413	\$ 366,969	\$ 2,774,382
Employee contributions	440,203	227,574	667,777
State aid	780,663	119,029	899,692
	<u><u>\$ 3,628,279</u></u>	<u><u>\$ 713,572</u></u>	<u><u>\$ 4,341,851</u></u>

**Investments**

*Investment Policy:* The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Township Board of Supervisors. The policy is to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

*Rate of Return:* For the year ended December 31, 2024, the annual money-weighted rate of return on Plan investments, net of investment expense was 9.6% for Police and 10.1% for Non-Uniformed. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## TOWNSHIP OF MIDDLETOWN

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

## **G. Employee Retirement Systems (Continued)**

## Net Pension Liability

The components of the net pension liability of participating entities at December 31, 2024 were as follows:

	<u>Police</u>	<u>Non-Uniformed</u>
Total pension liability	\$ 72,111,221	\$ 13,069,111
Plan fiduciary net position	(63,733,809)	(12,144,590)
Net pension liability	\$ 8,377,412	\$ 924,521

Plan fiduciary net position as a percentage of the total pension liability 88% 93%

*Actuarial Assumptions:* The total pension liability in the January 1, 2023 actuarial valuation for the Police and Non-Uniformed Pension Plans was determined using the following economic assumptions, applied to all periods included in the measurement:

	Police	Non-Uniform
Inflation	2.5%	2.5%
Salary Increases	4.5%	4.5% (including inflation)
Investment Rate of Return	7.0%	7.0% (net of pension plan investment expense, including inflation)
Post retirement Cost of Living Increase	3.0%	0.0%

For the Police Pension, mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for males and females. This table does not include projected mortality improvements. For the Non-Uniformed Pension, mortality rates were based on the PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvements.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2021 to December 31, 2022.

The net pension liability for the Police and Non-Uniformed Pension Plans was measured as of December 31, 2024 and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2023. There were no changes to benefit terms or assumptions for the Police Pension Plan since the valuation date.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**G. Employee Retirement Systems (Continued)**

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

<u>Asset Class</u>	<u>Allocation</u>	Long-term	<u>Expected Rate</u>
		Target	
Domestic Equity	51.00%	5.50%-7.50%	
International Equity	6.00%	4.50%-6.50%	
Fixed Income	40.00%	1.00%-3.00%	
Cash	<u>3.00%</u>	0.00%-1.00%	
	<u>100.00%</u>		

*Discount Rate:* The discount rate used to measure the total pension liability was 7% for both the Non-Uniformed and Police Pension Plans. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of active and inactive Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer's funding policy requires the full funding of the entry age normal cost-plus plan expenses, as well as an amortization of the unfunded liability. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost-plus plan expenses, as well as amortization of the unfunded liability.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**G. Employee Retirement Systems (Continued)**

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	<u>Liability</u>	<u>Net Position</u>	<u>Liability</u>
<b><u>Police Pension Plan</u></b>			
Balance at December 31, 2023	\$ 69,512,786	\$ 58,649,030	\$ 10,863,756
Changes for the year:			
Service cost	1,466,690	-	1,466,690
Interest	4,754,155	-	4,754,155
Change of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Change of assumptions	-	-	-
Contributions - employer	-	3,188,076	(3,188,076)
Contributions - employee	-	440,203	(440,203)
Net investment income	-	5,097,360	(5,097,360)
Benefit payments, including refunds of employee contributions	(3,622,410)	(3,622,410)	-
Administrative expense	-	(18,450)	18,450
Net Changes	<u>2,598,435</u>	<u>5,084,779</u>	<u>(2,486,344)</u>
Balance at December 31, 2024	<u><u>\$ 72,111,221</u></u>	<u><u>\$ 63,733,809</u></u>	<u><u>\$ 8,377,412</u></u>

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	<u>Liability</u>	<u>Net Position</u>	<u>Liability</u>
<b><u>Non-Uniformed Pension Plan</u></b>			
Balance at December 31, 2023	\$ 12,477,842	\$ 11,002,383	\$ 1,475,459
Changes for the year:			
Service cost	283,259	-	283,259
Interest	873,485	-	873,485
Change of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Change of assumptions	-	-	-
Contributions - employer	-	485,998	(485,998)
Contributions - employee	-	227,575	(227,575)
Net investment income	-	1,010,909	(1,010,909)
Benefit payments, including refunds of employee contributions	(565,475)	(565,475)	-
Administrative expense	-	(16,800)	16,800
Net Changes	<u>591,269</u>	<u>1,142,207</u>	<u>(550,938)</u>
Balance at December 31, 2024	<u><u>\$ 13,069,111</u></u>	<u><u>\$ 12,144,590</u></u>	<u><u>\$ 924,521</u></u>

## TOWNSHIP OF MIDDLETOWN

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

#### **G. Employee Retirement Systems (Continued)**

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate:* The following presents the net pension liability of participating entities calculated using the discount rate of 7 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6 percent) or 1-percentage-point higher (8 percent) than the current rate:

	1%	Current	1%
	Decrease <u>(6%)</u>	Discount <u>Rate (7%)</u>	Increase <u>(8%)</u>
Net pension liability			
Police	\$ 15,601,960	\$ 8,377,412	\$ 2,318,622
Non-Uniformed	1,377,652	924,521	520,656

*Deferred Outflows and Inflows of Resources:* For the year ended December 31, 2024, the Township recognized pension expense of \$2,710,112 for Police Pension and \$301,370 for Non-Uniformed Pension. At December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b><u>Police Pension</u></b>		
Differences between expected and actual experience	\$ 792,065	\$ -
Change in assumptions	-	-
Net difference between projected and actual		
earnings on pension plan investments	<u>2,194,612</u>	<u>-</u>
Total	<u>\$ 2,986,677</u>	<u>\$ -</u>
 <b><u>Non-Uniformed Pension</u></b>		
Differences between expected and actual experience	\$ 32,931	\$ 500,459
Change in assumptions	357,442	-
Net difference between projected and actual		
earnings on pension plan investments	<u>378,504</u>	<u>-</u>
Total	<u>\$ 768,877</u>	<u>\$ 500,459</u>

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**G. Employee Retirement Systems (Continued)**

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

Year Ended			
<u>December 31:</u>	<u>Police</u>	<u>Non-Uniformed</u>	
2025	\$ 1,482,401	\$ 239,179	
2026	1,912,557	308,541	
2027	(407,474)	(160,562)	
2028	(807)	(71,067)	
2029	-	(23,836)	
Thereafter	-	(23,837)	
Total	<u>\$ 2,986,677</u>	<u>\$ 268,418</u>	

*Payable to the Pension Plan:* For the year ended December 31, 2024, there were no amounts payable to the Police Pension Plan and Non-Uniformed Pension Plan.

Deferred Retirement Option Program

The Police Pension Plan offers a Deferred Retirement Option Program (DROP) to officers who are eligible to retire. A member is eligible to enter the DROP program on or after his normal retirement date. Upon entering the DROP program, the member's retirement benefit is frozen and his retirement benefit payments will be deposited into an account that will be credited with interest and paid to the participant in a lump sum at his actual retirement in addition to his monthly pension payments. The member must retire within 96 months after entering the DROP. As of December 31, 2024, the DROP account balance of \$6,059,491 is held by the plan pursuant to the DROP.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**G. Employee Retirement Systems (Continued)**

The following summarizes financial information of the Police Pension Plan and the Non-Uniform Pension Plan as of and for the year ended December 31, 2024.

<u>Combining Statement of Net Position</u>			
	Police Pension Fund	Non-Uniform Pension Fund	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 4,040,613	\$ 1,184,739	\$ 5,225,352
Prepaid expenses	385,209	40,959	426,168
Accrued interest	314,213	65,106	379,319
Other receivables	-	-	-
Investments, at fair value:			
U.S. government obligations	9,377,977	1,993,659	11,371,636
Government sponsored mortgages	3,090,321	575,087	3,665,408
Corporate obligations	5,593,981	996,927	6,590,908
Private placements	-	-	-
Municipal obligations	6,187,244	1,284,327	7,471,571
Asset backed and mortgages	561,821	173,581	735,402
Mutual fund-equity	5,728,808	-	5,728,808
Mutual fund-international equity	263,766	-	263,766
Mutual fund-debt	864,122	172,913	1,037,035
Stock equities	25,676,864	5,392,054	31,068,918
International stock	1,622,762	340,872	1,963,634
Real estate securities	26,155	-	26,155
Total Assets	<u>63,733,856</u>	<u>12,220,224</u>	<u>75,954,080</u>
Liabilities: Accounts payable	47	75,635	75,682
Net position restricted for pension benefits	<u>\$ 63,733,809</u>	<u>\$ 12,144,589</u>	<u>\$ 75,878,398</u>

<u>Combining Statement of Changes in Net Position</u>			
	Police Pension Fund	Non-Uniform Pension Fund	Total
<b>Additions</b>			
Contributions			
Employee contributions	\$ 440,203	\$ 227,574	\$ 667,777
Employer contributions	2,407,413	366,969	2,774,382
State Aid	780,663	119,029	899,692
Total Contributions	<u>3,628,279</u>	<u>713,572</u>	<u>4,341,851</u>
Investment Income			
Net appreciation (depreciation) in fair value of investments	3,545,409	675,383	4,220,792
Interest and dividends	1,734,058	367,773	2,101,831
Total investment earnings	<u>5,279,467</u>	<u>1,043,156</u>	<u>6,322,623</u>
Less investment expense	(182,107)	(32,247)	(214,354)
Net Investment Income	<u>5,097,360</u>	<u>1,010,909</u>	<u>6,108,269</u>
Total Additions	<u>8,725,639</u>	<u>1,724,481</u>	<u>10,450,120</u>
Deductions			
Benefits	3,622,410	565,475	4,187,885
Administrative expenses	18,450	16,800	35,250
Total Deductions	<u>3,640,860</u>	<u>582,275</u>	<u>4,223,135</u>
Change in Net Position	5,084,779	1,142,206	6,226,985
Net Position Restricted for Pension Benefits			
Beginning of Year	58,649,030	11,002,383	69,651,413
End of Year	<u>\$ 63,733,809</u>	<u>\$ 12,144,589</u>	<u>\$ 75,878,398</u>

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**G. Employee Retirement Systems (Continued)**

<u>Combining Pension Information</u>			
	Police Pension Fund	Non-Uniform Pension Fund	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 792,065	\$ 32,931	\$ 824,996
Changes in assumptions	<u>-</u>	<u>357,442</u>	<u>357,442</u>
Net differences between projected and actual earnings on pension plan investments	<u>2,194,612</u>	<u>378,504</u>	<u>2,573,116</u>
Total Deferred Outflows of Resources	<u><u>\$ 2,986,677</u></u>	<u><u>\$ 768,877</u></u>	<u><u>\$ 3,755,554</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 500,459	\$ 500,459
Net differences between projected and actual earnings on pension plan investments	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u><u>\$ -</u></u>	<u><u>\$ 500,459</u></u>	<u><u>\$ 500,459</u></u>
Net Pension Liability	<u><u>\$ 8,377,412</u></u>	<u><u>\$ 924,521</u></u>	<u><u>\$ 9,301,933</u></u>
Pension Expense	<u><u>\$ 2,710,112</u></u>	<u><u>\$ 301,370</u></u>	<u><u>\$ 3,011,482</u></u>

**H. Deferred Compensation Plan**

The Township offers all of its employees the option to participate in a Deferred Compensation Plan (the "Plan") created in accordance with the Internal Revenue Code Section 457. The plan permits each employee to defer a flat dollar amount of his or her salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Township's responsibility is to administer the plan. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the individuals enrolled in the plan and are not subject to the claims of the Township's general creditors. Participants' rights under the plan are equal to the fair value of the deferred account for each participant.

Investments are managed by the plan trustees ("ICMA") under various investment options. Each participant makes the investment plan choice. The Township's opinion is that it has no liability for losses under the plan but does have the responsibility of due care that would be required of an ordinary prudent investor.

On December 17, 1996, the Township passed Resolution 96-42R effective January 1, 1997. This resolution established the Deferred Compensation Plan as a Trust for the exclusive benefit of the Plan participants and their beneficiaries, and that the assets could not be diverted to any other purpose. This resolution was passed to comply with amendments to the Internal Revenue Code. The activity of the Plan is not recorded in the financial statements.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**I. Other Post-Employment Benefits**

The Township sponsors a single-employer defined benefit post-employment plan (the Plan, OPEB) for eligible employees of the Township. The Plan was established and is governed by the provisions of the collective bargaining agreement between the Township and the police officers, to provide continuation of medical and vision insurance for employees who retire from the Middletown Township Police Pension Plan. The Plan is funded on a pay-as-you-go basis and there is no irrevocable trust established for the Plan. The most recent valuation was as of January 1, 2024. The Plan does not issue a separate financial statement.

Membership of the Plan consisted of the following at December 31, 2024 (the date of the latest actuarial valuation):

Inactive employees (or their beneficiaries currently receiving benefits	49
Inactive employees entitled to benefits but not yet receiving them	0
Active employees	<u>60</u>
	<u>109</u>

*Eligibility:* All sworn police officers retiring on or after January 1, 1991, who receive retirement benefits by reason of age and service, or a service-connected disability, are eligible for reimbursement by the Township, commencing upon the date of retirement or service-connected disability, and for a maximum period of from five to ten years depending on the employee's accumulated unused sick leave at retirement.

*Benefits Provided:* The Township provides limited reimbursement for post-retirement health benefits to police officers. Upon meeting the eligibility requirements, the Plan will pay the premiums for the retired member's coverage under the medical insurance program available to active Township officers. Officers retiring on or after January 1, 2020 receive seven years of fully paid medical and dental benefits after which they can trade accumulated unused sick leave hours for up to five additional years of fully paid benefits based on coverage type. Family coverage may be purchased using an additional 100 hours per year of coverage. Once a retiree exhausts his or her sick leave hours, he or she may continue coverage by paying the full premium. The Township also reimburses the \$3,000 annual medical insurance deductible. Vision coverage is fully paid for the lifetimes of the retiree and spouse. Retirees who retired under prior agreements may have different cost sharing arrangements.

## TOWNSHIP OF MIDDLETOWN

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

#### **I. Other Post-Employment Benefits (Continued)**

*Contributions:* Employees do not contribute to the plan during their active service. Members who retire and are receiving postretirement benefits under the plan are required to pay a percentage of premiums, based up on the number of sick leave hours at retirement. The percentages are established, and may be amended, by the collective bargaining agreement between the Township and police officers. The medical premiums for retired members are paid from the Township's General Fund monthly as they come due.

##### Net OPEB Liability

The Township's net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions:* The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

	<u>OPEB</u>
Inflation	2.50%
Salary Increases	4.5% (including inflation)
Investment Rate of Return	4.28% (net of OPEB plan investment expense, including inflation)
Healthcare Cost Trend Rates	Medical trend rates are assumed to be 7% in 2024 and 2025 with .5% decrease per year until 5.5% in 2028. Rates gradually decrease from 5.4% in 2029 to 4.0% in 2075 and later based on long-run medical cost trend model.

Mortality rates were based on the PubS-2010 headcount-weighted mortality table including rates for contingent survivors. Incorporated into the tables are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

The actuarial assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study from the period January 1, 2019 to December 31, 2021. There were no benefit terms changes since January 1, 2024. In 2024, the trend and salary assumptions were updated.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**I. Other Post-Employment Benefits (Continued)**

*Discount Rate:* The discount rate used to measure the total OPEB liability was 4.28 percent, based upon S&P Municipal Bond 20-year High Grade Rate Index, for the plan. No assets have been accumulated in an irrevocable trust, so the municipal rate has been applied to all periods.

*Change in Net OPEB Liability*

<b>OPEB Plan</b>	Increase (Decrease)		
	Total OPEB <u>Liability</u>	Plan Fiduciary <u>Net Position</u>	Net OPEB <u>Liability</u>
Balance at December 31, 2023	\$ 14,631,535	\$ -	\$ 14,631,535
Changes for the year:			
Service cost	1,459,955	-	1,459,955
Interest	626,800	-	626,800
Change of benefit terms	-	-	-
Differences between expected and actual experience	(2,520,466)	-	(2,520,466)
Change of assumptions	343,841	-	343,841
Contributions - employer	-	778,083	(778,083)
Benefit payments, including refunds of employee contributions	(778,083)	(778,083)	-
Net Changes	(867,953)	-	(867,953)
Balance at December 31, 2024	<u>\$ 13,763,582</u>	<u>\$ -</u>	<u>\$ 13,763,582</u>

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate:* The following presents the net OPEB liability calculated using the discount rate of 4.28 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1%	Current	1%
	Decrease <u>(3.28%)</u>	Discount <u>Rate (4.28%)</u>	Increase <u>(5.28%)</u>
Net OPEB liability	\$ 14,676,886	\$ 13,763,582	\$ 12,898,419

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**I. Other Post-Employment Benefits (Continued)**

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates 1-percentage-point lower or 1 - percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare	1% Increase
	Valuation	Cost Trend	Valuation
	<u>Rates</u>	<u>Valuation Rates</u>	<u>Rates</u>
Net OPEB liability	\$ 12,222,695	\$ 13,763,582	\$ 15,546,316

OPEB Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2024, the actuarial determined expense for the OPEB Plan was \$1,754,490. At December 31, 2024, the Township reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows <u>of Resources</u>	Deferred Inflows <u>of Resources</u>
<b>OPEB Plan</b>		
Differences between expected and actual experience	\$ 1,925,810	\$ 2,023,831
Changes in assumptions	649,317	2,238,106
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total	<u>\$ 2,575,127</u>	<u>\$ 4,261,937</u>

The deferred amounts related to OPEB will be recognized in expense as follows:

Year Ended <u>December 31:</u>	Governmental- Activities	
	OPEB	
2025	\$ (295,868)	
2026	(348,113)	
2027	(412,791)	
2028	(532,681)	
2029	<u>(97,357)</u>	
Total	<u>\$ (1,686,810)</u>	

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**J. Interfund Advances and Transfers**

Interfund Advances and Transfers are used to move funds for capital projects that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. The composition of interfund activity for the year ended December 31, 2024, is as follows:.

	<u>Transfer in</u>	<u>Transfer out</u>
General	\$ 40,116	\$ 560,000
Investment	-	2,400,000
Capital Reserve	2,400,000	-
Other Governmental Funds	<u>689,500</u>	<u>169,616</u>
Total	<u>\$ 3,129,616</u>	<u>\$ 3,129,616</u>

	<u>Due From</u>	<u>Due To</u>
	<u>Other Funds</u>	<u>Other Funds</u>
Other Governmental Funds	\$ 2,222	\$ 2,222
Total	<u>\$ 2,222</u>	<u>\$ 2,222</u>

During the year, transfers are used to (1) move revenues from the fund with collection authorization to the Debt Services Fund as debt payments become due and (2) move Investment Fund resources to provide support to the Capital Reserve Fund for construction projects. In 2024, the Township made the following one-time transfers:

- Transfer of \$560,000 from General Fund to Fire Protection Fund to fulfill budgeted commitment to cover operations.
- Transfer of \$40,116 from Nonmajor Governmental Fund to General Fund to close the nomajor fund.

**K. Risk Management**

The Township is exposed to various risks of loss related to third-party liability claims, damage to and loss of Township-owned property, errors and omissions by public officials, and injuries to employees. As a method of protection against the risk, the Township purchases commercial insurance coverage.

TOWNSHIP OF MIDDLETOWN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

**K. Risk Management (Continued)**

*Self-Insurance Risk* - The Township established a partial self-insured risk management program for health insurance in the year 2011.

- For the Non-Police Employees, in the 2024 plan year, the Township will only cover 80% of the deductible amount of the insurance and these employees will be required to pay a portion of the insurance premiums based on their base pay level - tiered approach 6.5%, 9%, or 11.5% depending on base pay level. The Township has set up a Section 125 plan for this.
- For the 2024 plan year, the Township continues to fund 100% of the deductible for the Police, and no contributions towards premium are required of the police.

The amount of settlements did not exceed insurance coverage for the past three years. There have been no significant reductions in insurance coverage during the year ended December 31, 2024. The maximum exposure for these costs in 2024 plan year was \$615,000. The total actual charges incurred by the Township for these deductibles in 2024 were \$380,063. There were no outstanding or unpaid claims at year end.

**L. Litigation**

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

In the normal course of business, there are other various relatively minor claims and suits pending actions against the Township. Based upon a review of these claims with Township solicitors, the aggregate exposure to liability was not considered material.

**REQUIRED**  
**SUPPLEMENTARY INFORMATION**

TOWNSHIP OF MIDDLETOWN  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - POLICE PENSION PLAN

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>										
Service cost	\$ 1,466,690	\$ 1,403,531	\$ 1,528,915	\$ 1,463,077	\$ 1,554,404	\$ 1,588,734	\$ 1,348,542	\$ 1,357,815	\$ 1,193,316	\$ 1,276,152
Interest	4,754,155	4,585,701	3,894,605	4,256,283	4,058,238	3,858,568	3,553,433	3,403,148	3,402,855	3,290,244
Changes of benefit terms	-	-	-	-	302,385	-	-	-	-	-
Differences between expected and actual experience	-	1,186,000	-	10,739	64,372	-	1,628,905	(468,675)	(1,161,644)	(2,173,755)
Changes of assumptions	-	-	-	-	-	-	-	2,343,901	-	-
Benefit payments, including refunds of employee contributions	(3,622,410)	(3,344,613)	(2,960,168)	(3,683,029)	(2,456,144)	(2,664,954)	(2,159,058)	(2,113,117)	(3,282,729)	(2,681,430)
Net change in total pension liability	2,598,435	3,830,619	2,463,352	2,047,070	3,523,255	2,782,348	4,371,822	4,523,072	151,798	(288,789)
Total pension liability - beginning	69,512,786	65,682,167	63,218,815	61,171,745	57,648,490	54,866,142	50,494,320	45,971,248	45,819,450	46,108,239
Total pension liability - ending (a)	<u>\$ 72,111,221</u>	<u>\$ 69,512,786</u>	<u>\$ 65,682,167</u>	<u>\$ 63,218,815</u>	<u>\$ 61,171,745</u>	<u>\$ 57,648,490</u>	<u>\$ 54,866,142</u>	<u>\$ 50,494,320</u>	<u>\$ 45,971,248</u>	<u>\$ 45,819,450</u>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 3,188,076	\$ 2,996,190	\$ 3,266,198	\$ 3,333,680	\$ 3,411,942	\$ 3,244,530	\$ 2,938,145	\$ 2,359,921	\$ 2,350,510	\$ 2,285,033
Contributions - employee	440,203	395,728	397,908	381,690	390,488	415,045	366,990	424,418	305,677	287,846
Net investment income	5,097,360	5,735,727	(7,405,096)	5,926,929	5,724,685	5,416,335	(1,664,963)	4,100,522	1,514,854	792,419
Benefit payments, including refunds of employee contributions	(3,622,410)	(3,344,613)	(2,960,168)	(3,683,029)	(2,456,144)	(2,664,954)	(2,159,058)	(2,113,117)	(3,282,729)	(2,681,430)
Administrative expense	(18,450)	(3,100)	(13,685)	(409,434)	(330,378)	(350,712)	(341,585)	(327,530)	(301,410)	(301,262)
Net change in plan fiduciary net position	5,084,779	5,779,932	(6,714,843)	5,549,836	6,740,593	6,060,244	(860,471)	4,444,214	586,902	382,606
<b>Plan fiduciary net position - beginning</b>	<u>58,649,030</u>	<u>52,869,098</u>	<u>59,583,941</u>	<u>54,034,105</u>	<u>47,293,512</u>	<u>41,233,268</u>	<u>42,093,739</u>	<u>37,649,525</u>	<u>37,062,623</u>	<u>36,680,017</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 63,733,809</u></u>	<u><u>\$ 58,649,030</u></u>	<u><u>\$ 52,869,098</u></u>	<u><u>\$ 59,583,941</u></u>	<u><u>\$ 54,034,105</u></u>	<u><u>\$ 47,293,512</u></u>	<u><u>\$ 41,233,268</u></u>	<u><u>\$ 42,093,739</u></u>	<u><u>\$ 37,649,525</u></u>	<u><u>\$ 37,062,623</u></u>
<b>Township's net pension liability - ending (a)-(b)</b>	<u><u>\$ 8,377,412</u></u>	<u><u>\$ 10,863,756</u></u>	<u><u>\$ 12,813,069</u></u>	<u><u>\$ 3,634,874</u></u>	<u><u>\$ 7,137,640</u></u>	<u><u>\$ 10,354,978</u></u>	<u><u>\$ 13,632,874</u></u>	<u><u>\$ 8,400,581</u></u>	<u><u>\$ 8,321,723</u></u>	<u><u>\$ 8,756,827</u></u>
Plan fiduciary net position as a percentage of the total pension liability	88.4%	84.4%	80.5%	94.3%	88.3%	82.0%	75.2%	83.4%	81.9%	80.9%
Covered payroll	\$ 7,376,631	\$ 7,045,920	\$ 6,600,185	\$ 6,152,227	\$ 6,351,547	\$ 6,512,632	\$ 6,202,893	\$ 5,805,841	\$ 5,275,475	\$ 4,899,227
Net pension liability as a percentage of covered payroll	113.6%	154.2%	194.1%	59.1%	112.4%	159.0%	219.8%	144.7%	157.7%	178.7%
Annual money-weighted return, net of investment expenses	9.60%	11.80%	-11.94%	10.49%	11.61%	12.74%	-4.80%	10.34%	4.29%	2.23%

**Notes to Schedule:**

Change in benefit terms: None since 1/1/2021

Change in assumptions: None since 1/1/2021

TOWNSHIP OF MIDDLETOWN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS - POLICE PENSION PLAN

Fiscal Year Ended	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
December 31, 2015	\$ 2,285,033	\$ 2,285,033	\$ -	\$ 4,899,227	46.64%
2016	2,350,510	2,350,510	-	5,275,475	44.56%
2017	2,359,921	2,359,921	-	5,805,841	40.65%
2018	2,938,145	2,938,145	-	6,202,893	47.37%
2019	3,244,530	3,244,530	-	6,512,632	49.82%
2020	3,411,929	3,411,942	(13)	6,351,547	53.72%
2021	3,333,680	3,333,680	-	6,152,227	54.19%
2022	3,266,198	3,266,198	-	6,600,185	49.49%
2023	2,996,190	2,996,190	-	7,045,920	42.52%
2024	3,188,076	3,188,076	-	7,376,631	43.22%

**Notes to Schedule:**

Actuarially determined contribution rates are calculated as of January 1, two to four years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial valuation date	1/1/2021
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization period	6 years
Asset valuation method	Smoothed value with a corridor of 80% to 120% of market value
Inflation	2.5%
Salary increases	4.5%
Investment rate of return	7%
Retirement age	Normal Retirement Age
Mortality	RP2000 Table, not including projected mortality improvements

**Notes to Schedule:**

Change in benefit terms:	None since 1/1/2021
Change in assumptions:	None since 1/1/2021

TOWNSHIP OF MIDDLETOWN  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - NON-UNIFORM PENSION PLAN

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>										
Service cost	\$ 283,259	\$ 271,061	\$ 300,362	\$ 287,428	\$ 258,096	\$ 259,685	\$ 213,140	\$ 214,587	\$ 146,617	\$ 176,804
Interest	873,485	832,977	819,416	794,516	746,459	712,288	661,443	630,877	568,224	533,592
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(667,279)	-	-	228,936	(79,436)	360,830	-	446,337	(232,708)
Changes of assumptions	-	476,590	-	-	-	-	-	424,999	-	-
Benefit payments, including refunds of employee contributions	(565,475)	(509,626)	(902,487)	(575,824)	(576,787)	(387,662)	(564,664)	(250,061)	(185,814)	(251,086)
Net change in total pension liability	591,269	403,723	217,291	506,120	656,704	504,875	670,749	1,020,402	975,364	226,602
Total pension liability - beginning	<u>12,477,842</u>	<u>12,074,119</u>	<u>11,856,828</u>	<u>11,350,708</u>	<u>10,694,004</u>	<u>10,189,129</u>	<u>9,518,380</u>	<u>8,497,978</u>	<u>7,522,614</u>	<u>7,296,012</u>
Total pension liability - ending (a)	<u>\$ 13,069,111</u>	<u>\$ 12,477,842</u>	<u>\$ 12,074,119</u>	<u>\$ 11,856,828</u>	<u>\$ 11,350,708</u>	<u>\$ 10,694,004</u>	<u>\$ 10,189,129</u>	<u>\$ 9,518,380</u>	<u>\$ 8,497,978</u>	<u>\$ 7,522,614</u>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 485,998	\$ 463,917	\$ 462,118	\$ 421,759	\$ 416,556	\$ 363,912	\$ 310,213	\$ 189,147	\$ 310,501	\$ 308,202
Contributions - employee	227,575	204,777	179,641	170,824	159,060	150,491	148,817	141,549	126,027	121,892
Net investment income	1,010,909	1,132,818	(1,547,867)	1,235,099	1,196,983	1,141,122	(350,052)	862,906	307,760	166,261
Benefit payments, including refunds of employee contributions	(565,475)	(509,626)	(902,487)	(575,824)	(576,787)	(387,662)	(564,664)	(250,061)	(185,814)	(251,086)
Administrative expense	(16,800)	(1,100)	(10,000)	(101,843)	(87,053)	(93,957)	(86,755)	(87,613)	(80,228)	(80,531)
Net change in plan fiduciary net position	1,142,207	1,290,786	(1,818,595)	1,150,015	1,108,759	1,173,906	(542,441)	855,928	478,246	264,738
<b>Plan fiduciary net position - beginning</b>	<u>11,002,383</u>	<u>9,711,597</u>	<u>11,530,192</u>	<u>10,380,177</u>	<u>9,271,418</u>	<u>8,097,512</u>	<u>8,639,953</u>	<u>7,784,025</u>	<u>7,305,779</u>	<u>7,041,041</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 12,144,590</u>	<u>\$ 11,002,383</u>	<u>\$ 9,711,597</u>	<u>\$ 11,530,192</u>	<u>\$ 10,380,177</u>	<u>\$ 9,271,418</u>	<u>\$ 8,097,512</u>	<u>\$ 8,639,953</u>	<u>\$ 7,784,025</u>	<u>\$ 7,305,779</u>
<b>Township's net pension liability - ending (a)-(b)</b>	<u>\$ 924,521</u>	<u>\$ 1,475,459</u>	<u>\$ 2,362,522</u>	<u>\$ 326,636</u>	<u>\$ 970,531</u>	<u>\$ 1,422,586</u>	<u>\$ 2,091,617</u>	<u>\$ 878,427</u>	<u>\$ 713,953</u>	<u>\$ 216,835</u>
Plan fiduciary net position as a percentage of the total pension liability	92.9%	88.2%	80.4%	97.2%	91.4%	86.7%	79.5%	90.8%	91.6%	97.1%
Covered payroll	\$ 4,434,106	\$ 4,250,531	\$ 3,614,127	\$ 3,553,224	\$ 3,729,214	\$ 3,953,754	\$ 3,248,014	\$ 3,345,279	\$ 2,837,674	\$ 2,759,135
Net pension liability as a percentage of covered payroll	20.9%	34.7%	65.4%	9.2%	26.0%	36.0%	64.4%	26.3%	25.2%	7.9%
Annual money-weighted return, net of investment expenses	10.10%	12.60%	-13.07%	11.23%	12.28%	13.32%	-4.98%	10.22%	4.23%	2.36%

**Notes to Schedule:**

Change in benefit terms: None since 1/1/2021

Change in assumptions: In 2023, the mortality tables were updated

TOWNSHIP OF MIDDLETOWN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS - NON-UNIFORM PENSION PLAN

Fiscal Year Ended <u>December 31,</u>	Actuarially Determined <u>Contribution</u>	Actual Employer <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>	Covered Payroll	Contribution as a Percentage of Covered <u>Payroll</u>
2015	\$ 308,202	\$ 308,202	\$ -	\$ 2,759,135	11.17%
2016	310,501	310,501	-	2,837,674	10.94%
2017	189,147	189,147	-	3,345,279	5.65%
2018	301,213	310,213	(9,000)	3,248,014	9.55%
2019	363,912	363,912	-	3,953,754	9.20%
2020	416,541	416,556	(15)	3,729,214	11.17%
2021	421,759	421,759	-	3,553,224	11.87%
2022	462,118	462,118	-	3,614,127	12.79%
2023	463,917	463,917	-	4,250,531	10.91%
2024	485,998	485,998	-	4,434,106	10.96%

**Notes to Schedule:**

Actuarially determined contribution rates are calculated as of January 1, two to four years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Valuation date	1/1/2021
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization period	7 years
Asset valuation method	Smoothed value with a corridor of 80% to 120% of market value
Inflation	2.5%
Salary increases	4.5%
Investment rate of return	7%
Retirement age	Normal Retirement Age
Mortality	RP2000 Table, not including projected mortality improvements

**Notes to Schedule:**

Change in benefit terms:	None since 1/1/2021
Change in assumptions:	In 2023, the mortality tables were updated

TOWNSHIP OF MIDDLETOWN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS -  
OTHER POST-EMPLOYMENT BENEFITS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total OPEB liability</b>						
Service cost	\$ 1,459,955	\$ 653,036	\$ 1,027,227	\$ 773,526	\$ 884,916	\$ 296,193
Interest	626,800	588,352	418,330	394,181	371,680	220,995
Changes of benefit terms	-	-	-	-	5,311,734	-
Differences between expected and actual experience	(2,520,466)	-	2,802,120	-	748,455	(270,588)
Changes of assumptions	343,841	599,454	(3,580,969)	-	62,502	-
Benefit payments (including premium subsidies)	(778,083)	(451,941)	(744,454)	(426,348)	(364,005)	(364,245)
Net change in total OPEB liability	(867,953)	1,388,901	(77,746)	741,359	7,015,282	(117,645)
Total OPEB liability - beginning	<u>14,631,535</u>	<u>13,242,634</u>	<u>13,320,380</u>	<u>12,579,021</u>	<u>5,563,739</u>	<u>5,681,384</u>
Total OPEB liability - ending (a)	<u><u>\$ 13,763,582</u></u>	<u><u>\$ 14,631,535</u></u>	<u><u>\$ 13,242,634</u></u>	<u><u>\$ 13,320,380</u></u>	<u><u>\$ 12,579,021</u></u>	<u><u>\$ 5,563,739</u></u>
<b>Plan fiduciary net position</b>						
Contributions - employer (including premium subsidies)	\$ 778,083	\$ 451,941	\$ 744,454	\$ 426,348	\$ 364,005	\$ 364,245
Benefit payments (including premium subsidies)	(778,083)	(451,941)	(744,454)	(426,348)	(364,005)	(364,245)
Net change in plan fiduciary net position	-	-	-	-	-	-
<b>Plan fiduciary net position - beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>				
<b>Township's net OPEB liability - ending (a)-(b)</b>	<u><u>\$ 13,763,582</u></u>	<u><u>\$ 14,631,535</u></u>	<u><u>\$ 13,242,634</u></u>	<u><u>\$ 13,320,380</u></u>	<u><u>\$ 12,579,021</u></u>	<u><u>\$ 5,563,739</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 8,831,536	\$ 7,207,923	\$ 7,207,923	\$ 7,622,136	\$ 7,998,519	\$ 7,348,493
Net OPEB liability as a percentage of covered-employee payroll	155.8%	203.0%	183.7%	174.8%	157.3%	75.7%
Annual money-weighted return, net of investment expenses	Not Applicable					

**Notes to Schedule:**

Changes in assumptions: In 2024, the discount rate changed from 4% to 4.28%, and the trend and salary increaseds assumptions were updated.  
Changes in benefit terms: None since 1/1/2024

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

TOWNSHIP OF MIDDLETOWN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

OTHER POST-EMPLOYMENT BENEFITS

There are no assets accumulated in a trust that meets the criteria for the Other Post-Employment Benefits Plan to pay related benefits of the Plan.

## **SUPPLEMENTARY INFORMATION**

## TOWNSHIP OF MIDDLETOWN

### **MAJOR GOVERNMENTAL FUNDS**

General Fund - The General Fund is the principal fund of the Township, which accounts for all financial transactions except those required to be accounted for in other funds. This fund is reported as a major fund. (Budget is presented in the Fund Financial Statements).

Investment Fund - This fund accounts for the revenue originally derived from the sale of the water and sewer operations, the principal investment from the proceeds of \$40,000,000, and the annual inflows of investment earnings, are committed by the Board of Supervisors for use in a state of emergency. The annual inflows of resources to this fund are investment earnings. (Budget is presented in the Fund Financial Statements).

Capital Reserve Fund - This fund is maintained for anticipated capital expenditures. The monies accumulated in this fund are expended at the discretion of the Board of Supervisors for purposes involving the construction, purchase, lease to own, or replacement of or addition to municipal buildings, equipment, land, recreation facilities, parks, playgrounds, machinery, motor vehicles, infrastructure, or other capital assets or capital improvements. These expenditures are financed by the transportation and recreation impact fees paid by developers, as well as proceeds from the nonresidential building permit privilege tax.

TOWNSHIP OF MIDDLETOWN

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - BUDGET AND ACTUAL - CAPITAL RESERVE FUND

For the Year Ended December 31, 2024

	<u>CAPITAL RESERVE</u>		
	<u>Original and Final Budget</u>	<u>ACTUAL</u>	<u>Variance with Final Budget</u>
Revenues			
Investment income and rent	\$ 68,000	\$ 165,758	\$ 97,758
Intergovernmental revenues	1,046,388	1,325,579	279,191
Charges for services	76,530	-	(76,530)
Other	-	104,510	104,510
Total Revenues	<u>1,190,918</u>	<u>1,595,847</u>	<u>404,929</u>
Expenditures			
Capital outlays/development	<u>6,978,500</u>	<u>5,323,199</u>	<u>1,655,301</u>
Total Expenditures	<u>6,978,500</u>	<u>5,323,199</u>	<u>1,655,301</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,787,582)</u>	<u>(3,727,352)</u>	<u>2,060,230</u>
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	14,477	(14,477)
Transfers in	-	2,400,000	(2,400,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>2,414,477</u>	<u>(2,414,477)</u>
Net Change in Fund Balance	(5,787,582)	(1,312,875)	4,474,707
Fund Balance - Beginning	<u>5,230,778</u>	<u>5,230,778</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (556,804)</u>	<u>\$ 3,917,903</u>	<u>\$ 4,474,707</u>

## TOWNSHIP OF MIDDLETOWN

### NON-MAJOR GOVERNMENTAL FUNDS

#### *Special Revenue Funds*

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes:

General Street Lighting Fund - This fund is used to account for revenue derived from a .788 mill real estate tax levy. Major expenditures in the General Street Lighting Fund include the cost of electricity and the maintenance of highway and residential streetlights located within the Township.

Fire Protection Fund - This fund is used to account for revenue derived from a 1.920 mill real estate tax levy in accordance with the current agreement between the Township and the Skyline Fire District Association ("SFDA").

Parks and Recreation Fund - This fund is used to account for revenue derived from a 1.920 mill real estate tax levy. The revenues of this fund are restricted to the maintenance and operation of parks, playgrounds, playing fields, open space, gymnasiums, recreation centers and activities, and associated services.

Ambulance and Rescue Fund - This fund is used to account for revenue derived from a .440 mill real estate tax levy for the purpose of supporting the operations and activities of the Penndel-Middletown Rescue Squad.

Road Machinery Fund - This fund is used to account for revenue derived from a .300 mill real estate tax levy that provides funding for purchasing road machinery and associated equipment for use by the Middletown Township Department of Public Works.

Fire Hydrant Fund - This fund is used to account for revenue derived from a .137 mill real estate tax levy. The revenues of this fund are restricted to expenditures for the maintenance of fire hydrants and water service to fire hydrants throughout the Township.

Fire Apparatus Fund - This fund is used to account for revenue derived from a .625 mill real estate tax levy. The revenues of this fund are restricted to expenditures for fire apparatus.

Police Forfeiture Fund - This fund is used to account for revenue derived from police forfeitures. The revenues of this fund are restricted to expenditures for the police department. (There is no board approved budget for this fund).

State Highway Aid Fund - This fund accounts for revenues derived from state liquid fuels tax, and federal and state grants, that are legally restricted to expenditures for specific purposes.

TOWNSHIP OF MIDDLETOWN

NON-MAJOR GOVERNMENTAL FUNDS

*Capital Projects Funds*

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Curb/Road Revolving Fund - This fund is used to account for the costs of permanent street, curb and sidewalk improvements prior to the collection of such costs and expenses by assessments from the property owners adjoining or abutting such improvements. (There is no board approved budget for this fund).

Contingency Fund - This fund was established to extend interfund advances to fund capital purchases. (There is no board approved budget for this fund).

*Debt Service Funds*

Debt Service Funds are used to account for the payment of principal and interest on certain debt.

Debt Service Fund - This fund is used to account for the accumulation of resources for the payment of principal and interest on certain long-term and short-term debt. The principal source of revenue is real estate taxes.

## TOWNSHIP OF MIDDLETOWN

### COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

December 31, 2024

	Special Revenue										Capital Projects			Total Non-major Governmental Funds	
	General Street Lighting	Fire Protection	Parks and Recreation	Ambulance and Rescue	Road Machinery	Fire Hydrant	Fire Apparatus	Police Forfeiture	State Highway Aid	Total	Curb/Road Revolving	Contingency	Total	Debt Service	
<b>ASSETS</b>															
Cash and cash equivalents	\$ 632,310	\$ 769,602	\$ 329,564	\$ -	\$ 502,803	\$ 28,716	\$ 925,334	\$ -	\$ 1,522,169	\$ 4,710,498	\$ 7,756	\$ 811	\$ 8,567	\$ 520,937	\$ 5,240,002
Receivables	-	57	434	57	-	-	-	-	-	548	-	-	-	-	548
Due from other funds	-	-	-	-	2,222	-	-	-	-	2,222	-	-	-	-	2,222
Total Assets	<u>\$ 632,310</u>	<u>\$ 769,659</u>	<u>\$ 329,998</u>	<u>\$ 57</u>	<u>\$ 505,025</u>	<u>\$ 28,716</u>	<u>\$ 925,334</u>	<u>\$ -</u>	<u>\$ 1,522,169</u>	<u>\$ 4,713,268</u>	<u>\$ 7,756</u>	<u>\$ 811</u>	<u>\$ 8,567</u>	<u>\$ 520,937</u>	<u>\$ 5,242,772</u>
<b>LIABILITIES</b>															
Accounts payable	\$ 1,873	\$ 16,843	\$ 15,723	\$ 33	\$ -	\$ 8,014	\$ -	\$ -	\$ 13,406	\$ 55,892	\$ -	\$ -	\$ -	\$ 10,784	\$ 66,676
Accrued salaries and benefits	766	-	8,959	-	-	-	-	-	15,362	25,087	-	-	-	-	25,087
Due to other funds	-	-	-	2,222	-	-	-	-	-	2,222	-	-	-	-	2,222
Total Liabilities	<u>\$ 2,639</u>	<u>\$ 16,843</u>	<u>\$ 24,682</u>	<u>\$ 2,255</u>	<u>\$ -</u>	<u>\$ 8,014</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,768</u>	<u>\$ 83,201</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,784</u>	<u>\$ 93,985</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>															
Unavailable revenue-special assessments	-	-	-	-	-	-	-	-	-	-	2,345	-	2,345	-	2,345
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-	2,345	-	2,345	-	2,345
<b>FUND BALANCES</b>															
Restricted:															
Street lighting	629,671	-	-	-	-	-	-	-	-	629,671	-	-	-	-	629,671
Road machinery	-	-	-	-	505,025	-	-	-	-	505,025	-	-	-	-	505,025
Fire and ambulance	-	752,816	-	(2,198)	-	20,702	925,334	-	-	1,696,654	-	-	-	-	1,696,654
Streets and highways	-	-	-	-	-	-	-	-	1,493,401	1,493,401	-	-	-	-	1,493,401
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-	510,153	510,153
Committed:															
Park and recreation	-	-	305,316	-	-	-	-	-	-	305,316	-	-	-	-	305,316
Assigned:															
Capital projects	-	-	-	-	-	-	-	-	-	-	5,411	811	6,222	-	6,222
Total Fund Balances	<u>\$ 629,671</u>	<u>\$ 752,816</u>	<u>\$ 305,316</u>	<u>\$ (2,198)</u>	<u>\$ 505,025</u>	<u>\$ 20,702</u>	<u>\$ 925,334</u>	<u>\$ -</u>	<u>\$ 1,493,401</u>	<u>\$ 4,630,067</u>	<u>\$ 5,411</u>	<u>\$ 811</u>	<u>\$ 6,222</u>	<u>\$ 510,153</u>	<u>\$ 5,146,442</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 632,310</u>	<u>\$ 769,659</u>	<u>\$ 329,998</u>	<u>\$ 57</u>	<u>\$ 505,025</u>	<u>\$ 28,716</u>	<u>\$ 925,334</u>	<u>\$ -</u>	<u>\$ 1,522,169</u>	<u>\$ 4,713,268</u>	<u>\$ 7,756</u>	<u>\$ 811</u>	<u>\$ 8,567</u>	<u>\$ 520,937</u>	<u>\$ 5,242,772</u>

TOWNSHIP OF MIDDLETOWN

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

For the Year Ended December 31, 2024

	Special Revenue										Capital Projects			Total Non-major Governmental Funds	
	General Street Lighting	Fire Protection	Parks and Recreation	Ambulance and Rescue	Road Machinery	Fire Hydrant	Apparatus	Police Forfeiture	State Highway Aid	Total	Curb/Road Revolving	Contingency	Total	Debt Service	
Revenues															
Property taxes	\$ 409,205	\$ 1,008,041	\$ 1,008,041	\$ 229,554	\$ 159,690	\$ 69,864	\$ 568,895	\$ -	\$ -	\$ 3,453,290	\$ -	\$ -	\$ -	\$ 2,684,784	\$ 6,138,074
Investment income and rent	29,088	22,324	42,357	2,183	17,730	1,431	17,183	-	74,628	206,924	-	-	-	57,673	264,597
Intergovernmental revenues	-	358,093	-	-	-	-	-	-	1,270,302	1,628,395	-	-	-	-	1,628,395
Charges for services	-	-	668,880	-	-	-	-	-	-	668,880	-	-	-	-	668,880
Contributions private sources	-	-	14,467	-	-	-	-	-	-	14,467	-	-	-	-	14,467
Total Revenues	<u>438,293</u>	<u>1,388,458</u>	<u>1,733,745</u>	<u>231,737</u>	<u>177,420</u>	<u>71,295</u>	<u>586,078</u>	<u>-</u>	<u>1,344,930</u>	<u>5,971,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,742,457</u>	<u>8,714,413</u>
Expenditures															
Current															
Public safety	-	1,786,513	-	247,737	-	61,997	-	-	-	2,096,247	-	-	-	-	2,096,247
Public works	343,002	-	-	-	33,449	-	-	-	1,606,595	1,983,046	-	-	-	-	1,983,046
Parks and recreation	-	-	1,702,648	-	-	-	-	-	-	1,702,648	-	-	-	-	1,702,648
Debt Service															-
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	2,269,673	2,269,673
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	550,085	550,085
Fiscal agent fees	-	-	-	-	-	-	-	-	-	-	-	-	-	1,560	1,560
Total Expenditures	<u>343,002</u>	<u>1,786,513</u>	<u>1,702,648</u>	<u>247,737</u>	<u>33,449</u>	<u>61,997</u>	<u>-</u>	<u>-</u>	<u>1,606,595</u>	<u>5,781,941</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,821,318</u>	<u>8,603,259</u>
Excess (Deficiency) of Revenues Over Expenditures	95,291	(398,055)	31,097	(16,000)	143,971	9,298	586,078	-	(261,665)	190,015	-	-	-	(78,861)	111,154
Other Financing Sources (Uses)															
Transfers in	-	560,000	-	-	-	-	-	-	-	560,000	-	-	-	129,500	689,500
Transfers out	(129,500)	-	-	-	-	-	-	(40,116)	-	(169,616)	-	-	-	-	(169,616)
Total Other Financing Sources (Uses)	<u>(129,500)</u>	<u>560,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,116)</u>	<u>-</u>	<u>390,384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,500</u>	<u>519,884</u>
Net Change in Fund Balance	(34,209)	161,945	31,097	(16,000)	143,971	9,298	586,078	(40,116)	(261,665)	580,399	-	-	-	50,639	631,038
Fund Balance - Beginning	<u>663,880</u>	<u>590,871</u>	<u>274,219</u>	<u>13,802</u>	<u>361,054</u>	<u>11,404</u>	<u>339,256</u>	<u>40,116</u>	<u>1,755,066</u>	<u>4,049,668</u>	<u>5,411</u>	<u>811</u>	<u>6,222</u>	<u>459,514</u>	<u>4,515,404</u>
Fund Balance - Ending	<u>\$ 629,671</u>	<u>\$ 752,816</u>	<u>\$ 305,316</u>	<u>\$ (2,198)</u>	<u>\$ 505,025</u>	<u>\$ 20,702</u>	<u>\$ 925,334</u>	<u>\$ -</u>	<u>\$ 1,493,401</u>	<u>\$ 4,630,067</u>	<u>\$ 5,411</u>	<u>\$ 811</u>	<u>\$ 6,222</u>	<u>\$ 510,153</u>	<u>\$ 5,146,442</u>

TOWNSHIP OF MIDDLETOWN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL STREET LIGHTING FUND

For the Year Ended December 31, 2024

	<u>GENERAL STREET LIGHTING FUND</u>		
	<u>Original and Final Budget</u>	<u>ACTUAL</u>	<u>Variance with Final Budget</u>
Revenues			
Property taxes	\$ 415,600	\$ 409,205	\$ (6,395)
Investment income and rent	15,000	29,088	14,088
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>430,600</u>	<u>438,293</u>	<u>7,693</u>
Expenditures			
Current:			
Public works	<u>433,567</u>	<u>343,002</u>	<u>90,565</u>
Total Expenditures	<u>433,567</u>	<u>343,002</u>	<u>90,565</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,967)</u>	<u>95,291</u>	<u>98,258</u>
Other Financing Sources (Uses)			
Transfers out	<u>(129,500)</u>	<u>(129,500)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(129,500)</u>	<u>(129,500)</u>	<u>-</u>
Net Change in Fund Balance	<u>(132,467)</u>	<u>(34,209)</u>	<u>98,258</u>
Fund Balance - Beginning	<u>663,880</u>	<u>663,880</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 531,413</u>	<u>\$ 629,671</u>	<u>\$ 98,258</u>

TOWNSHIP OF MIDDLETOWN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - FIRE PROTECTION FUND

For the Year Ended December 31, 2024

	FIRE PROTECTION		
	<u>Original and Final Budget</u>	<u>ACTUAL</u>	<u>Variance with Final Budget</u>
Revenues			
Property taxes	\$ 992,192	\$ 1,008,041	\$ 15,849
Investment income and rent	12,800	22,324	9,524
Intergovernmental revenues	<u>355,000</u>	<u>358,093</u>	<u>3,093</u>
Total Revenues	<u>1,359,992</u>	<u>1,388,458</u>	<u>28,466</u>
Expenditures			
Current:			
Public safety	1,920,550	1,786,513	134,037
Total Expenditures	<u>1,920,550</u>	<u>1,786,513</u>	<u>134,037</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>(560,558)</u>	<u>(398,055)</u>	<u>162,503</u>
Other Financing Sources (Uses)			
Transfers in	560,000	560,000	-
Total Other Financing Sources (Uses)	<u>560,000</u>	<u>560,000</u>	<u>-</u>
Net Change in Fund Balance	(558)	161,945	162,503
Fund Balance - Beginning	590,871	590,871	-
Fund Balance - Ending	<u>\$ 590,313</u>	<u>\$ 752,816</u>	<u>\$ 162,503</u>

TOWNSHIP OF MIDDLETOWN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - PARK AND RECREATION FUND

For the Year Ended December 31, 2024

<u>PARK AND RECREATION</u>			
	<u>Original and Final Budget</u>	<u>ACTUAL</u>	<u>Variance with Final Budget</u>
Revenues			
Property taxes	\$ 999,500	\$ 1,008,041	\$ 8,541
Investment income and rent	87,500	42,357	(45,143)
Charges for services	547,360	668,880	121,520
Contributions private sources	<u>5,000</u>	<u>14,467</u>	<u>9,467</u>
Total Revenues	<u>1,639,360</u>	<u>1,733,745</u>	<u>94,385</u>
Expenditures			
Current:			
Parks and recreation	<u>1,767,085</u>	<u>1,702,648</u>	<u>64,437</u>
Total Expenditures	<u>1,767,085</u>	<u>1,702,648</u>	<u>64,437</u>
Net Change in Fund Balance	(127,725)	31,097	158,822
Fund Balance - Beginning	<u>274,219</u>	<u>274,219</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 146,494</u>	<u>\$ 305,316</u>	<u>\$ 158,822</u>

TOWNSHIP OF MIDDLETOWN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - AMBULANCE AND RESCUE FUND

For the Year Ended December 31, 2024

	<u>AMBULANCE AND RESCUE</u>		
	<u>Original and Final Budget</u>	<u>ACTUAL</u>	<u>Variance with Final Budget</u>
Revenues			
Property taxes	\$ 232,300	\$ 229,554	\$ (2,746)
Investment income and rent	<u>1,000</u>	<u>2,183</u>	<u>1,183</u>
Total Revenues	<u>233,300</u>	<u>231,737</u>	<u>(1,563)</u>
Expenditures			
Current:			
Public safety	<u>232,685</u>	<u>247,737</u>	<u>(15,052)</u>
Total Expenditures	<u>232,685</u>	<u>247,737</u>	<u>(15,052)</u>
Net Change in Fund Balance	615	(16,000)	(16,615)
Fund Balance - Beginning	<u>13,802</u>	<u>13,802</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 14,417</u>	<u>\$ (2,198)</u>	<u>\$ (16,615)</u>

TOWNSHIP OF MIDDLETOWN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - ROAD MACHINERY FUND

For the Year Ended December 31, 2024

	ROAD MACHINERY		
	<u>Original and Final Budget</u>	<u>ACTUAL</u>	<u>Variance with Final Budget</u>
Revenues			
Property taxes	\$ 156,700	\$ 159,690	\$ 2,990
Investment income and rent	<u>12,000</u>	<u>17,730</u>	<u>5,730</u>
Total Revenues	<u>168,700</u>	<u>177,420</u>	<u>8,720</u>
Expenditures			
Current:			
Public works	<u>99,596</u>	<u>33,449</u>	<u>66,147</u>
Total Expenditures	<u>99,596</u>	<u>33,449</u>	<u>66,147</u>
Net Change in Fund Balance	69,104	143,971	74,867
Fund Balance - Beginning	<u>361,054</u>	<u>361,054</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 430,158</u>	<u>\$ 505,025</u>	<u>\$ 74,867</u>

TOWNSHIP OF MIDDLETOWN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - FIRE HYDRANT FUND

For the Year Ended December 31, 2024

	<u>FIRE HYDRANT</u>		
	<u>Original and Final Budget</u>	<u>ACTUAL</u>	<u>Variance with Final Budget</u>
Revenues			
Property taxes	\$ 70,550	\$ 69,864	\$ (686)
Investment income and rent	<u>500</u>	<u>1,431</u>	<u>931</u>
Total Revenues	<u>71,050</u>	<u>71,295</u>	<u>245</u>
Expenditures			
Current:			
Public safety	<u>64,000</u>	<u>61,997</u>	<u>2,003</u>
Total Expenditures	<u>64,000</u>	<u>61,997</u>	<u>2,003</u>
Net Change in Fund Balance	7,050	9,298	2,248
Fund Balance - Beginning	<u>11,404</u>	<u>11,404</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 18,454</u>	<u>\$ 20,702</u>	<u>\$ 2,248</u>

TOWNSHIP OF MIDDLETOWN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL – FIRE APPARATUS FUND

For the Year Ended December 31, 2024

	FIRE APPARATUS		
	Original and Final Budget	ACTUAL	Variance with Final Budget
Revenues			
Property taxes	\$ 558,108	\$ 568,895	\$ 10,787
Investment income and rent	<u>7,200</u>	<u>17,183</u>	<u>9,983</u>
Total Revenues	<u>565,308</u>	<u>586,078</u>	<u>20,770</u>
Expenditures			
Current:			
Public safety	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	565,308	586,078	20,770
Fund Balance - Beginning	<u>339,256</u>	<u>339,256</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 904,564</u>	<u>\$ 925,334</u>	<u>\$ 20,770</u>

TOWNSHIP OF MIDDLETOWN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - STATE HIGHWAY AID FUND

For the Year Ended December 31, 2024

	STATE HIGHWAY AID		
	<u>Original and Final Budget</u>	<u>ACTUAL</u>	<u>Variance with Final Budget</u>
Revenues			
Investment income and rent	\$ 38,000	\$ 74,628	\$ 36,628
Intergovernmental revenue	<u>1,258,272</u>	<u>1,270,302</u>	<u>12,030</u>
Total Revenues	<u>1,296,272</u>	<u>1,344,930</u>	<u>48,658</u>
Expenditures			
Current:			
Public works	<u>2,442,000</u>	<u>1,606,595</u>	<u>835,405</u>
Total Expenditures	<u>2,442,000</u>	<u>1,606,595</u>	<u>835,405</u>
Net Change in Fund Balance	(1,145,728)	(261,665)	884,063
Fund Balance - Beginning	<u>1,755,066</u>	<u>1,755,066</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 609,338</u>	<u>\$ 1,493,401</u>	<u>\$ 884,063</u>

TOWNSHIP OF MIDDLETOWN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2024

	DEBT SERVICE		
	<u>Original and Final Budget</u>	<u>ACTUAL</u>	<u>Variance with Final Budget</u>
Revenues			
Property taxes	\$ 2,654,400	\$ 2,684,784	\$ 30,384
Investment income and rent	<u>38,000</u>	<u>57,673</u>	<u>19,673</u>
Total Revenues	<u>2,692,400</u>	<u>2,742,457</u>	<u>50,057</u>
Expenditures			
Current:			
Debt service			
Principal	2,269,500	2,269,673	(173)
Interest	550,350	550,085	265
Paid to fiscal agent	<u>2,500</u>	<u>1,560</u>	<u>940</u>
Total Expenditures	<u>2,822,350</u>	<u>2,821,318</u>	<u>1,032</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(129,950)</u>	<u>(78,861)</u>	<u>51,089</u>
Other Financing Sources (Uses)			
Transfers in	<u>129,500</u>	<u>129,500</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>129,500</u>	<u>129,500</u>	<u>-</u>
Net Change in Fund Balance	(450)	50,639	51,089
Fund Balance - Beginning	<u>459,514</u>	<u>459,514</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 459,064</u>	<u>\$ 510,153</u>	<u>\$ 51,089</u>

## TOWNSHIP OF MIDDLETOWN

### **PROPRIETARY FUNDS**

Proprietary funds are used to account operations:

The *Country Club Fund* is used to account for the investment in assets and the revenue derived from the operations of the Middletown Country Club currently managed under license agreement with Agro Golf.

The *Farm Fund* is used to account for the investment in assets and the revenue derived from the operations of Styer's Farm and Styer's Store.

TOWNSHIP OF MIDDLETOWN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION -  
BUDGET AND ACTUAL - COUNTRY CLUB FUND

For the Year Ended December 31, 2024

	COUNTRY CLUB		
	<u>Original and Final Budget</u>	<u>ACTUAL</u>	<u>Variance with Final Budget</u>
Operating Revenues			
Charges for services			
Licensing fees	\$ 39,000	\$ 43,439	\$ 4,439
Total Operating Revenues	<u>39,000</u>	<u>43,439</u>	<u>4,439</u>
Operating Expenses			
Depreciation	50,000	32,917	17,083
Total Operating Expenses	<u>50,000</u>	<u>32,917</u>	<u>17,083</u>
Operating Income (Loss)	<u>(11,000)</u>	<u>10,522</u>	<u>21,522</u>
Nonoperating Revenues (Expense)			
Interest income	4,000	10,916	6,916
Total Nonoperating Revenues (Expense)	<u>4,000</u>	<u>10,916</u>	<u>6,916</u>
Changes in Net Position	(7,000)	21,438	28,438
Total Net Position - Beginning	2,174,767	2,174,767	-
Total Net Position - Ending	<u>\$ 2,167,767</u>	<u>\$ 2,196,205</u>	<u>\$ 28,438</u>

TOWNSHIP OF MIDDLETOWN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION -  
BUDGET AND ACTUAL - FARM FUND

For the Year Ended December 31, 2024

	<u>FARM FUND</u>		
	<u>Original and Final Budget</u>	<u>ACTUAL</u>	<u>Variance with Final Budget</u>
Operating Revenues			
Charges for services			
Licensing fees	\$ 71,800	\$ 56,121	\$ (15,679)
Rent	<u>8,400</u>	<u>8,400</u>	<u>-</u>
Total Operating Revenues	<u>80,200</u>	<u>64,521</u>	<u>(15,679)</u>
Operating Expenses			
Park and recreation	3,000	7,859	(4,859)
Depreciation	<u>8,968</u>	<u>15,339</u>	<u>(6,371)</u>
Total Operating Expenses	<u>11,968</u>	<u>23,198</u>	<u>(11,230)</u>
Operating Income (Loss)	<u>68,232</u>	<u>41,323</u>	<u>(26,909)</u>
Nonoperating Revenues (Expense)			
Interest income	<u>300</u>	<u>57,748</u>	<u>57,448</u>
Total Nonoperating Revenues (Expense)	<u>300</u>	<u>57,748</u>	<u>57,448</u>
Changes in Net Position	68,532	99,071	30,539
Total Net Position - Beginning (Restated)	<u>2,792,087</u>	<u>2,792,087</u>	<u>-</u>
Total Net Position - Ending	<u>\$ 2,860,619</u>	<u>\$ 2,891,158</u>	<u>\$ 30,539</u>

## TOWNSHIP OF MIDDLETOWN

### **FIDUCIARY FUNDS**

Fiduciary funds are used to account or assets held by the Township in a trustee capacity for the future payments of benefits to employees:

#### Pension Funds

The *Police Pension* fund and the *Non-Uniformed Pension* fund are to account for assets of these funds.

#### Custodial Fund

The *Custodial* fund account for transactions on behalf of other organizations. There is only one fund.

TOWNSHIP OF MIDDLETOWN

COMBINING STATEMENT OF NET POSITION

FIDUCIARY FUNDS - PENSION PLANS

December 31, 2024

	Pension Trust Funds		
	Police Pension	Non-Uniformed Pension	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,040,613	\$ 1,184,739	\$ 5,225,352
Prepaid expenses	385,209	40,959	426,168
Receivables:			
Accrued interest	314,213	65,106	379,319
Investments, at fair value:			
U.S. government obligations	9,377,977	1,993,659	11,371,636
Government sponsored mortgages	3,090,321	575,087	3,665,408
Corporate obligations	5,593,981	996,927	6,590,908
Municipal obligations	6,187,244	1,284,327	7,471,571
Asset backed and mortgages	561,821	173,581	735,402
Mutual funds-equity	5,728,808	-	5,728,808
Mutual funds-international equity	263,766	-	263,766
Mutual funds-debt	864,122	172,913	1,037,035
Stock equities	25,676,864	5,392,054	31,068,918
International stock	1,622,762	340,872	1,963,634
Real estate securities	26,155	-	26,155
Total investments	<u>58,993,821</u>	<u>10,929,420</u>	<u>69,923,241</u>
Total Assets	<u>63,733,856</u>	<u>12,220,224</u>	<u>75,954,080</u>
<b>LIABILITIES</b>			
Accounts payable	47	75,635	75,682
Total Liabilities	<u>47</u>	<u>75,635</u>	<u>75,682</u>
<b>NET POSITION</b>			
Net Position - Restricted for:			
Pension benefits	<u>63,733,809</u>	<u>12,144,589</u>	<u>75,878,398</u>
Total Net Position	<u>\$ 63,733,809</u>	<u>\$ 12,144,589</u>	<u>\$ 75,878,398</u>

TOWNSHIP OF MIDDLETOWN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION

FIDUCIARY FUNDS - PENSION PLANS

For the Year Ended December 31, 2024

	<u>Pension Trust Funds</u>		
	<u>Police Pension</u>	<u>Non-Uniformed Pension</u>	<u>Total</u>
<b>Additions</b>			
Contributions			
Member contributions	\$ 440,203	\$ 227,574	\$ 667,777
Employer contributions	2,407,413	366,969	2,774,382
State aid	<u>780,663</u>	<u>119,029</u>	<u>899,692</u>
Total Contributions	<u>3,628,279</u>	<u>713,572</u>	<u>4,341,851</u>
<b>Investment Income</b>			
Net appreciation (depreciation) in fair value of investments	3,545,409	675,383	4,220,792
Interest and dividends	<u>1,734,058</u>	<u>367,773</u>	<u>2,101,831</u>
Total Investment Income	<u>5,279,467</u>	<u>1,043,156</u>	<u>6,322,623</u>
Less investment expense	<u>(182,107)</u>	<u>(32,247)</u>	<u>(214,354)</u>
Net Investment Income	<u>5,097,360</u>	<u>1,010,909</u>	<u>6,108,269</u>
Total Additions	<u>8,725,639</u>	<u>1,724,481</u>	<u>10,450,120</u>
<b>Deductions</b>			
Benefits	3,622,410	565,475	4,187,885
Administrative expenses	<u>18,450</u>	<u>16,800</u>	<u>35,250</u>
Total Deductions	<u>3,640,860</u>	<u>582,275</u>	<u>4,223,135</u>
Change in Net Position	5,084,779	1,142,206	6,226,985
<b>Net Position - Restricted:</b>			
Beginning of Year	58,649,030	11,002,383	69,651,413
End of Year	<u>\$ 63,733,809</u>	<u>\$ 12,144,589</u>	<u>\$ 75,878,398</u>

## **STATISTICAL SECTION**

## TOWNSHIP OF MIDDLETOWN

### STATISTICAL SECTION

This part of the Township of Middletown's Annual Comprehensive Financial Report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information.

	Contents	Page
<b>Financial Trends</b>		
These schedules contain trend information that may assist the reader in assessing the governments' current financial performance by placing it in historical perspective.		111
<b>Revenue Capacity</b>		
These schedules contain information that may assist the reader in assessing the viability of the government's most significant local revenue sources.		116
<b>Debt Capacity</b>		
These schedules present information that may assist the reader in analyzing the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.		121
<b>Economic &amp; Demographic Information</b>		
These schedules offer economic and demographic indicators to help the reader understand the environment within which the government's financial activities take place.		125
<b>Operating Information</b>		
These schedules contain service and infrastructure indicators to help the reader understand how the information in the government's financial statements relates to the services the government provides and the activities it performs.		127

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

**TOWNSHIP OF MIDDLETOWN**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**

(accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015 (1)
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 41,625,133	\$ 38,408,320	\$ 35,428,726	\$ 36,934,898	\$ 33,800,051	\$ 32,405,615	\$ 29,623,723	\$ 26,596,566	\$ 23,828,235	\$ 27,249,325
Restricted	4,834,904	4,234,963	3,699,654	2,625,455	2,711,797	2,078,243	1,662,743	1,577,538	-	2,988,968
Unrestricted	<u>30,180,957</u>	<u>36,446,445</u>	<u>34,823,939</u>	<u>32,062,682</u>	<u>35,567,301</u>	<u>44,438,250</u>	<u>45,213,728</u>	<u>47,439,877</u>	<u>43,866,202</u>	<u>32,178,421</u>
<b>Total Governmental Activities Net Position</b>	<u><u>\$ 76,640,994</u></u>	<u><u>\$ 79,089,728</u></u>	<u><u>\$ 73,952,319</u></u>	<u><u>\$ 71,623,035</u></u>	<u><u>\$ 72,079,149</u></u>	<u><u>\$ 78,922,108</u></u>	<u><u>\$ 76,500,194</u></u>	<u><u>\$ 75,613,981</u></u>	<u><u>\$ 67,694,437</u></u>	<u><u>\$ 62,416,714</u></u>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 4,440,133	\$ 4,488,388	\$ 4,536,643	\$ 4,492,440	\$ 4,353,969	\$ 4,411,404	\$ 4,472,154	\$ 4,533,441	\$ 4,587,669	\$ 4,583,797
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (Deficit)	<u>647,230</u>	<u>478,466</u>	<u>308,285</u>	<u>70,957</u>	<u>251,887</u>	<u>262,638</u>	<u>212,827</u>	<u>126,435</u>	<u>74,010</u>	<u>34,596</u>
<b>Total Business-Type Activities Net Position</b>	<u><u>\$ 5,087,363</u></u>	<u><u>\$ 4,966,854</u></u>	<u><u>\$ 4,844,928</u></u>	<u><u>\$ 4,563,397</u></u>	<u><u>\$ 4,605,856</u></u>	<u><u>\$ 4,674,042</u></u>	<u><u>\$ 4,684,981</u></u>	<u><u>\$ 4,659,876</u></u>	<u><u>\$ 4,661,679</u></u>	<u><u>\$ 4,618,393</u></u>
<b>Primary Government</b>										
Net investment in capital assets	\$ 46,065,266	\$ 42,896,708	\$ 39,965,369	\$ 41,427,338	\$ 38,154,020	\$ 36,817,019	\$ 34,095,877	\$ 31,130,007	\$ 28,415,904	\$ 31,833,122
Restricted	4,834,904	4,234,963	3,699,654	2,625,455	2,711,797	2,078,243	1,662,743	1,577,538	-	2,988,968
Unrestricted	<u>30,828,187</u>	<u>36,924,911</u>	<u>35,132,224</u>	<u>32,133,639</u>	<u>35,819,188</u>	<u>44,700,888</u>	<u>45,426,555</u>	<u>47,566,312</u>	<u>43,940,212</u>	<u>32,213,017</u>
<b>Total Primary Governmental Net Position</b>	<u><u>\$ 81,728,357</u></u>	<u><u>\$ 84,056,582</u></u>	<u><u>\$ 78,797,247</u></u>	<u><u>\$ 76,186,432</u></u>	<u><u>\$ 76,685,005</u></u>	<u><u>\$ 83,596,150</u></u>	<u><u>\$ 81,185,175</u></u>	<u><u>\$ 80,273,857</u></u>	<u><u>\$ 72,356,116</u></u>	<u><u>\$ 67,035,107</u></u>

Source: Middletown Township Financial Statements

(1) GASB Statement No 68 was implemented in 2015, a prior period adjustment was made to the 2014 net position balance in the financial statements.

**TOWNSHIP OF MIDDLETOWN**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015 (1)
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 2,532,167	\$ 3,241,704	\$ 3,367,669	\$ 3,959,687	\$ 3,221,660	\$ 3,623,549	\$ 3,572,791	\$ 3,210,992	\$ 2,587,626	\$ 2,438,963
Public Safety	21,945,341	20,460,784	20,354,603	18,344,186	25,067,666	18,539,577	17,621,754	14,804,088	14,831,228	14,108,744
Public Works	12,109,886	11,199,163	10,848,278	10,210,647	8,180,772	7,978,282	6,294,955	7,133,831	7,160,207	6,827,774
Parks and Recreation	3,042,716	2,108,884	2,030,430	2,536,466	1,621,528	1,810,919	1,586,510	1,657,438	1,654,905	1,702,967
Miscellaneous	1,362,632	1,251,832	1,296,249	1,188,390	809,851	736,849	1,729,885	783,218	461,240	499,666
Interest on Long-Term Debt	226,842	289,075	361,681	355,405	554,642	270,896	655,904	745,549	675,204	756,506
Unallocated Depreciation Expense	<u>958,602</u>	<u>964,321</u>	<u>1,017,752</u>	<u>1,305,214</u>	<u>1,320,747</u>	<u>1,326,306</u>	<u>1,411,871</u>	<u>1,411,871</u>	<u>2,015,341</u>	<u>1,606,967</u>
<b>Total Governmental Activities Expense</b>	<u>\$ 42,178,186</u>	<u>\$ 39,515,763</u>	<u>\$ 39,276,662</u>	<u>\$ 37,899,995</u>	<u>\$ 40,776,866</u>	<u>\$ 34,286,378</u>	<u>\$ 32,873,670</u>	<u>\$ 29,746,987</u>	<u>\$ 29,385,751</u>	<u>\$ 27,941,587</u>
<b>Business-Type Activities</b>										
Proprietary Funds (combined)										
Country Club	\$ 32,917	\$ 32,916	\$ 35,954	\$ 48,049	\$ 188,924	\$ 88,129	\$ 52,319	\$ 52,653	\$ 66,596	\$ 117,966
Farm Fund	<u>23,198</u>	<u>15,763</u>	<u>9,127</u>	<u>62,558</u>	<u>16,074</u>	<u>12,928</u>	<u>9,893</u>	<u>28,823</u>	<u>15,775</u>	<u>16,524</u>
<b>Total Business-Type Activities Expenses</b>	<u>\$ 56,115</u>	<u>\$ 48,679</u>	<u>\$ 45,081</u>	<u>\$ 110,607</u>	<u>\$ 204,998</u>	<u>\$ 101,057</u>	<u>\$ 62,212</u>	<u>\$ 81,476</u>	<u>\$ 82,371</u>	<u>\$ 134,490</u>
<b>Total Primary Government Expenses</b>	<u>\$ 42,234,301</u>	<u>\$ 39,564,442</u>	<u>\$ 39,321,743</u>	<u>\$ 38,010,602</u>	<u>\$ 40,981,864</u>	<u>\$ 34,387,435</u>	<u>\$ 32,935,882</u>	<u>\$ 29,828,463</u>	<u>\$ 29,468,122</u>	<u>\$ 28,076,077</u>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for Service										
General Government	\$ 1,204,798	\$ 1,205,809	\$ 1,197,646	\$ 1,207,328	\$ 1,242,603	\$ 1,221,640	\$ 1,254,790	\$ 1,300,998	\$ 1,309,286	\$ 1,206,141
Public Safety	2,793,763	2,893,464	4,694,413	2,326,920	1,353,973	2,018,866	2,091,087	1,843,514	2,032,447	2,246,331
Public Works	4,945,143	4,962,300	4,946,576	4,988,041	4,903,726	4,181,306	4,203,416	4,196,856	4,188,247	4,189,076
Parks and Recreation	668,880	573,139	419,636	287,752	156,961	462,648	420,153	377,025	340,001	338,152
Operating Grants and Contributions	2,772,705	2,744,369	5,097,280	2,745,995	2,718,105	2,857,017	2,559,634	2,505,896	2,309,100	2,122,112
Capital Grants and Contributions	<u>1,430,089</u>	<u>4,764,033</u>	<u>505,561</u>	<u>162,437</u>	<u>686,744</u>	<u>1,065,838</u>	<u>248,796</u>	<u>623,981</u>	<u>999,815</u>	<u>762,846</u>
<b>Total Governmental Activities Program Revenues</b>	<u>\$ 13,815,378</u>	<u>\$ 17,143,114</u>	<u>\$ 16,861,112</u>	<u>\$ 11,718,473</u>	<u>\$ 11,062,112</u>	<u>\$ 11,807,315</u>	<u>\$ 10,777,876</u>	<u>\$ 10,848,270</u>	<u>\$ 11,178,896</u>	<u>\$ 10,864,658</u>
<b>Business-Type Activities</b>										
Charges for Services										
Proprietary Funds (combined)										
Country Club	\$ 43,439	\$ 40,708	\$ 38,922	\$ 36,756	\$ 49,006	\$ 36,756	\$ 36,756	\$ 25,604	\$ 125,888	\$ 201,138
Farm Fund	<u>64,521</u>	<u>64,521</u>	<u>64,521</u>	<u>30,533</u>	<u>48,400</u>	<u>48,400</u>	<u>40,000</u>	<u>45,984</u>	<u>10,000</u>	<u>40,000</u>
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities Program Revenues</b>	<u>\$ 107,960</u>	<u>\$ 105,229</u>	<u>\$ 103,443</u>	<u>\$ 67,289</u>	<u>\$ 97,406</u>	<u>\$ 85,156</u>	<u>\$ 76,756</u>	<u>\$ 71,588</u>	<u>\$ 135,888</u>	<u>\$ 241,138</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 13,923,338</u>	<u>\$ 17,248,343</u>	<u>\$ 16,964,555</u>	<u>\$ 11,785,762</u>	<u>\$ 11,159,518</u>	<u>\$ 11,892,471</u>	<u>\$ 10,854,632</u>	<u>\$ 10,919,858</u>	<u>\$ 11,314,784</u>	<u>\$ 11,105,796</u>
<b>Net (Expense)/Revenue</b>										
<b>Governmental Activities</b>										
\$ (28,362,808)	\$ (22,372,649)	\$ (22,415,550)	\$ (26,181,522)	\$ (29,714,754)	\$ (22,479,063)	\$ (22,095,794)	\$ (18,898,717)	\$ (18,206,855)	\$ (17,076,929)	
51,845	56,550	58,362	(43,318)	(107,592)	(15,901)	14,544	(9,888)	53,517	106,648	
<b>Total Primary Government Net Expense</b>	<u>\$ (28,310,963)</u>	<u>\$ (22,316,099)</u>	<u>\$ (22,357,188)</u>	<u>\$ (26,224,840)</u>	<u>\$ (29,822,346)</u>	<u>\$ (22,494,964)</u>	<u>\$ (22,081,250)</u>	<u>\$ (18,908,605)</u>	<u>\$ (18,153,338)</u>	<u>\$ (16,970,281)</u>

(continued)

General Revenues and Other Changes in Net Position	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015 (2)
<b>Governmental Activities</b>										
Property Taxes	\$ 9,971,903	\$ 9,133,731	\$ 9,125,317	\$ 8,766,317	\$ 9,141,928	\$ 9,178,658	\$ 9,095,679	\$ 9,097,522	\$ 9,286,265	\$ 9,264,596
Earned Income Tax	9,702,603	9,730,136	10,238,441	9,198,305	7,910,977	8,701,147	7,103,427	8,753,759	7,727,374	6,783,852
Other Taxes	5,278,048	4,991,029	6,189,835	6,859,597	3,790,869	5,538,712	5,692,299	-	-	4,946,763
Investment Income and rents	3,240,948	3,597,783	(837,403)	866,284	1,601,713	2,079,183	986,755	637,245	659,084	174,227
Sale of Capital Assets	-	-	-	609	-	-	6,700	11,226	4,995	69,798
Miscellaneous	45,897	57,379	17,184	34,296	426,308	456,837	97,147	54,816	54,796	495,175
Special item-Capital assets from Private Purpose Trust	-	-	-	-	-	-	-	-	-	-
Transfers, net	-	-	(149,364)	-	-	-	-	-	19,363	15,370
Proceeds, from Debt Restructuring	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 28,239,399</b>	<b>\$ 27,510,058</b>	<b>\$ 24,584,010</b>	<b>\$ 25,725,408</b>	<b>\$ 22,871,795</b>	<b>\$ 25,954,537</b>	<b>\$ 22,982,007</b>	<b>\$ 18,554,568</b>	<b>\$ 17,751,877</b>	<b>\$ 21,749,781</b>
<b>Business-Type Activities</b>										
Investment Income and rents	\$ 68,664	\$ 65,376	\$ 58,363	\$ 859	\$ 1,703	\$ 13,362	\$ 10,561	\$ 8,085	\$ 9,132	\$ 7,749
Miscellaneous	-	-	-	-	37,703	-	-	-	-	-
Transfers, net	-	-	149,364	-	-	-	-	-	(19,363)	(69,275)
<b>Total Business-Type Activities</b>	<b>\$ 68,664</b>	<b>\$ 65,376</b>	<b>\$ 207,727</b>	<b>\$ 859</b>	<b>\$ 39,406</b>	<b>\$ 13,362</b>	<b>\$ 10,561</b>	<b>\$ 8,085</b>	<b>\$ (10,231)</b>	<b>\$ (61,526)</b>
<b>Total Primary Government General Revenues and Other</b>	<b>\$ 28,308,063</b>	<b>\$ 27,575,434</b>	<b>\$ 24,791,737</b>	<b>\$ 25,726,267</b>	<b>\$ 22,911,201</b>	<b>\$ 25,967,899</b>	<b>\$ 22,992,568</b>	<b>\$ 18,562,653</b>	<b>\$ 17,741,646</b>	<b>\$ 21,688,255</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ (123,409)	\$ 5,137,409	\$ 2,168,460	\$ (456,114)	\$ (6,842,959)	\$ 3,475,474	\$ 886,213	\$ (344,149)	\$ (454,978)	\$ 4,672,852
Business-Type Activities	120,509	121,926	266,089	(42,459)	(68,186)	(2,539)	25,105	(1,803)	43,286	45,122
<b>Total Primary Government Change in Net Position</b>	<b>\$ (2,900)</b>	<b>\$ 5,259,335</b>	<b>\$ 2,434,549</b>	<b>\$ (498,573)</b>	<b>\$ (6,911,145)</b>	<b>\$ 3,472,935</b>	<b>\$ 911,318</b>	<b>\$ (345,952)</b>	<b>\$ (411,692)</b>	<b>\$ 4,717,974</b>

Source: Middletown Township Financial Statements

(1) GASB Statement No 68 was implemented in 2015

**TOWNSHIP OF MIDDLETOWN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Non-spendable	\$ 150,229	\$ 157,067	\$ 162,718	\$ -	\$ -	\$ 11,951	\$ 45,458	\$ 138,734	\$ 7,343	\$ 34,252
Restricted	-	-	123,227	160,188	265,763	248,397	225,492	179,739	146,619	108,516
Committed	419,032	420,782	426,782	435,782	452,282	462,211	466,955	473,358	-	-
Assigned	7,532,650	7,511,616	-	-	-	-	-	-	-	-
Unassigned	1,862,528	3,215,650	12,016,269	7,440,849	6,286,394	8,172,451	7,254,048	8,942,469	7,883,196	5,359,161
Total General Fund	<u>\$ 9,964,439</u>	<u>\$ 11,305,115</u>	<u>\$ 12,728,996</u>	<u>\$ 8,036,819</u>	<u>\$ 7,004,439</u>	<u>\$ 8,895,010</u>	<u>\$ 7,991,953</u>	<u>\$ 9,734,300</u>	<u>\$ 8,037,158</u>	<u>\$ 5,501,929</u>
All Other Governmental Funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,476
Restricted	4,834,904	4,234,963	3,576,427	2,465,267	2,487,652	1,868,569	1,478,081	1,397,799	1,729,234	2,880,452
Committed	305,316	274,219	410,281	503,205	663,799	683,065	623,862	39,485,092	39,374,415	39,298,484
Assigned	36,489,584	38,524,306	44,764,491	49,818,188	52,581,665	50,133,159	51,325,038	10,666,081	9,146,670	3,522,787
Unassigned	7,532,650	7,511,616	-	-	-	-	-	-	1,478	(224)
Total all Other Governmental Funds	<u>\$ 49,162,454</u>	<u>\$ 50,545,104</u>	<u>\$ 48,751,199</u>	<u>\$ 52,786,660</u>	<u>\$ 55,733,116</u>	<u>\$ 52,684,793</u>	<u>\$ 53,426,981</u>	<u>\$ 51,548,972</u>	<u>\$ 50,251,797</u>	<u>\$ 45,854,975</u>
Total Governmental Funds	<u><u>\$ 59,126,893</u></u>	<u><u>\$ 61,850,219</u></u>	<u><u>\$ 61,480,195</u></u>	<u><u>\$ 60,823,479</u></u>	<u><u>\$ 62,737,555</u></u>	<u><u>\$ 61,579,803</u></u>	<u><u>\$ 61,418,934</u></u>	<u><u>\$ 61,283,272</u></u>	<u><u>\$ 58,288,955</u></u>	<u><u>\$ 51,356,904</u></u>

Source: Middletown Township Financial Statements

**TOWNSHIP OF MIDDLETOWN**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Revenue</b>										
Taxes (Non Earned Income Tax)	\$ 15,319,815	\$ 14,196,049	\$ 15,370,783	\$ 16,069,942	\$ 12,899,641	\$ 14,789,802	\$ 14,930,159	\$ 14,506,135	\$ 14,676,114	\$ 14,342,779
Earned Income Tax	9,843,603	9,836,136	9,632,441	9,082,305	8,116,977	8,415,147	7,998,427	8,349,759	7,612,374	6,783,852
Licenses and Permits	948,949	995,275	1,054,850	1,074,884	1,095,312	1,113,055	1,184,179	1,202,213	1,174,602	1,096,372
Fines and Forfeits	116,466	101,519	92,639	109,993	117,897	118,540	131,869	144,157	138,439	147,825
Interest and Rents	3,204,146	2,578,504	1,276,390	865,757	1,161,353	1,481,943	1,216,075	940,342	781,998	760,385
Intergovernmental Revenues	4,043,817	6,437,713	5,498,871	2,649,165	3,318,821	3,815,984	2,636,604	3,013,843	3,314,314	2,829,295
Charges for Services	8,477,305	8,466,629	10,055,151	7,569,354	6,388,526	6,596,709	6,597,887	6,316,616	6,525,032	6,735,503
Special Assessment	-	-	-	-	-	-	-	-	-	-
Contribution Private Source	54,467	43,270	7,587	78,400	66,050	12,176	12,404	55,660	19,208	55,497
Gain/(Loss) on Investments	-	993,723	(2,207,984)	(1,004,417)	440,056	597,640	(229,320)	(303,097)	(122,914)	(265,210)
Miscellaneous Revenues	150,407	1,084,798	113,567	215,162	446,287	354,483	256,569	115,190	62,097	131,790
<b>Total Revenues</b>	<b>\$ 42,158,975</b>	<b>\$ 44,733,616</b>	<b>\$ 40,894,295</b>	<b>\$ 36,710,545</b>	<b>\$ 34,050,920</b>	<b>\$ 37,295,479</b>	<b>\$ 34,734,853</b>	<b>\$ 34,340,818</b>	<b>\$ 34,181,264</b>	<b>\$ 32,618,088</b>
<b>Expenditures</b>										
General Government	\$ 3,125,261	\$ 2,754,561	\$ 2,663,959	\$ 2,592,692	\$ 2,718,371	\$ 2,867,434	\$ 2,479,540	\$ 2,392,815	\$ 2,375,974	\$ 2,301,468
Public Safety	21,162,476	19,368,142	19,327,696	18,498,390	18,025,948	17,281,031	16,259,206	14,572,966	14,333,335	13,965,246
Public Works	9,400,149	8,817,319	8,340,378	8,255,418	7,547,021	7,862,422	8,121,254	8,750,562	7,343,296	6,367,050
Parks and Recreation	1,702,648	1,761,441	1,559,792	1,465,936	1,192,850	1,450,940	1,313,849	1,299,553	1,302,579	1,294,579
Miscellaneous Expenditures	1,362,632	1,251,832	1,296,249	1,188,390	809,851	736,849	1,729,885	783,218	461,240	499,666
Capital Outlay/Development	5,323,199	7,567,421	4,312,143	4,157,179	2,806,864	4,031,784	2,085,391	2,122,519	2,159,501	4,582,602
Debt Service										
Principal	2,269,673	2,184,444	2,080,336	1,910,163	2,245,033	2,340,411	2,284,868	2,352,014	2,045,180	1,961,826
Interest	550,085	656,872	758,731	662,514	609,612	562,179	641,331	671,254	658,549	706,649
Other Charges	1,560	1,560	1,560	780	780	1,560	2,340	1,560	153,525	-
<b>Total Expenditures</b>	<b>\$ 44,897,683</b>	<b>\$ 44,363,592</b>	<b>\$ 40,340,844</b>	<b>\$ 38,731,462</b>	<b>\$ 35,956,330</b>	<b>\$ 37,134,610</b>	<b>\$ 34,917,664</b>	<b>\$ 32,946,461</b>	<b>\$ 30,833,179</b>	<b>\$ 31,679,086</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (2,738,708)</b>	<b>\$ 370,024</b>	<b>\$ 553,451</b>	<b>\$ (2,020,917)</b>	<b>\$ (1,905,410)</b>	<b>\$ 160,869</b>	<b>\$ (182,811)</b>	<b>\$ 1,394,357</b>	<b>\$ 3,348,085</b>	<b>\$ 939,002</b>
<b>Other Financing Sources (Uses)</b>										
Refunding Bonds	\$ -	\$ -	\$ -	\$ 6,260,000	\$ 13,895,000	\$ -	\$ -	\$ 1,116,648	\$ 9,490,000	\$ -
Premium on Bond Issuance	-	-	-	1,157,232	1,612,345	-	-	-	505,056	-
Payment to Refunded Bonds Escrow Agent	-	-	-	(7,311,000)	(12,444,183)	-	-	-	(6,435,448)	-
Sale of Capital Assets	15,382	-	91,805	609	-	-	6,700	11,930	4,995	15,370
Issuance of Long Term Notes and Leases	-	-	-	-	-	-	311,773	-	-	-
Transfers In	3,129,616	4,129,500	2,925,092	1,459,500	157,200	159,600	2,500,000	2,557,731	2,099,063	2,822,775
Transfers Out	(3,129,616)	(4,129,500)	(3,074,456)	(1,459,500)	(157,200)	(159,600)	(2,500,000)	(2,557,731)	(2,079,700)	(2,753,500)
<b>Total other Financing Sources (Uses)</b>	<b>\$ 15,382</b>	<b>\$ -</b>	<b>\$ (57,559)</b>	<b>\$ 106,841</b>	<b>\$ 3,063,162</b>	<b>\$ -</b>	<b>\$ 318,473</b>	<b>\$ 1,128,578</b>	<b>\$ 3,583,966</b>	<b>\$ 84,645</b>
<b>Net Change in Fund Balances</b>	<b>\$ (2,723,326)</b>	<b>\$ 370,024</b>	<b>\$ 495,892</b>	<b>\$ (1,914,076)</b>	<b>\$ 1,157,752</b>	<b>\$ 160,869</b>	<b>\$ 135,662</b>	<b>\$ 2,522,935</b>	<b>\$ 6,932,051</b>	<b>\$ 1,023,647</b>
<b>Debt Service as a Percentage of Non Capital Expenditures</b>	<b>7.06%</b>	<b>7.27%</b>	<b>7.42%</b>	<b>7.06%</b>	<b>8.50%</b>	<b>8.49%</b>	<b>9.12%</b>	<b>9.99%</b>	<b>9.92%</b>	<b>9.37%</b>

Source: Middletown Township Financial Statements

**TOWNSHIP OF MIDDLETOWN**  
**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

Year	Property Taxes	Earned Income Tax	Amusement Tax	Local Services Tax	Mercantile Tax	Real Estate Transfer Tax	Parking Tax	Per Capita Tax	Mechanical Device Tax	Total
2024	10,041,767	9,843,603	1,137,710	986,325	992,682	1,658,436	317,592	138,403	46,900	\$ 25,163,418
2023	9,205,020	9,836,136	1,165,981	1,043,579	1,128,287	1,180,500	292,534	137,883	42,265	\$ 24,032,185
2022	9,180,948	9,632,441	1,329,079	1,037,724	1,184,286	2,108,274	345,092	141,360	44,020	25,003,224
2021	9,210,345	9,082,305	1,509,645	1,019,829	1,265,203	2,591,620	278,048	149,262	45,990	25,152,247
2020	9,108,772	8,116,977	282,161	1,036,728	861,211	1,361,075	55,343	141,816	52,535	21,016,618
2019	9,251,090	8,415,147	1,460,447	1,059,490	1,154,769	1,346,119	320,961	147,446	49,480	23,204,949
2018	9,237,860	7,998,427	1,364,243	1,111,139	1,158,235	1,568,242	327,151	131,509	31,780	22,928,586
2017	9,170,653	8,349,759	1,333,653	1,091,284	1,177,552	1,334,379	227,193	138,561	32,860	22,855,894
2016	9,302,240	7,612,374	1,447,720	1,129,355	1,046,011	1,258,149	312,160	146,119	34,360	22,288,488
2015	9,291,064	6,783,852	1,379,123	983,936	1,116,110	1,137,327	260,992	139,627	34,600	21,126,631

Source: Middletown Township Financial Statements

**TOWNSHIP OF MIDDLETOWN  
ASSESSED VALUE AND ESTIMATED ACTUAL  
VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

Year	Real Property Assessed Value (1)	Less: Tax Exempt Property	Total Taxable Assessed Value (2)	Estimated Actual Values of Real Property	Ratio of Total Assesed Value to Total Estimated Actual Value (2)	Middletown Township Municipal Millage Rate
2024	617,348,220	88,339,840	529,008,380	6,754,356,893	9.14%	19.025
2023	614,828,770	87,916,020	526,912,750	6,057,426,305	10.15%	17.570
2022	612,288,999	84,534,309	527,754,690	6,038,353,044	10.14%	17.570
2021	612,150,395	84,547,995	527,602,400	5,590,414,568	10.95%	17.570
2020	612,329,331	84,528,261	527,801,070	5,447,769,852	11.24%	17.570
2019	615,689,467	84,992,107	530,697,360	6,077,882,204	10.13%	17.570
2018	618,665,160	87,427,210	531,237,950	6,746,621,156	9.17%	17.570
2017	618,097,790	86,610,530	531,487,260	5,670,621,927	10.90%	17.570
2016	617,101,220	86,559,600	530,541,620	5,342,867,706	11.55%	17.570
2015	616,397,560	86,323,950	530,073,610	6,964,944,181	8.85%	17.570

Source: Middletown Township Tax Department (Bucks County, PA Real Estate Assessment Roll)

(1) Assessed value of real property includes all property within the Township. County assessment records do not provide categorization by use or ownership

(2) Information provided by PA State Equalization Board (STEB) for Bucks County, PA TED Report

**TOWNSHIP OF MIDDLETOWN**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**  
**(rate per \$1,000 of assessed value)**

Year	Direct Rates			Overlapping Rates			Total	
	Township of Middletown			Bucks County, PA			Neshaminy School District	Direct & Overlapping Millage Rates
	Operating Millage	Debt Service Millage	Total Township Millage	Operating Millage	Debt Service Millage	Total County Millage	Total Millage	
2024	13.88000	5.14500	19.02500	22.53620	4.91380	27.45000	181.67500	228.15000
2023	12.42500	5.14500	17.57000	20.51210	4.93790	25.45000	171.23000	214.25000
2022	12.42500	5.14500	17.57000	19.78820	5.66180	25.45000	171.23000	214.25000
2021	12.42500	5.14500	17.57000	19.78820	5.66180	25.45000	165.60000	208.62000
2020	12.42500	5.14500	17.57000	19.08960	5.36040	24.45000	163.10000	205.12000
2019	12.42500	5.14500	17.57000	19.08960	5.36040	24.45000	163.10000	205.12000
2018	12.42500	5.14500	17.57000	19.08960	5.36040	24.45000	159.50000	201.52000
2017	12.42500	5.14500	17.57000	19.53150	4.91850	24.45000	155.80000	197.82000
2016	12.42500	5.14500	17.57000	17.84870	5.35130	23.20000	152.00000	192.77000
2015	12.42500	5.14500	17.57000	18.32020	4.87980	23.20000	152.00000	192.77000

Overlapping rates are those of local and county governments that apply to property owners within Middletown Township

Sources: Middletown Township, Bucks County Board of Assessments, Neshaminy School District

**TOWNSHIP OF MIDDLETOWN  
PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS PRIOR**

Taxpayer	Type of Business	December 31, 2024			December 31, 2015		
		Taxable Assessed Value (1)	Rank	Percentage of Total Assessed Valuation (2)	Taxable Assessed Value (1)	Rank	Percentage of Total Assessed Valuation (3)
				(2)			(3)
McStome, Inc. (Kravco- Simon Properties Mall)	Commercial Development	5,667,730	1	1.07%	19,574,660	1	3.69%
St. Mary Medical Center Healthcare	Healthcare	4,565,800	2	0.86%	4,565,800	2	0.86%
800 (Eight) Trenton Assoc LP	Apartment Complex	4,377,560	3	0.83%	4,368,800	3	0.82%
Harper's Crossing Owner LLC (Jefferson Woods)	Residential Community	4,157,100	4	0.79%	4,157,100	4	0.78%
Shoppes at Flowers Mills	Shopping Center	3,614,110	5	0.68%	3,614,110	5	0.68%
Oxford Property LLC	Retirement & Assisted Living	2,833,100	6	0.54%	2,878,520	6	0.54%
Paramount Plaza at Lincoln LLC	Commercial Development	2,599,030	7	0.49%			
TLC Reedman L P	Auto Dealership	2,543,000	8	0.48%	2,831,800	7	0.53%
Guttman (Langhorne Square Shopping Center)	Shopping Center	2,331,110	9	0.44%	2,331,110	9	0.44%
Summit Square Assoc	Shopping Center	2,327,590	10	0.44%	2,327,590	10	0.44%
<b>Total</b>		<b>35,016,130</b>		<b>6.62%</b>	<b>46,649,490</b>		<b>8.80%</b>

(1) Information provided by Middletown Township Tax Collector. Multiple Parcels now grouped together

(2) Information provided by Bucks County, PA Real Estate Assessment Roll. Total Assessed Valuation is \$529,008,380.

(3) Information obtained from Middletown Township 2015 ACFR. Total Assessed Valuation was \$530,073,610.

**TOWNSHIP OF MIDDLETOWN  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Year	Tax Levy for Fiscal Year	Collected within the Fiscal Year of Levy			Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy	Amount		Percentage of Levy	
2024	10,064,384	\$ 9,913,009	98.50%	128,758	\$ 10,041,767	99.78%	
2023	9,257,857	\$ 9,124,691	98.56%	80,329	\$ 9,205,020	99.43%	
2022	9,272,650	\$ 9,111,699	98.26%	69,249	\$ 9,180,948	99.01%	
2021	9,269,974	\$ 9,115,621	98.33%	94,724	\$ 9,210,345	99.36%	
2020	9,273,465	\$ 9,026,837	97.34%	81,935	\$ 9,108,772	98.22%	
2019	9,324,353	\$ 9,162,825	98.27%	88,265	\$ 9,251,090	99.21%	
2018	9,333,851	\$ 9,119,887	97.71%	117,973	\$ 9,237,860	98.97%	
2017	9,338,231	\$ 9,062,316	97.05%	108,337	\$ 9,170,653	98.21%	
2016	9,321,616	\$ 9,182,845	98.51%	119,395	\$ 9,302,240	99.79%	
2015	9,313,393	\$ 9,291,064	99.76%	-	\$ 9,291,064	99.76%	

Source: Middletown Township Tax Receipt Records and Bucks County Tax Claim Bureau Reports

**TOWNSHIP OF MIDDLETOWN  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt Limit	\$ 61,734,822	\$ 61,482,877	\$ 61,228,900	\$ 61,247,229	\$ 61,232,933	\$ 61,568,947	\$ 61,892,412	\$ 61,809,779	\$ 61,710,122	\$ 61,639,756
Total Net Debt Applicable to Limit	<u>11,195,153</u>	<u>13,299,514</u>	<u>15,327,923</u>	<u>17,287,385</u>	<u>19,744,155</u>	<u>20,346,399</u>	<u>22,545,909</u>	<u>24,883,585</u>	<u>27,299,228</u>	<u>24,578,721</u>
Legal Debt Margin	<u>\$ 50,539,669</u>	<u>\$ 48,183,363</u>	<u>\$ 45,900,977</u>	<u>\$ 43,959,844</u>	<u>\$ 41,488,778</u>	<u>\$ 41,222,548</u>	<u>\$ 39,346,503</u>	<u>\$ 36,926,194</u>	<u>\$ 34,410,894</u>	<u>\$ 37,061,035</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.13%	21.63%	25.03%	28.23%	32.24%	33.05%	36.43%	40.26%	44.24%	39.87%

**Legal Debt Margin Calculation**

Assessed Value	\$ 529,008,380	\$ 526,912,750	\$ 527,754,690
Add Back: Exempt Real Property	<u>88,339,840</u>	<u>87,916,020</u>	<u>84,534,309</u>
Total Assessed Value	<u>\$ 617,348,220</u>	<u>\$ 614,828,770</u>	<u>\$ 612,288,999</u>
Debt Limit (10% of Total Assessed Value)	\$ 61,734,822	\$ 61,482,877	\$ 61,228,900
Debt Applicable to Limit			
General Obligation Bonds	10,685,000	12,840,000	14,895,000
Less: Amount set aside for repayment of General Obligation Debt	<u>\$ (510,153)</u>	<u>\$ (459,514)</u>	<u>\$ (432,923)</u>
Total Net Debt Applicable to Limit	<u>\$ 11,195,153</u>	<u>\$ 13,299,514</u>	<u>\$ 15,327,923</u>
Legal Debt Margin	<u>\$ 50,539,669</u>	<u>\$ 48,183,363</u>	<u>\$ 45,900,977</u>

Note: Under state finance law, Middletown Township's outstanding General Obligation Debt should not exceed 10 percent (10%) of total assessed property value. By law, the General Obligation Debt subject to the limitation may be offset by amounts set aside for repaying General Obligation Bonds.

**TOWNSHIP OF MIDDLETOWN**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Notes Payable	Capital Leases	Term Loan				
2024	\$ 11,987,128	\$ 427,915	\$ -	\$ -	\$ 12,415,043	0.54%	\$ 270	
2023	14,468,682	542,589	-	-	15,011,271	0.69%	326	
2022	16,850,236	654,183	17,849	-	17,522,268	0.85%	381	
2021	19,131,790	762,581	34,788	-	19,929,159	1.00%	433	
2020	21,372,510	867,872	59,722	-	22,300,104	1.33%	484	
2019	20,719,065	969,984	87,580	-	21,776,629	1.32%	479	
2018	22,989,824	1,293,889	117,998	-	24,401,711	1.48%	537	
2017	25,185,583	1,289,982	-	-	26,475,565	1.60%	583	
2016	27,355,867	465,348	-	-	27,821,215	1.68%	612	
2015	25,700,766	555,529	-	73,615	26,329,910	1.55%	579	

Note: Details regarding the Township's outstanding debt can be found in the notes of the financial statements.

**TOWNSHIP OF MIDDLETOWN**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

Year	General	Less Amounts	Net General Bonded Debt	Percentage of Estimated Actual Taxable Value of		Per Capita
	Obligation Bonds (1)	Available in Debt Service Fund (2)		Property	0.17%	
2024	\$ 11,987,128	\$ 510,153	\$ 11,476,975		0.17%	249
2023	14,468,682	459,514	14,009,168		0.23%	304
2022	16,850,236	432,923	16,417,313		0.27%	357
2021	19,131,790	437,385	18,694,405		0.33%	406
2020	21,372,510	144,155	21,228,355		0.39%	461
2019	20,719,065	171,399	20,547,666		0.34%	452
2018	22,989,824	200,909	22,788,915		0.34%	502
2017	25,185,583	443,585	24,741,998		0.44%	545
2016	27,355,867	799,228	26,556,639		0.50%	584
2015	25,700,766	1,209,796	24,490,970		0.35%	539

(1) This is the General Bonded Debt of both governmental and business-type activities, net of original issuance and discounts and premiums

(2) This is the amount restricted for debt service principal payments

**TOWNSHIP OF MIDDLETOWN**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT**

Government Unit	Gross Outstanding Debt	Percentage Applicable to Middletown Township (4)	Amount Applicable to Middletown Township
Township of Middletown (1)	\$ 12,415,043	100.00%	\$ 12,415,043
Neshaminy School District (2)	159,650,000	65.72%	104,921,980
Bucks County (3)	<u>153,872,297</u>	6.23%	<u>9,586,244</u>
Sub-Total Overlapping Debt	313,522,297		114,508,224
Total	<u><u>\$ 325,937,340</u></u>		<u><u>\$ 126,923,267</u></u>

Overlapping governments are local and county governments that coincide, at least in part, with the geographic boundaries of the Township. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Middletown Township. This process recognizes that, when considering the Township's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account.

Sources:

(1) Township of Middletown Records

(2) Neshaminy School District

(3) County of Bucks

(4) Proportion share of existing debt as of December 31, 2024 based on ratio of Middletown Township's Total Taxable Assessed Value of \$529,008,380 (see Table 6) to school district and county total taxable assessed values for 2024.

Neshaminy School District's 2024 Taxable Assessed Value was \$804,938,020 and Bucks County's 2024 Total Taxable Assessed Value was \$8,487,520,080.

*Percentage Applicable to Middletown = Middletown Taxable Assesed Value ÷ Overlapping Total Taxable Assessed Value*

(source, PA State Equalization Board TED Report)

**TOWNSHIP OF MIDDLETOWN  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

Year	Population (1)	Personal Income (thousand of dollars)	Per Capita Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (3)
2024	46,040	\$ 2,307,709	\$ 50,124	44.0	9,477	3.30%
2023	46,040	2,178,475	47,317	43.2	9,291	3.40%
2022	46,040	2,050,391	44,535	42.9	8,991	3.50%
2021	46,040	2,002,141	43,487	43.3	8,742	3.60%
2020	46,040	1,675,442	36,391	42.5	9,037	3.80%
2019	45,436	1,653,461	36,391	42.5	9,037	3.80%
2018	45,436	1,653,461	36,391	42.5	8,826	3.80%
2017	45,436	1,653,461	36,391	42.5	8,718	4.20%
2016	45,436	1,653,461	36,391	42.5	8,562	4.50%
2015	45,438	1,698,745	37,386	43.1	8,456	4.50%

Sources

(1) American Fact Finder, 2013-20 American Community Survey, and US Census Bureau (2020 and after)

(2) Neshaminy School District, National Center for Education Statistics

(3) PA Department of Labor & Industry, Center for Workforce Information and Analysis - as of 12/31 for Bucks County

**TOWNSHIP OF MIDDLETOWN**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS PRIOR**

Employer	Type of Business	December 31, 2024			December 31, 2015		
		Employees	Rank	Percentage of Total Township Employment (2)	Employees	Rank	Percentage of Total Township Employment (3)
St Mary Medical Center	Hospital	2,458	1	9.81%	2,370	1	8.69%
Woods Services, Inc.	Education	1,437	2	5.74%	931	4	3.41%
Neshaminy School District	Education	1,124	3	4.49%	1,086	3	3.98%
SeaWorld Parks & Entertainment	Entertainment/Theme Park	803	4	3.21%	1,232	2	4.52%
Giant Food Stores LLC	Retail	800	5	3.19%	503	5	1.84%
BMG Circle of Life LLC	Healthcare	557	6	2.22%			
Pennswood Village	Retirement Community	464	7	1.85%	437	6	1.60%
Langhorne Physician Services	Healthcare	378	8	1.51%			
Target Corporation	Retail	335	9	1.34%	295	9	1.08%
Sosedov LLC	Healthcare	324	10	1.29%			
<b>Total</b>		<b>8,680</b>		<b>34.65%</b>	<b>6,854</b>		<b>25.12%</b>

(1) Information provided by Berkheimer Tax Administrator (administrator and collector of Pennsylvania Act 511 taxes and LST)

(2) Commonwealth of PA, Department of Labor & Industry, Total Middletown Township Civilian Labor Force was 25,046 for 2024

(3) Commonwealth of PA, Department of Labor & Industry, Total Middletown Township Civilian Labor Force was 27,273 for 2015

**TOWNSHIP OF MIDDLETOWN**  
**FULL TIME EQUIVALENT MUNICIPAL**  
**EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Government										
Administration	6.5	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0
Finance	4.0	5.0	4.5	4.5	4.5	5.0	4.5	5.0	5.0	5.0
Personal	-	-	-	-	-	-	-	-	1.0	1.0
Police										
Police Officers	61.0	60.0	59.0	59.0	59.0	59.0	59.0	57.0	56.0	54.0
Police Civilians (1)	20.0	17.5	17.5	17.5	17.5	17.5	15.5	15.5	13.0	13.0
Public Works										
Administration	2.0	1.0	1.0	1.0	1.5	2.5	2.5	2.0	2.5	2.5
Maintenance/Labor	21.0	21.5	21.5	21.0	20.0	15.5	16.5	15.5	12.5	12.5
Summer/Seasonal	3.5	3.5	3.5	3.5	2.0	5.0	5.0	4.0	3.0	3.0
Community Services										
Administration	-	-	-	-	-	-	-	-	1.0	1.0
Custodial/Labor (2)	-	-	-	-	-	-	-	-	-	-
Emergency Services										
Administration	3.0	-	-	-	-	-	-	1.0	2.0	2.0
Firefighters (3)	5.0									
Officers/Inspectors (3)	1.5	8.0	6.0	6.0	5.5	8.5	7.8	4.5	3.0	3.0
Parks & Recreation										
Administration	4.0	4.0	4.0	4.0	4.0	4.5	4.5	3.5	3.0	3.0
Summer Rec/Seasonal	23.5	23.5	21.5	21.5	12.5	23.0	23.0	22.5	22.0	22.0
Misc. Program Facilitators	2.0	4.0	4.0	4.0	4.0	4.0	4.0	6.0	8.0	8.0
Licenses, Inspections & Zoning	9.0	9.0	9.0	9.0	8.0	8.0	7.0	7.0	5.0	5.0
Totals	<u>166.00</u>	<u>162.00</u>	<u>156.50</u>	<u>156.00</u>	<u>143.50</u>	<u>157.50</u>	<u>153.25</u>	<u>147.5</u>	<u>141.0</u>	<u>139.0</u>

Source: Middletown Township Department Records

Method: Using 1.0 for each full time employee and 0.50 for each part-time and seasonal employee

(1) Police civilians include school crossing guards

(2) One custodian partially funded by Middletown Senior Citizens Association

(3) For years before 2024, one part-time per diem fire officer/inspector is calculated at 0.25 FTEs

**TOWNSHIP OF MIDDLETOWN**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Emergency Services</b>										
Emergency Fire Calls	855	690	583	721	846	988	826	1,468	2,000	2,000
Business/Industrial/Residential Fires	11	11	22	23	20	24	35	38	24	29
Fire Investigations Conducted	30	32	43	30	46	112	368	368	917	342
Hazardous Materials/Petroleum Spill Calls	4	7	13	6	22	3	48	48	42	51
Mechanical Inspections Conducted	260	258	270	383	293	150	278	278	250	312
Fire Safety Inspections Completed	3,965	2,026	1,845	1,641	360	1,828	1,793	1,661	1,532	1,911
<b>General Government</b>										
Building Inspections Conducted	1,386	1,464	1,104	1,167	681	1,438	1,080	940	1,223	1,426
Plumbing Inspections Conducted	545	514	482	412	266	241	600	550	498	629
Building Permits Issued	562	554	587	640	556	444	536	467	574	628
Plumbing Permits Issued	314	328	328	300	246	461	625	490	266	312
Electrical Permits Issued	443	491	518	552	466	249	340	278	547	421
Mechanical Permits Issued	460	509	565							
Residential Value of Construction/Issued Permits	14,943,886	9,376,597	9,526,239	13,248,019	6,986,118	23,507,509	9,700,000	10,000,000	6,319,299	13,131,173
Commercial Value of Construction/Issued Permits	22,402,591	62,826,754	146,461,740	35,323,509	6,704,917	1,839,251	1,200,000	13,000,000	17,316,835	22,327,057
<b>Parks &amp; Recreation</b>										
Recreation Program Participants	3,330	3,210	16,973	5,713	4,473	16,848	13,664	12,564	12,949	15,531
Program Sessions Offered	312	293	295	158	243	355	316	363	345	356
<b>Police</b>										
Criminal Arrests	548	578	446	578	542	825	762	931	1,073	1,071
Traffic Citations	2,576	2,501	1,966	1,869	3,189	3,678	3,091	3,735	2,952	3,677
Accident Reports	1,466	1,354	1,254	1,569	1,265	1,694	1,756	1,787	1,718	1,740
Parking Violations	235	99	19	49	45	106	149	120	194	407
Animal Control Cases Investigated	263	116	211	416	332	464	329	264	491	418
Animal Control Warnings Issued	20	18	68	56	167	142	80	74	25	16
Animal Control Prosecutions Instituted	2	1	31	30	35	39	27	23	16	13
<b>Public Works</b>										
Roads Resurfaced (linear feet)	8,178	5,813	20,328	28,248	20,698	18,195	47,520	52,325	45,778	61,900
Trees Removed/Trimmed	135	127	73	109	261	125	133	128	48	96
Signs Repaired/Installed	110	94	63	94	69	100	129	111	162	234
Drainage/Storm Drains Unclogged	35	27	26	48	24	65	66	37	57	77
Potholes Repaired	302	224	371	475	191	420	603	358	255	1,712
Sinkholes Repaired	19	11	7	13	11	21	20	16	14	40

Source: Middletown Township Department Records

**TOWNSHIP OF MIDDLETOWN**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Emergency Services										
Fire Stations	6	6	6	6	6	6	6	6	6	6
Vehicle Units	31	31	31	31	31	31	31	31	31	31
General Government										
Square Footage Occupied	56,122	56,122	56,122	56,122	56,122	56,122	56,122	56,122	56,122	56,122
Inspection Vehicles	2	2	2	2	2	2	2	2	2	2
Other Departmental Vehicles	2	2	2	2	2	2	2	1	1	1
Parks & Recreation										
Number of Recreation Facilities	19	19	19	19	19	19	19	19	19	19
Acreage of Park Land	142	142	142	142	142	142	142	142	142	142
Acreage of Greenbelts/Open Space	529	529	529	529	529	529	529	529	529	529
Police										
Stations	2	2	2	2	2	1	1	1	1	1
Patrol Units	60	60	58	58	52	50	47	47	45	45
Trained Canines	5	5	5	5	5	4	4	4	4	4
Public Works										
Municipal Street (Lane Miles)	137.77	137.77	137.77	137.77	137.77	137.77	137.77	137.77	137.77	137.77
Streetlights	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Public Service Vehicles	34	34	34	34	34	26	25	24	24	24
Off-Road Equipment	8	8	8	8	8	8	8	7	7	7
Office Garage Complex	2	2	2	2	2	2	2	2	2	2
Salt Storage Buildings	1	1	1	1	1	1	1	1	1	1

Source: Middletown Township Department Records