

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PENNSYLVANIA  
Financial Report  
December 31, 2022**

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PENNSYLVANIA**  
**December 31, 2022**

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BUCKS COUNTY, PENNSYLVANIA  
December 31, 2022**

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## **Independent Auditors' Report**

To the Board of Supervisors  
East Rockhill Township  
Perkasie, 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 East Rockhill Township, Bucks County, Pennsylvania (the Township), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of East Rockhill Township, Bucks County, Pennsylvania as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required information on pages 4-15 and 62-70 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The schedule of revenues, expenses, and changes in net position—budget and actual—proprietary funds and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*DunlapSLK, PC*

Chalfont, Pennsylvania  
April 27, 2023

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended December 31, 2022**

Discussion and analysis of East Rockhill Township's financial performance provides an overview of the Township's financial activities for the year ended December 31, 2022. Please read it in conjunction with the Township's financial statements, which begins on page 16.

**FINANCIAL HIGHLIGHTS**

- In 2022, the Township's net position has increased 6.11% from the prior year as a result of this year's operations. The change in net position increased \$1,144,111 compared to an increased change in 2021 net position of \$1,571,683 or 9.53%. Prior years change in net position include: 2020 increase of \$857,433 or 5.28%; 2019 increase of \$656,185 or 4.21%; 2018 increase of \$688,738 or 4.62%.
- The total cost of all Township programs for the year ended December 31, 2022, was \$3,419,222 compared to \$3,162,709 for 2021, a 8.1% increase.
- On March 13, 2020, the United States declared Coronavirus disease (COVID-19) a national emergency which impacted the United States and World through 2020 and into 2021. In 2022 the impact continued with supply shortages.
- December 2017 Rock Hill Quarry on North Rockhill Road made zoning application for the reactivation of the site for extraction and a proposed asphalt plant which resulted in an increase in consultant expenses. Active extraction has not taken place at the Quarry for over 30 years. A Federal Court decision stated that extraction may continue on the property under the jurisdiction of the Pennsylvania Department of Environmental Protection (PA DEP) and a County Court decision stated that an asphalt plant use was not permitted in the Extraction Zoning District where the quarry is located. PA DEP issued a cessation order December 21, 2020, until review of naturally occurring asbestos has been completed. The cessation order remained in effect in 2022.
- In 2021 American Rescue Plan was approved to aid state, local, territorial and tribal governments to help turn the tide of the pandemic, address its economic fallout and lay a foundation for strong and equitable recovery. The U.S. Department of the Treasury set the guidelines of how monies can be spent, and monies were distributed by the Commonwealth of Pennsylvania. East Rockhill Township was projected to receive \$599,545.24 but received a total of \$601,440.84 due to a supplemental payment for entities who opted out of the distribution. In 2021, a payment in the amount of \$299,772.62 was received and deposited into the Capital Reserve Fund and in 2022, payments in the amount of \$300,720.42 and \$947.80 were received and deposited into the Capital Reserve Fund. In November 2022 Resolution 2022-17 was adopted allocating monies to salaries benefits and provisions of other government. The Board of Supervisors as part of budget review determines allocations.
- Budgeted road work included an overlay on Bridgeview Drive and a bonded wearing course on Crest Drive and Old Bethlehem Pike from Bethlehem Pike to Three Mile Run Road per approved bids.
- Stormwater improvement took place on Harriet Drive.
- Low Volume Dirt & Gravel Grant was awarded from Bucks County Conservation District to improve stormwater on a section of East Rock Road.

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended December 31, 2022**

**FINANCIAL HIGHLIGHTS (continued)**

- Municipal Office addition and renovation was completed February 23, 2021. In 2022 the building debt note was paid in full prior to it's 2023 maturity date.
- Public works complex design and location review to replace the 1983 80' x 30' pole building continued. The proposed new building is to allow the entire fleet to be stored in one location; the fleet to be stored inside; have generator back-up, security and larger maintenance bay.
- Sewer Pump Station located at 1000 Three Mile Run Road was replaced in 2022.
- Conservation Easement was purchased totaling 22.302 acres at 1800 Three Mile Run Road
- Property with a single family dwelling was purchased at 426 Three Mile Run Road to acquire an easement to improve Stone Edge culvert to reduce flooding impact.
- A 2022 3500 pick-up truck was purchased replacing a 2006 Ford Explorer.
- A 2023 Utility Body truck was ordered to replace a 2008 F350 truck. Due to supply shortages, the truck will not be delivered until 2023.
- Dead trees in open space and right of ways removed by Township Staff and a 3<sup>rd</sup> Party in response to damage from the Emerald Ash Borer.
- The phone system was updated from analog lines to IP (Internet Protocol) phone system.
- Acoustic panels were installed in the public meeting room and lobby.

**USING THIS REPORT**

This report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 16 and 17-18) provide information about the activities of the Township as a whole and present a longer-term view of the Township finances. Fund financial statements start on page 19. For governmental activities, these statements tell how Township services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township major funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside the government.



**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended December 31, 2022**

**USING THIS REPORT** (Continued)

**Reporting on the Township as a Whole**

The Statement of Net Position and Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer the question of whether or not the Township is better or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These statements report the Township's net position and changes in it. The Township's net position (the difference between assets and liabilities) provides a measurement of the Township's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether the Township's financial health is improving or deteriorating.

**Reporting Significant Funds**

The fund financial statements begin on page 19 and provide detailed information about the most significant funds, not East Rockhill Township as a whole. Some funds are required to be established by State law. However, the Board of Supervisors established many other funds to help it control or manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

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

**The Township as a Trustee**

The Township is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for escrow deposits received from developers, businesses, and individuals for legal and engineering fees. All of the Township's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 28 and 29. These activities are excluded from the Township's other financial statements because the Township cannot use these assets to finance its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**THE TOWNSHIP AS A WHOLE**

The Statement of Net Position provides an overview of the Township's assets, liabilities, and net position. Over time, this statement will provide a good indicator of the Township's fiscal health. Two years of data are presented in the following tables. East Rockhill Township adopted the Governmental Accounting Standards Board Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions* - (GASB 54) with Resolution 2011-20.

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended December 31, 2022**

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

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

|  | <u>2022</u>          | <u>2021</u>          | <u>\$ Change</u>    | <u>% Change</u> |
|--|----------------------|----------------------|---------------------|-----------------|
| Capital Assets                                     | \$ 15,109,610        | \$ 13,864,490        | \$ 1,245,120        | 8.98%           |
| Current and Other Assets                           | 5,752,474            | 5,941,409            | (188,935)           | (3.18)%         |
| Net Pension Asset                                  | 298,140              | -                    | 298,140             | 100.00%         |
| Equity Interest in Joint Venture                   | 1,200,000            | 1,200,000            | -                   | 0.00%           |
| Total Assets                                       | <u>22,360,224</u>    | <u>21,005,899</u>    | <u>1,354,325</u>    | 6.45%           |
| Deferred Pension Outflows                          | <u>197,643</u>       | <u>278,582</u>       | <u>(80,939)</u>     | (29.05)%        |
| Long-Term Liabilities                              | 1,303,240            | 1,665,125            | (361,885)           | (21.73)%        |
| Net Pension Liability                              | -                    | 83,128               | (83,128)            | (100.00)%       |
| Other Liabilities                                  | 2,319                | 25,764               | (23,445)            | (91.00)%        |
| Total Liabilities                                  | <u>1,305,559</u>     | <u>1,774,017</u>     | <u>(468,458)</u>    | (26.41)%        |
| Deferred Inflows                                   | <u>1,373,029</u>     | <u>775,296</u>       | <u>597,733</u>      | 77.10%          |
| Net Position                                       |                      |                      |                     |                 |
| Invested in Capital Assets,<br>Net of Related Debt | 13,806,370           | 12,199,365           | 1,607,005           | 13.17%          |
| Restricted   | 3,084,538            | 2,733,715            | 350,823             | 12.83%          |
| Unrestricted                                       | <u>2,988,371</u>     | <u>3,802,088</u>     | <u>(813,717)</u>    | (21.40)%        |
| Total Net Position                                 | <u>\$ 19,879,279</u> | <u>\$ 18,735,168</u> | <u>\$ 1,144,111</u> | 6.11%           |

The total net position of the Township shown above is \$19,879,279. Net position increased by 6.11% in 2022.

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended December 31, 2022**

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

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

|                                   | <u>2022</u>         | <u>2021</u>         | <u>\$ Change</u>    | <u>% Change</u> |
|-----------------------------------|---------------------|---------------------|---------------------|-----------------|
| <b>Program Revenues</b>           |                     |                     |                     |                 |
| General Government                | \$ 151,077          | \$ 152,053          | \$ (976)            | (0.64)%         |
| Public Safety                     | 183,188             | 158,954             | 24,234              | 15.25%          |
| Highways                          | 309,545             | 508,819             | (199,274)           | (39.16)%        |
| Parks and Recreation              | 254                 | 208                 | 46                  | 22.12%          |
| Sewer                             | 753,831             | 774,314             | (20,483)            | (2.65)%         |
| Golf Driving Range                | 63,992              | 62,070              | 1,922               | 3.10%           |
| <b>General Revenues</b>           |                     |                     |                     |                 |
| Real Estate Taxes                 | 891,960             | 891,242             | 718                 | 0.08%           |
| Transfer Taxes                    | 171,316             | 191,381             | (20,065)            | (10.48)%        |
| Earned Income Taxes               | 1,800,431           | 1,784,351           | 16,080              | 0.90%           |
| EMS Taxes                         | 85,538              | 81,475              | 4,063               | 4.99%           |
| Interest and Rents                | 178,004             | 98,626              | 79,378              | 80.48%          |
| Miscellaneous                     | 16,982              | 30,899              | (13,917)            | (45.04)%        |
| <b>Total Revenues (forwarded)</b> | <u>\$ 4,606,118</u> | <u>\$ 4,734,392</u> | <u>\$ (128,274)</u> | <u>(2.71)%</u>  |

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended December 31, 2022**

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

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

|                                      | <u>2022</u>         | <u>2021</u>         | <u>\$ Change</u>    | <u>% Change</u> |
|--------------------------------------|---------------------|---------------------|---------------------|-----------------|
| <b>Total Revenues (forwarded)</b>    | <u>\$ 4,606,118</u> | <u>\$ 4,734,392</u> | <u>\$ (128,274)</u> | <u>(2.71)%</u>  |
| <b>Program Expenses</b>              |                     |                     |                     |                 |
| Legislative                          | 6,238               | 6,600               | (362)               | (5.48)%         |
| Finance and Tax Collection           | 119,532             | 122,454             | (2,922)             | (2.39)%         |
| Professional Services                | 105,311             | 108,767             | (3,456)             | (3.18)%         |
| General Government                   | 169,870             | 221,535             | (51,665)            | (23.32)%        |
| Public Safety                        | 1,232,950           | 1,085,521           | 147,429             | 13.58%          |
| Highway Maintenance                  | 927,086             | 565,441             | 361,645             | 63.96%          |
| Open Space                           | 7,457               | 7,783               | (326)               | (4.19)%         |
| Parks and Recreation                 | 16,942              | 270,769             | (253,827)           | (93.74)%        |
| Sewer                                | 786,578             | 724,173             | 62,405              | 8.62%           |
| Golf Driving Range                   | 47,258              | 49,666              | (2,408)             | (4.85)%         |
| <b>Total Expenses</b>                | <u>3,419,222</u>    | <u>3,162,709</u>    | <u>256,513</u>      | <u>8.11%</u>    |
| <b>Change in Net Position before</b> |                     |                     |                     |                 |
| <b>Other Sources</b>                 | 1,186,896           | 1,571,683           | (384,787)           | (24.48)%        |
| Sale of Capital Assets               | 3,800               | -                   | 3,800               | 100.00%         |
| <b>Change in Net Position</b>        | <u>\$ 1,190,696</u> | <u>\$ 1,571,683</u> | <u>\$ (380,987)</u> | <u>(24.24)%</u> |

The Township as a whole as shown above realized decreased revenues in the amount of \$380,987 a 24.2% decrease from 2021.

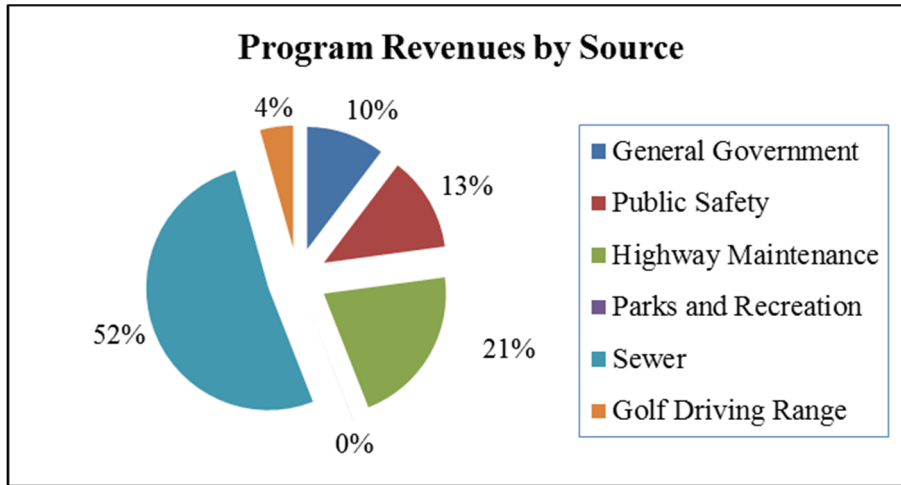
**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Management's Discussion and Analysis (Unaudited)  
Year Ended December 31, 2022**

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

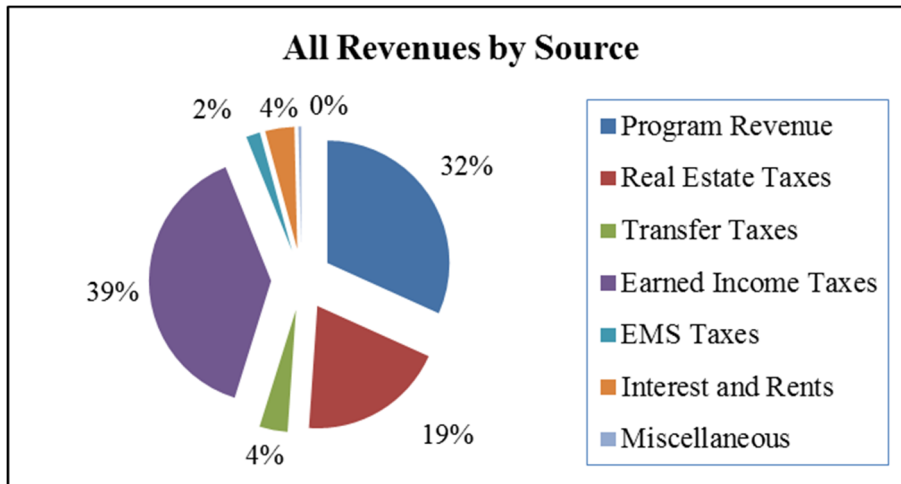
**Revenue Overview**

Total revenue from all sources was \$4,606,118. Real Estate taxes were assessed at 10.235 mills.

**Figure 1**



**Figure 2**

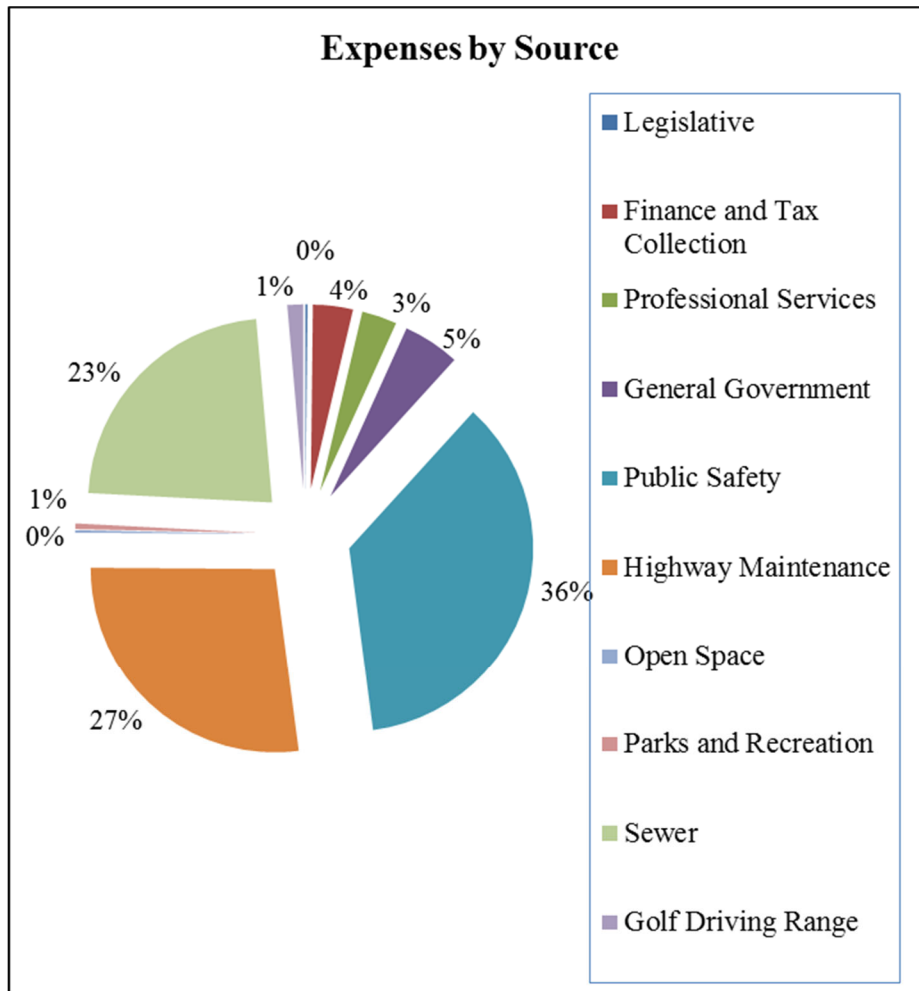


**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Management's Discussion and Analysis (Unaudited)  
Year Ended December 31, 2022**

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

**Expense Overview**

Total expenses in all categories were \$3,419,222. Public Safety which consists of the Pennridge Regional Police Department and Code Enforcement are the largest expense, accounting for spending of \$1,232,950 and Highway Safety expense which includes road improvements amounts to a total of \$927,086.



**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended December 31, 2022**

**ITEMS OF GENERAL INTEREST**

**Water**

Residents and businesses of the Township are served by Perkasie Regional Authority (PRA) and on-lot water systems. The Township has no financial or management control of the water company.

**Waste Water**

Residents and businesses of the Township are principally served by the Pennridge Wastewater Treatment Authority, East Rockhill Township Sewer Treatment Plant, and on-lot sewage disposal systems. Invoicing for public sewer is done quarterly through East Rockhill Township according to the approved fee schedule. Monies are transferred to a Capital Sewer Reserve fund for future infrastructure necessities by the Treasurer. In 2022 the Three Mile Run Pump Station was replaced and the prior system dismantled and removed.

**Fire and Ambulance**

Residents and businesses of the Township are served by the Perkasie, Quakertown, Dublin, Sellersville and Haycock fire companies. While East Rockhill Township does not have a fire station or any fire equipment, Substation 76 from the Perkasie Fire Company owns a fire engine and a quick-response pumper/field truck which is located at the East Rockhill Township Municipal Complex. Emergency medical services are provided by County of Bucks Emergency Health Services and Grand View Medical Services.

**Protected Lands**

The Township has approximately 3,100 acres or 37% of protected lands that are state-owned, county-owned, or Township-owned, and various conservation easements.

**ANALYSIS OF INDIVIDUAL FUNDS**

**General Fund**

The general fund budget to actual revenues and expenditures overall were comparable in 2022. The 2022 millage rate was 8.725. In 2022, 46 percent (46%) of the Pennridge Regional Police budget was allocated. With the reactivation of the Rock Hill Quarry at the end of 2017 there continues to be an increase in consultant expenses related to the Quarry in addition to any active litigation as determined by the Board of Supervisors. Township management approaches budgeting and spending conservatively. Unbudgeted expenses are authorized by the Board of Supervisors.

**Fire Fund**

The fire fund receives monies from a dedicated fire real estate millage. In 2022, the millage rate was 1.0. In October when state aid monies are received and distributed, the fire fund monies are also distributed. The Township has five (5) fire companies that service the Township and each Fire Department receives a distribution according to service area. Perkasie Fire Department has a substation located at the Municipal complex. A portion of their workers comp and six months of the substation's electric and propane are expended from this fund.

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Management's Discussion and Analysis (Unaudited)**  
**Year Ended December 31, 2022**

**ANALYSIS OF INDIVIDUAL FUNDS (continued)**

**Open Space Fund**

A 0.25% Earned Income tax open space is the source of revenue for this fund. The Board of Supervisors review and authorize potential preservation. In 2022, a conservation easement was purchased totaling 22 acres at 1800 Three Mile Run Road and a dwelling and land was purchased at 426 Three Mile Run Road. There is an Open Space Maintenance checking account for future park improvements with transfers from the Open Space Fund per HB1523 guidelines and according to budget approval. Transfers and expenses are approved as part of the budget process. To eliminate the open space earned income tax a Supervisor majority vote and Resolution is required with notice to DCED no later than December 1 to be effective January 1. Should the Supervisors determine to eliminate the tax it requires voter referendum approval to reinstate the tax.

**Sewer Fund**

This fund receives revenue from rate payers for sewer service. There was no increase in the residential and commercial rate. Past due accounts are liened. Monies are transferred, as available, to a sewer capital reserve checking account for future infrastructure needs by the Treasurer.

The Township's Certified Public Accountant recommends budgeting for depreciation. In 2021 the Board of Supervisors added transfer to reserves to the Depreciation budget line item as part of budget review.

**Driving Range / Park & Recreation Fund**

Expenses are funded by user fees from the Township's driving range, park reservations, developer park and recreation contributions and general fund transfers as budgeted.

The Township's Certified Public Accountant recommends budgeting for depreciation.

**Street Light Fund**

This fund receives revenue from rate payers in the street light district as established per Resolution 2013-10. Currently 447 properties are in the street light district. As part of the budget approval, a Resolution is approved on an annual basis establishing the assessment. In 2022, an annual assessment of \$41.00 was invoiced to all properties in the district to offset the electric and maintenance cost of streetlights. Past due accounts are liened.

**Capital Improvement Fund**

In 2012, the Infrastructure Fund was established with a 0.65 millage real estate collection. In 2015, the millage rate increased to 1.25 mills for debt payments. In 2016, the name was changed to Capital Improvement Fund for permanent capital improvements as recommended by DCED who did not recognize the name Infrastructure Fund. Expenditures are related to capital improvements.

**Building Debt Fund**

In 2011, the police headquarter fund was established for the collection of 1.26 mills in real estate collection to pay for Pennridge Police Headquarters debt. In 2019, the name was changed to Building Debt to pay for future Municipal Complex improvement debt and Pennridge Regional Police Headquarter debt.



**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Management's Discussion and Analysis (Unaudited)  
Year Ended December 31, 2022**

**ANALYSIS OF INDIVIDUAL FUNDS (continued)**

**Capital Reserve Fund**

This Fund receives revenues from the general fund, developer contributions, state and local grants, sale of assets and interest on investments. Monies are allocated towards projects which are tracked through an excel file. Expenses from a dedicated revenue source are noted as part of the budget review process. The Treasurer transfers monies from general fund for future miscellaneous projects as they are available.

**State Aid Fund**

Aside from a small amount of interest income, this fund relies completely on state monies earmarked for road improvements and the expenses necessary to accomplish this. Expenditures are according to State guidelines.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

At the end of 2022, on a government-wide basis, East Rockhill Township net position totaling \$19,879,279 was invested in a broad range of capital assets, buildings, park facilities, roads, bridges, sewer plant and lines. This amount represents a net increase of 6.11% from 2021. A Capitalization Policy was approved by Resolution in 2013.

**Discussion of Future Plans**

Plans for 2023 include the following:

- Consultant expenses related to the reactivation of Rock Hill Quarry
- Security cameras at Willard H. Markey Centennial Park
- Open space and right of way tree maintenance
- Public works building replacement
- 10-ton truck to replace a 2005 truck
- Remove modular and accessory building from a property purchased in 2021 at 1404 Schwenkmill Road
- Replace playset at the Willard H. Markey Centennial Park
- Implement permit software
- Act 537 sewer amendment
- Zoning Ordinance amendment

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Management's Discussion and Analysis (Unaudited)  
Year Ended December 31, 2022**

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

**Debt**

**Table 3  
General Long-Term Debt**

| Category                     | Balance<br>1/1/22          | Loan<br>Proceeds   | Principal<br>Payments    | Balance<br>12/31/22        |
|------------------------------|----------------------------|--------------------|--------------------------|----------------------------|
| 2011 General Obligation Note | \$ 799,457                 | \$ -               | \$ 55,456                | \$ 744,001                 |
| 2013 General Obligation Note | 159,239                    | -                  | 50,000                   | 109,239                    |
| 2019 General Obligation Note | 231,429                    | -                  | 231,429                  | -                          |
| Sewer Revenue Note           | 475,000                    | -                  | 25,000                   | 450,000                    |
| <b>Total</b>                 | <b><u>\$ 1,665,125</u></b> | <b><u>\$ -</u></b> | <b><u>\$ 361,885</u></b> | <b><u>\$ 1,303,240</u></b> |

**ECONOMIC FORECAST**

As discussed above, the Township has four major sources of revenue:

- Earned Income Tax
- Real Estate Tax
- Fees and Charges, State Transfers
- Real Estate Transfer Tax

Current revenues are consistent with our assumptions.

The Township holds down expenses by obtaining competitive pricing, limiting out-sourcing of projects and limiting personnel. Productivity that occurs due to training, hiring the right people, and providing the proper equipment and tools are viewed as superior to adding personnel.

This financial report is designed to provide East Rockhill Township citizens, taxpayers, investors, and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. The Management's Discussion and Analysis was prepared by Marianne Hart Morano, East Rockhill Township Manager.

**CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT**

If you have a question about this report or need additional financial information, contact the Township Manager at East Rockhill Township, 1622 N. Ridge Road, Perkasie, PA 18944, 215-257-9156, or go to our web site at [www.EastRockhillTownship.org](http://www.EastRockhillTownship.org).

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Statement of Net Position**  
**December 31, 2022**

|   | <u>Governmental</u>  | <u>Business-type</u> | <u>Total</u>         |
|---|----------------------|----------------------|----------------------|
| <b>Assets</b>                                   |                      |                      |                      |
| <b>Current Assets</b>                           |                      |                      |                      |
| Cash  | \$ 4,375,448         | \$ 170,447           | \$ 4,545,895         |
| Taxes Receivable                                | 664,562              | -                    | 664,562              |
| Current Portion of Lease Receivable             | 61,961               | -                    | 61,961               |
| Accounts Receivable                             | -                    | 274,618              | 274,618              |
| Due from PWTA                                   | -                    | 5,614                | 5,614                |
| <b>Total Current Assets</b>                     | <u>5,101,971</u>     | <u>450,679</u>       | <u>5,552,650</u>     |
| <b>Noncurrent Assets</b>                        |                      |                      |                      |
| Equity Interest in Joint Venture                | 1,200,000            | -                    | 1,200,000            |
| Lease Receivable                                | 199,824              | -                    | 199,824              |
| Net Pension Asset                               | 298,140              | -                    | 298,140              |
| Net Capital Assets                              | 11,667,859           | 3,441,751            | 15,109,610           |
| <b>Total Noncurrent Assets</b>                  | <u>13,365,823</u>    | <u>3,441,751</u>     | <u>16,807,574</u>    |
| <b>Total Assets</b>                             | <u>18,467,794</u>    | <u>3,892,430</u>     | <u>22,360,224</u>    |
| <b>Deferred Outflows of Resources</b>           |                      |                      |                      |
| Deferred Pension Outflows                       | 197,643              | -                    | 197,643              |
| <b>Liabilities</b>                              |                      |                      |                      |
| <b>Current Liabilities</b>                      |                      |                      |                      |
| Current Portion of General Obligation Notes     | 105,962              | 25,000               | 130,962              |
| Accounts Payable and Accrued Expenses           | 1,194                | 1,125                | 2,319                |
| <b>Total Current Liabilities</b>                | <u>107,156</u>       | <u>26,125</u>        | <u>133,281</u>       |
| <b>Noncurrent Liabilities</b>                   |                      |                      |                      |
| General Obligation Notes Payable                | 747,278              | 425,000              | 1,172,278            |
| <b>Total Liabilities</b>                        | <u>854,434</u>       | <u>451,125</u>       | <u>1,305,559</u>     |
| <b>Deferred Inflows of Resources</b>            |                      |                      |                      |
| Deferred Pension Inflows                        | 561,465              | -                    | 561,465              |
| Deferred Rental Receipts                        | 253,123              | -                    | 253,123              |
| Deferred Grant Revenue                          | 558,441              | -                    | 558,441              |
| <b>Total Deferred Inflows of Resources</b>      | <u>1,373,029</u>     | <u>-</u>             | <u>1,373,029</u>     |
| <b>Net Position</b>                             |                      |                      |                      |
| Invested in Capital Assets, Net of Related Debt | 10,814,619           | 2,991,751            | 13,806,370           |
| Restricted for                                  |                      |                      |                      |
| Capital Projects                                | 1,176,892            | -                    | 1,176,892            |
| Other Purposes                                  | 1,907,646            | -                    | 1,907,646            |
| Unrestricted                                    | 2,538,817            | 449,554              | 2,988,371            |
| <b>Total Net Position</b>                       | <u>\$ 16,437,974</u> | <u>\$ 3,441,305</u>  | <u>\$ 19,879,279</u> |

See notes to financial statements.

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Statement of Activities**  
**Year Ended December 31, 2022**

| Functions/Programs                    | Expenses                   | Program Revenue            |  |  |
|---------------------------------------|----------------------------|----------------------------|--|--|
|                                       |                            | Charges for<br>Services    | Operating<br>Grants and<br>Contributions | Capital Grants<br>and<br>Contributions |
| <b>Governmental Activities</b>        |                            |                            |  |  |
| General Government                    |                            |                            |  |  |
| Legislative                           | \$ 6,238                   | \$ -                       | \$ -                                     | \$ -                                   |
| Executive, Finance and Tax Collection | 119,532                    | -                          | -  | -                                      |
| Professional Fees                     | 105,311                    | -                          | -  | -                                      |
| General Government                    | 169,870                    | 111,834                    | 39,243                                   | -                                      |
| Public Safety                         | 1,232,950                  | 138,387                    | 44,801                                   | -                                      |
| Highways                              |                            |                            |  |  |
| Highway Maintenance                   | 927,086                    | 18,824                     | 247,721                                  | 43,000                                 |
| Open Space                            | 7,457                      | -                          | -  | -                                      |
| Parks and Recreation                  | 16,942                     | -                          | 254                                      | -                                      |
| Total Governmental Activities         | <u>2,585,386</u>           | <u>269,045</u>             | <u>332,019</u>                           | <u>43,000</u>                          |
| <b>Business-type Activities</b>       |                            |                            |  |  |
| Sewer                                 | 786,578                    | 753,831                    | -  | -                                      |
| Golf Driving Range                    | 47,258                     | 63,992                     | -  | -                                      |
| Total Business-type Activities        | <u>833,836</u>             | <u>817,823</u>             | <u>-</u>                                 | <u>-</u>                               |
| <b>Total</b>                          | <u><u>\$ 3,419,222</u></u> | <u><u>\$ 1,086,868</u></u> | <u><u>\$ 332,019</u></u>                 | <u><u>\$ 43,000</u></u>                |

General Revenues

Taxes

  Real Estate Taxes

  Real Estate Transfer Taxes

  Earned Income Taxes

  Local Services Tax

Investment Income and Rents

Miscellaneous

Gain on Sale of Capital Assets

  Total General Revenues

Change in Net Position

Net Position

  Beginning of Year, as Restated (Note 8)

  End of Year

See notes to financial statements.

Net (Expense) Revenue and Changes in Net Position

| <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>         |
|------------------------------------|-------------------------------------|----------------------|
| \$ (6,238)                         | \$ -                                | \$ (6,238)           |
| (119,532)                          | -                                   | (119,532)            |
| (105,311)                          | -                                   | (105,311)            |
| (18,793)                           | -                                   | (18,793)             |
| (1,049,762)                        | -                                   | (1,049,762)          |
| (617,541)                          | -                                   | (617,541)            |
| (7,457)                            | -                                   | (7,457)              |
| (16,688)                           | -                                   | (16,688)             |
| <u>(1,941,322)</u>                 | <u>-</u>                            | <u>(1,941,322)</u>   |
| -                                  | (32,747)                            | (32,747)             |
| -                                  | 16,734                              | 16,734               |
| <u>-</u>                           | <u>(16,013)</u>                     | <u>(16,013)</u>      |
| <u>(1,941,322)</u>                 | <u>(16,013)</u>                     | <u>(1,957,335)</u>   |
| 891,960                            | -                                   | 891,960              |
| 171,316                            | -                                   | 171,316              |
| 1,800,431                          | -                                   | 1,800,431            |
| 85,538                             | -                                   | 85,538               |
| 173,515                            | 4,489                               | 178,004              |
| 16,982                             | -                                   | 16,982               |
| 3,800                              | -                                   | 3,800                |
| <u>3,143,542</u>                   | <u>4,489</u>                        | <u>3,148,031</u>     |
| 1,202,220                          | (11,524)                            | 1,190,696            |
| <u>15,235,754</u>                  | <u>3,452,829</u>                    | <u>18,688,583</u>    |
| <u>\$ 16,437,974</u>               | <u>\$ 3,441,305</u>                 | <u>\$ 19,879,279</u> |

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Balance Sheet  
Governmental Funds  
December 31, 2022**

|  | <u>General Fund</u>        | <u>Open Space<br/>Fund</u> | <u>Capital Reserve<br/>Fund</u> |
|--|----------------------------|----------------------------|---------------------------------|
| <b>Assets</b>                              |                            |                            |                                 |
| Cash                                       | \$ 931,546                 | \$ 1,673,812               | \$ 1,696,706                    |
| Taxes Receivable                           | 465,485                    | 186,000                    | -                               |
| Leases Receivable                          | 261,785                    | -                          | -                               |
|  | <u>261,785</u>             | <u>-</u>                   | <u>-</u>                        |
| <b>Total Assets</b>                        | <u><u>\$ 1,658,816</u></u> | <u><u>\$ 1,859,812</u></u> | <u><u>\$ 1,696,706</u></u>      |
| <b>Liabilities and Fund Balances</b>       |                            |                            |                                 |
| <b>Liabilities</b>                         |                            |                            |                                 |
| Accounts Payable and Accrued Expenses      | \$ 1,194                   | \$ -                       | \$ -                            |
|  | <u>1,194</u>               | <u>-</u>                   | <u>-</u>                        |
| <b>Deferred Inflows of Resources</b>       |                            |                            |                                 |
| Deferred Taxes                             | 203,662                    | 84,530                     | -                               |
| Deferred Rental Receipts                   | 253,123                    | -                          | -                               |
| Deferred Grant Revenue                     | -                          | -                          | 558,441                         |
| Total Deferred Inflows of Resources        | <u>456,785</u>             | <u>84,530</u>              | <u>558,441</u>                  |
| <b>Fund Balances</b>                       |                            |                            |                                 |
| Restricted                                 | -                          | 1,674,514                  | -                               |
| Assigned                                   | -                          | 100,768                    | 1,138,265                       |
| Unassigned                                 | 1,200,837                  | -                          | -                               |
| Total Fund Balances                        | <u>1,200,837</u>           | <u>1,775,282</u>           | <u>1,138,265</u>                |
| <b>Total Liabilities and Fund Balances</b> | <u><u>\$ 1,658,816</u></u> | <u><u>\$ 1,859,812</u></u> | <u><u>\$ 1,696,706</u></u>      |

See notes to financial statements.

| <u>Capital<br/>Improvements</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---------------------------------|--|---|
| \$ 35,719                       | \$ 37,665                                  | \$ 4,375,448                            |
| 2,908                           | 10,169                                     | 664,562                                 |
| -                               | -  | 261,785                                 |
| <u>\$ 38,627</u>                | <u>\$ 47,834</u>                           | <u>\$ 5,301,795</u>                     |

|             |             |                 |
|-------------|-------------|-----------------|
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,194</u> |
|-------------|-------------|-----------------|

|              |              |                  |
|--------------|--------------|------------------|
| 1,846        | 8,250        | 298,288          |
| -            | -            | 253,123          |
| -            | -            | 558,441          |
| <u>1,846</u> | <u>8,250</u> | <u>1,109,852</u> |

|                  |                  |                     |
|------------------|------------------|---------------------|
| 4,392            | 5,438            | 1,684,344           |
| 32,389           | 34,146           | 1,305,568           |
| -                | -                | 1,200,837           |
| <u>36,781</u>    | <u>39,584</u>    | <u>4,190,749</u>    |
| <u>\$ 38,627</u> | <u>\$ 47,834</u> | <u>\$ 5,301,795</u> |

**EAST ROCKHILL TOWNSHIP**  
**Reconciliation of Total Governmental Funds Balances to**  
**Net Position of Governmental Activities**  
**December 31, 2022**

|  |                             |
|--|-----------------------------|
| Total Governmental Fund Balances   | \$ 4,190,749                |
| Amounts Reported for Governmental Activities in the Statement of Net Position Are Different Because  |                             |
| Capital Assets Used in Governmental Activities Are Not Financial Resources, and Therefore Are Not Reported in Funds, Net of Accumulated Depreciation of \$5,573,294. | 11,667,859                  |
| Equity Interest in Joint Venture   | 1,200,000                   |
| Other Long-Term Assets Are Not Available to Pay for Current Period Expenditures, and Therefore Are Deferred in the Funds.  |                             |
| Taxes Receivable   | 298,288                     |
| Net Pension Asset  | 298,140                     |
| Deferred Pension Outflows of Resources Are Not Available in the Current Period, and Therefore Are Not Reported in the Funds  | 197,643                     |
| Long-Term Liabilities Are Not Due and Payable in the Current Period, and Therefore Are Not Reported in the Funds.  |                             |
| General Obligation Notes Payable   | (853,240)                   |
| Deferred Inflows of Resources Are Not Available in the Current Period  |                             |
| Pension Inflows  | <u>(561,465)</u>            |
| Net Position of Governmental Activities  | <u><u>\$ 16,437,974</u></u> |

See notes to financial statements.



**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended December 31, 2022**

|   | <u>General Fund</u> | <u>Open Space<br/>Fund</u> | <u>Capital Reserve<br/>Fund</u> |
|---|---------------------|----------------------------|---------------------------------|
| Revenues  |                     |                            |                                 |
| Taxes   | \$ 2,092,861        | \$ 584,032                 | \$ -                            |
| Intergovernmental                                 | 48,472              | -                          | 47,356                          |
| Charges for Services                              | 126,950             | -                          | -                               |
| Fines, Licenses, Permits                          | 123,271             | -                          | -                               |
| Interest Income and Rents                         | 130,115             | 21,908                     | 19,388                          |
| Miscellaneous                                     | 16,982              | -                          | 9,454                           |
| Total Revenues                                    | <u>2,538,651</u>    | <u>605,940</u>             | <u>76,198</u>                   |
| Expenditures                                      |                     |                            |                                 |
| General Governmental                              | 410,349             | -                          | -                               |
| Public Safety                                     | 1,043,150           | 2,500                      | 43,000                          |
| Public Works                                      | 492,419             | -                          | 14,055                          |
| Land Preservation                                 | -                   | 17,572                     | -                               |
| Sanitation  | 31,549              | -                          | -                               |
| Debt Service - Principal                          | 50,000              | -                          | -                               |
| Debt Service - Interest                           | 3,068               | -                          | -                               |
| Capital Expenditures                              | 81,335              | 549,361                    | -                               |
| Miscellaneous Governmental                        | 39,126              | -                          | -                               |
| Total Expenditures                                | <u>2,150,996</u>    | <u>569,433</u>             | <u>57,055</u>                   |
| Excess (Deficiency) of Revenues Over Expenditures | 387,655             | 36,507                     | 19,143                          |
| Other Financing Sources (Uses)                    |                     |                            |                                 |
| Operating Transfers In (Out)                      | <u>(507,082)</u>    | <u>-</u>                   | <u>350,000</u>                  |
| Changes in Fund Balances                          | (119,427)           | 36,507                     | 369,143                         |
| Fund Balances                                     |                     |                            |                                 |
| Beginning of Year, as Restated (Note 8)           | <u>1,320,264</u>    | <u>1,738,775</u>           | <u>769,122</u>                  |
| End of Year                                       | <u>\$ 1,200,837</u> | <u>\$ 1,775,282</u>        | <u>\$ 1,138,265</u>             |

See notes to financial statements.

| Capital<br>Improvements | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-------------------------|-----------------------------------|--------------------------------|
| \$ 91,136               | \$ 184,536                        | \$ 2,952,565                   |
| -                       | 273,537                           | 369,365                        |
| -                       | -                                 | 126,950                        |
| -                       | -                                 | 123,271                        |
| 552                     | 1,552                             | 173,515                        |
| -                       | -                                 | 26,436                         |
| 91,688                  | 459,625                           | 3,772,102                      |
| -                       | -                                 | 410,349                        |
| -                       | 118,883                           | 1,207,533                      |
| 2,000                   | 250,424                           | 758,898                        |
| -                       | -                                 | 17,572                         |
| -                       | -                                 | 31,549                         |
| -                       | 286,885                           | 336,885                        |
| -                       | 16,572                            | 19,640                         |
| 44,744                  | -                                 | 675,440                        |
| -                       | -                                 | 39,126                         |
| 46,744                  | 672,764                           | 3,496,992                      |
| 44,944                  | (213,139)                         | 275,110                        |
| (40,000)                | 197,082                           | -                              |
| 4,944                   | (16,057)                          | 275,110                        |
| 31,837                  | 55,641                            | 3,915,639                      |
| \$ 36,781               | \$ 39,584                         | \$ 4,190,749                   |

**EAST ROCKHILL TOWNSHIP**  
**Reconciliation of the Net Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**  
**Year Ended December 31, 2022**

|   |              |
|---|--------------|
| Net Change in Fund Balances - Total Governmental Funds  | \$ 275,110   |
| Amounts Reported for Governmental Activities in the Statement of Activities Are Different Because   |              |
| Governmental Funds Report Capital Outlays As Expenditures. However, in the Statement of Activities, the Cost of Those Assets Is Allocated Over Their Estimated Useful Lives As Depreciation Expense. This Is the Amount by Which Capital Outlays of \$675,440 Exceeded Depreciation of \$315,106. | 360,334      |
| Revenues in the Statement of Activities That Do Not Provide Current Financial Resources Are Not Reported As Revenues in the Funds.  |              |
| Taxes Receivable  | 15,504       |
| Repayment of Notes Payable Principal Is an Expenditure in the Governmental Funds, but the Repayment Reduces Liabilities in the Statement of Net Position.   | 336,885      |
| Deferred Inflows of Resources Do Not Require the Use of Current Financial Resources and, Therefore, Are Not Reported as Revenues or Expenditures in Governmental Funds.   |              |
| Deferred Pension Outflows   | (80,939)     |
| Deferred Pension Inflows  | (85,942)     |
| Net Pension Asset   | 381,268      |
| Change in Net Position of Governmental Activities   | \$ 1,202,220 |

See notes to financial statements.

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Statement of Net Position  
Proprietary Funds  
December 31, 2022**

|   | Sewer Fund   | Golf Driving<br>Range and Park<br>Fund | Total<br>Proprietary<br>Funds |
|---|--------------|--|-------------------------------|
| <b>Assets</b>                                   |              |  |                               |
| Current Assets                                  |              |  |                               |
| Cash  | \$ 140,418   | \$ 30,029                              | \$ 170,447                    |
| Accounts Receivable                             | 274,618      | -                                      | 274,618                       |
| Due from PWTA                                   | 5,614        | -                                      | 5,614                         |
| Total Current Assets                            | 420,650      | 30,029                                 | 450,679                       |
| Noncurrent Assets                               |              |  |                               |
| Net Capital Assets                              | 3,430,470    | 11,281                                 | 3,441,751                     |
| <b>Total Assets</b>                             | 3,851,120    | 41,310                                 | 3,892,430                     |
| <b>Liabilities</b>                              |              |  |                               |
| Current Liabilities                             |              |  |                               |
| Current Portion of General Obligation Notes     | 25,000       | -                                      | 25,000                        |
| Accounts Payable and Accrued Expenses           | 1,125        | -                                      | 1,125                         |
| Total Current Liabilities                       | 26,125       | -                                      | 26,125                        |
| Noncurrent Liabilities                          |              |  |                               |
| General Obligation Notes Payable                | 425,000      | -                                      | 425,000                       |
| <b>Total Liabilities</b>                        | 451,125      | -                                      | 451,125                       |
| <b>Net Position</b>                             |              |  |                               |
| Invested in Capital Assets, Net of Related Debt | 2,980,470    | 11,281                                 | 2,991,751                     |
| Unrestricted                                    | 419,525      | 30,029                                 | 449,554                       |
| <b>Total Net Position</b>                       | \$ 3,399,995 | \$ 41,310                              | \$ 3,441,305                  |

See notes to financial statements.

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**Year Ended December 31, 2022**

|  | Sewer Fund          | Golf Driving<br>Range and Park<br>Fund | Total<br>Proprietary<br>Funds |
|--|---------------------|--|-------------------------------|
| Operating Revenues   |                     |  |                               |
| Charges for Services   | \$ 757,018          | \$ -                                   | \$ 757,018                    |
| Fees   | -                   | 63,992                                 | 63,992                        |
| Miscellaneous  | 15,137              | -                                      | 15,137                        |
| Total Operating Revenues   | <u>772,155</u>      | <u>63,992</u>                          | <u>836,147</u>                |
| Operating Expenses   |                     |  |                               |
| Salaries, Wages and Employee Benefits                            | 264,402             | 16,407                                 | 280,809                       |
| PWTA   | 177,281             | -                                      | 177,281                       |
| Depreciation   | 104,918             | 662                                    | 105,580                       |
| Materials and Supplies   | 40,526              | 20,669                                 | 61,195                        |
| Operations   | 49,959              | -                                      | 49,959                        |
| Professional Fees  | 41,076              | -                                      | 41,076                        |
| Utilities  | 28,680              | 1,653                                  | 30,333                        |
| Repairs and Maintenance  | 16,873              | 7,831                                  | 24,704                        |
| Plant Management   | 22,200              | -                                      | 22,200                        |
| Insurance  | 22,165              | -                                      | 22,165                        |
| Miscellaneous  | 5,778               | 36                                     | 5,814                         |
| Communications   | 4,586               | -                                      | 4,586                         |
| Data Processing  | 1,071               | -                                      | 1,071                         |
| Total Operating Expenses   | <u>779,515</u>      | <u>47,258</u>                          | <u>826,773</u>                |
| Operating Gain (Loss) Before Nonoperating<br>Revenues (Expenses) | <u>(7,360)</u>      | <u>16,734</u>                          | <u>9,374</u>                  |
| Nonoperating Revenues (Expenses)                                 |                     |  |                               |
| Interest Income  | 4,084               | 405                                    | 4,489                         |
| Interest Expense   | (7,063)             | -                                      | (7,063)                       |
| Loss on Sale of Capital Assets                                   | (18,324)            | -                                      | (18,324)                      |
| Total Nonoperating Revenues (Expenses)                           | <u>(21,303)</u>     | <u>405</u>                             | <u>(20,898)</u>               |
| Change in Net Position   | (28,663)            | 17,139                                 | (11,524)                      |
| Net Position   |                     |  |                               |
| Beginning of Year  | <u>3,428,658</u>    | <u>24,171</u>                          | <u>3,452,829</u>              |
| End of Year  | <u>\$ 3,399,995</u> | <u>\$ 41,310</u>                       | <u>\$ 3,441,305</u>           |

See notes to financial statements.

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Statement of Cash Flows  
Proprietary Funds  
Year Ended December 31, 2022**

|   | <u>Sewer Fund</u> | <u>Golf Driving<br/>Range Fund</u> | <u>Total<br/>Proprietary<br/>Funds</u> |
|---|-------------------|------------------------------------|--|
| <b>Cash Flows from Operating Activities</b>   |                   |                                    |  |
| Receipts from Customers   | \$ 751,711        | \$ 63,992                          | \$ 815,703                             |
| Miscellaneous Revenue   | 24,660            | -                                  | 24,660                                 |
| Payments to Suppliers   | (398,841)         | (30,262)                           | (429,103)                              |
| Payments to Employees   | (264,402)         | (16,407)                           | (280,809)                              |
| Other Payments  | (22,165)          | -                                  | (22,165)                               |
| Net Cash Provided by Operating Activities   | <u>90,963</u>     | <u>17,323</u>                      | <u>108,286</u>                         |
| <b>Cash Flows from Capital and Related Financing Activities</b>                             |                   |                                    |  |
| Principal Paid on Capital Debt  | (25,000)          | -                                  | (25,000)                               |
| Interest Paid on Capital Debt   | (7,063)           | -                                  | (7,063)                                |
| Net Cash Used in Capital and Related Financing Activities                                   | <u>(32,063)</u>   | <u>-</u>                           | <u>(32,063)</u>                        |
| <b>Cash Flows from Investing Activities</b>   |                   |                                    |  |
| Purchase of Capital Assets  | (1,000,690)       | (8,000)                            | (1,008,690)                            |
| Interest Income   | 4,084             | 405                                | 4,489                                  |
| Net Cash Used in Investing Activities   | <u>(996,606)</u>  | <u>(7,595)</u>                     | <u>(1,004,201)</u>                     |
| Net Increase (Decrease) in Cash   | (937,706)         | 9,728                              | (927,978)                              |
| <b>Cash</b>   |                   |                                    |  |
| Beginning of Year   | <u>1,078,124</u>  | <u>20,301</u>                      | <u>1,098,425</u>                       |
| End of Year   | <u>\$ 140,418</u> | <u>\$ 30,029</u>                   | <u>\$ 170,447</u>                      |
| <b>Reconciliation of Operating Gain (Loss) to Net Cash Provided by Operating Activities</b> |                   |                                    |  |
| Operating Gain (Loss)   | \$ (7,360)        | \$ 16,734                          | \$ 9,374                               |
| <b>Adjustments to Reconcile Operating Gain to Net Cash Provided by Operating Activities</b> |                   |                                    |  |
| Depreciation Expense  | 104,918           | 662                                | 105,580                                |
| <b>Change in Assets and Liabilities</b>   |                   |                                    |  |
| Accounts Receivable   | (5,307)           | -                                  | (5,307)                                |
| Due from PWTA   | 9,523             | -                                  | 9,523                                  |
| Accounts Payable and Accrued Expenses   | (10,811)          | (73)                               | (10,884)                               |
| Net Cash Provided by Operating Activities   | <u>\$ 90,963</u>  | <u>\$ 17,323</u>                   | <u>\$ 108,286</u>                      |

See notes to financial statements.

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Statement of Fiduciary Net Position  
Custodial Funds  
December 31, 2022**

**Assets**

Cash \$ 221,883

**Liabilities**

-

**Net Position**

Restricted for  
Held for Individuals, Organization and Others \$ 221,883

See notes to financial statements.

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**Year Ended December 31, 2022**

Additions

|                 |                   |
|-----------------|-------------------|
| Escrow Deposits | <u>\$ 335,496</u> |
|-----------------|-------------------|

Deductions

|                         |                |
|-------------------------|----------------|
| Escrow Releases         | 119,845        |
| Professional Fees       | 122,647        |
| Administrative Expenses | 12,643         |
| Other Expenses          | 2,977          |
| Total Deductions        | <u>258,112</u> |

|                        |        |
|------------------------|--------|
| Change in Net Position | 77,384 |
|------------------------|--------|

Net Position, Held in Trust

|                   |                |
|-------------------|----------------|
| Beginning of Year | <u>144,499</u> |
|-------------------|----------------|

|             |                          |
|-------------|--------------------------|
| End of Year | <u><u>\$ 221,883</u></u> |
|-------------|--------------------------|

See notes to financial statements.



**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

East Rockhill Township (the Township) was incorporated in 1740, in Bucks County, Pennsylvania. The Township is classified as a “Township of the Second Class” under the laws of the Commonwealth of Pennsylvania and provides the following services as authorized by its charter: public safety, highways and streets, sewer treatment and sanitation, culture-recreation, public improvements, planning and zoning, and general and administrative services.

The Township complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board Accounting Standards Codifications issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

**A. Reporting Entity**

Government Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB 61, requires East Rockhill Township to include all component units in its annual financial statements. A component unit is defined as any legally separate entity which is controlled by and is financially accountable to the Township.

The Township has no component units. The Township does participate in two joint ventures described as follows:

**Police Services** - In 1991, the Township joined with two neighboring municipalities to form the Pennridge Regional Police Department (PRPD). The PRPD provides local police services to all participating municipalities. The costs to operate the PRPD are funded by contributions from each municipality. The costs are allocated among the municipalities based upon the number of “Police Protection Units” (PPU) the municipality desires.

Effective January 1, 2003, one of the three members funding the PRPD withdrew and is no longer receiving police services. The operating budget for PRPD was shared equally by East Rockhill and West Rockhill Townships until 2014 which is when the Township reduced their hours of coverage from the PRPD. In 2022, the Township’s portion of coverage represented 46%. Therefore, East Rockhill Township’s commitment to PRPD for 2022 was \$1,004,063.

On May 19, 2010, the Township, West Rockhill Township and the Pennridge Regional Police Commission (the Commission) entered into a joint municipal agreement to authorize and facilitate the construction of a new headquarters for the Commission. As of December 31, 2011, the Township has recorded an asset, equity interest in joint venture, in the amount of \$1,200,000. Each Township borrowed \$1,200,000 to finance the construction of a new police headquarters for the PRPD. In the event of dissolution of the PRPD, each Township will receive its share of the property value.

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2022**

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

**A. Reporting Entity (continued)**

**Sewage Treatment Services** - The Township has joined with several municipalities to form the Pennridge Wastewater Treatment Authority (PWTA). PWTA provides sewage treatment services to all or portions of the member municipalities. The normal operating costs are assessed among all the municipalities based upon their proportionate shares of equivalent dwelling units (EDU's). Capital construction and upgrade costs are assessed based upon the percentages of plant capacity attributed to each municipality.

The Township began treating some of its own solid waste during 2001 when its newly constructed sewage treatment plant became operational. The Township still has a portion of its solid waste treated by PWTA.

**Fire Company Services** - In addition, the Township provides some financial support to five fire companies – the Sellersville, Quakertown, Perkasie, Haycock and Dublin Volunteer Fire Companies. Since there is no fiscal dependency, financial benefit or burden relationship, these organizations have been excluded from the reporting entity. The Township levies and collects real estate taxes designated for allocation among the five fire companies. Additionally, on occasion the Township donates funds for various capital projects of the fire companies, and pays certain expenses on their behalf. Annual appropriations totaled \$118,883 for the year ended December 31, 2022.

**B. Basis of Presentation**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

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

**B. Basis of Presentation (continued)**

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

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

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

**FUND FINANCIAL STATEMENTS**

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/expenses. 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. Funds are organized into three major categories: governmental, proprietary and fiduciary.

Fund financial statements report detailed information about the Township. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. A fund is considered major if it is the primary operating fund of the Township or if it meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

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

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

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

**B. Basis of Presentation (continued)**

**FUND FINANCIAL STATEMENTS (continued)**

**Governmental Funds**

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

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

| <u>Fund</u>        | <u>Description</u>  | <u>Major Fund?</u> |
|--------------------|---|--------------------|
| State Liquid Fuels | Accounts for revenues and expenditures of state liquid fuels grant funds                  | No                 |
| Fire               | Accounts for revenues and expenditures of fire protection tax funds                       | No                 |
| Street Light       | Accounts for revenues and expenditures of street light tax funds                          | No                 |
| Open Space         | Accounts for issuance of long-term debt to be spent preserving open space in the Township | Yes                |

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

| <u>Fund</u>          | <u>Description</u>  | <u>Major Fund?</u> |
|----------------------|---|--------------------|
| Capital Reserve      | Accounts for acquisition or construction of major capital facilities    | Yes                |
| Capital Improvements | Accounts for revenues and expenditures of capital improvement tax funds | Yes                |

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

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

**B. Basis of Presentation (continued)**

**FUND FINANCIAL STATEMENTS (continued)**

**Governmental Funds (continued)**

**Debt Service Fund** - This fund is used to account for financial resources that are restricted, committed or assigned to expenditure for principal and interest. The reporting entity includes the following debt service fund:

| <u>Fund</u>         | <u>Description</u>  | <u>Major Fund?</u> |
|---------------------|---|--------------------|
| Police Headquarters | Accounts for payment of principal and interest on Township's portion of the Pennridge Regional Police Department new Headquarters | No                 |

**Proprietary Funds**

**Enterprise Fund** - Enterprise funds are used to account for business-type activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

| <u>Fund</u>                      | <u>Description</u>  |
|----------------------------------|---|
| Sewer Fund                       | Accounts for user fees, connection and tapping fees, as well as all expenses related to providing sewage treatment for certain residents of the Township. |
| Golf Driving Range and Park Fund | Accounts for revenues and expenses to operate a driving range facility located in the Township's park system.   |

**Fiduciary Funds**

**Custodial Funds** - Custodial Funds (which includes the Developers' Legal and Engineering Escrow Fund) are used to account for assets held by the Township as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results of operations.

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

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

**C. Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

1. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. The proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
3. Fiduciary funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Major revenue sources susceptible to accrual include earned income taxes, property taxes, intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after yearend. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

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

**C. Measurement Focus and Basis of Accounting (continued)**

**Basis of Accounting (continued)**

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the liability is incurred or economic asset used. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expense and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

**D. Cash Equivalents**

For reporting purposes, the Township considers all certificates of deposit with an original maturity of less than 90 days to be cash and cash equivalents.

The intention of the cash management system is to limit the amount of funds placed in accounts where low or no interest is paid. Idle cash is invested in various instruments with various maturity dates, depending on the anticipated cash requirements during the period.

The overall strategy of holding deposits and making investments is to expose the Township to a minimum amount of credit risk and market risk. All bank balances or deposits as of the balance sheet date are entirely insured or collateralized under a pooled asset program to secure public deposits as required by the Commonwealth of Pennsylvania.

**E. Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds”. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 9 for details of interfund transactions, including receivables and payables at year end.

**F. Receivables**

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

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

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

**F. Receivables (continued)**

In the fund financial statements, material receivables in governmental funds include revenue accruals such as real estate tax, earned income tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund receivables consist of all revenues earned at yearend and not yet received. Utility billing accounts receivable compose proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

**G. Capital Assets**

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

**Government-wide Statements**

In the government-wide financial statements, fixed assets are accounted for as capital assets. The Township's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost or estimated historical cost, and comprehensively reported in the government-wide financial statements. The Township developed infrastructure asset records in connection with the implementation of GASB Statement No. 34. Proprietary capital assets are also reported in their respective funds. Donated assets are stated at fair value on the date donated. The Township generally capitalizes assets with costs of \$3,000 or more as purchase 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. 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.

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

| Classifications                          | Years |
|--|-------|
| Buildings                                | 30-40 |
| Park Improvements                        | 20-50 |
| Vehicles and Heavy Equipment             | 5-10  |
| Office Equipment                         | 3-10  |
| Street, Roads, Bridges, and Storm Sewers | 50    |
| Sewer Plant and Infrastructure           | 50    |
| Golf Driving Range Equipment             | 5-20  |



**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

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

**G. Capital Assets (continued)**

**Fund Financial Statements**

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

**H. Long-Term Debt**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal, interest, and issuance costs reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

**I. Compensated Absences**

The Township employees accumulate sick time in accordance with their contracts. Employees are granted 9 days sick leave per year and are paid for any unused sick leave at the end of the year.

The Township's vacation policy for employees encourages the use of all vacation days during the calendar year. Vacation allowances vary depending on length of service, and upon retirement or termination are paid at 100% of the respective employee's pay rate.

The Township had no liability to employees for vested sick and vacation pay as of December 31, 2022.

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

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

**J. Equity Classifications**

**Government-Wide Statements**

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

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

**Fund Statements**

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

Nonspendable – includes amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be kept intact. The Township did not have any nonspendable fund balances at December 31, 2022.

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

Committed – includes amounts that can only be used for specific purposes with constraints that are established by a formal action of the Board of Supervisors (the Board). The constraint can only be changed or removed by another formal action of the Board. The Township's fund balance policy requires passage of a Resolution or an Ordinance by the Board in order to set aside funds as Committed. The Township did not have any committed fund balances at December 31, 2022.

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

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

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2022**

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

**J. Equity Classifications (continued)**

**Fund Statements (continued)**

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

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

Proprietary fund equity is classified the same as in the government-wide statements.

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

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

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. The Township has three types of this item that qualify for reporting in this category in the government-wide statements and fund financial statements (deferred pension inflows, deferred rental receipts, and deferred grant revenue). Accordingly, this item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report *unavailable revenue* from three sources: property taxes, earned income taxes and local services taxes. The government wide statement does not report unavailable revenues. Deferred grant revenue is recognized due to the Township receiving American Recovery Act Funds in the amount of \$558,441. The funds that were not expended in 2022 are recognized as deferred grant revenue in both the fund financial statements as well as the government wide financial statements. During 2022, \$43,000 of the American Recovery Act Funds were expended.

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

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

**L. Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

|                                   |  |
|-----------------------------------|--|
| Governmental Funds - By Character | Current (further classified by function) |
|                                   | Debt Service                             |
|                                   | Capital Outlay                           |

Proprietary Fund - By Operating and Non-Operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

**M. Interfund Transfers**

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

**N. Estimates**

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

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

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

**O. Stewardship, Compliance, and Accountability**

**Budgetary Data**

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

1. The Township prepares and advertises a proposed budget at least twenty days before the budget is adopted.
2. Public hearings are conducted to obtain comments from taxpayers regarding the proposed budget.
3. The budget is formally adopted by the Board members prior to December 31.
4. The budget is prepared and adopted using the modified accrual basis of accounting, which is consistent with the basis used by the Township for financial reporting.
5. Amendments may be approved by the Board during the year.

**Excess of Expenditures Over Appropriations**

The Township has presented budget to actual comparisons for the General, Open Space, Sewer, and Golf Driving Range and Park Funds. For the year ended December 31, 2022, General Fund expenditures exceeded appropriations in various categories in the amount of \$62,020, Open Space by \$264,861, Sewer Fund by \$35,765 and Golf Driving Range and Park Funds by \$8,589. These excess expenditures were funded by greater than anticipated revenues and prior year fund balance.

**P. ADOPTION OF NEW ACCOUNTING STANDARD**

Effective January 1, 2022, the Township adopted GASB Statement No. 87 - *Leases*. The Township leases two parcels of farmland and two houses on Ridge Road. These leases are automatic year to year or month to month renewals. Additionally, the Township leases space for cell tower antennae to three communications companies. These leases have varying terms through 2027, and are renewable every five years. In accordance with GASB 87, the Township accounted for its existing operating leases as finance leases under the new guidance. As a result of the adoption of the new lease accounting guidance, the Township recognized on January 1, 2022 a lease receivable at the present value of the remaining lease payments on December 31, 2021, of \$318,081 and a deferred inflow of resources for rental payments of \$318,081.

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

**2. CASH**

Cash as of December 31, 2022, is classified in the accompanying financial statements as follows:

|                                     |                            |
|-------------------------------------|----------------------------|
| Statement of Net Position           |                            |
| Cash                                | \$ 4,545,895               |
| Statement of Fiduciary Net Position |                            |
| Cash                                | <u>221,883</u>             |
| Total Cash                          | <u><u>\$ 4,767,778</u></u> |

**Cash Deposits**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. Township deposits are entirely insured or collateralized under a pooled asset program to secure public deposits, in accordance with Act 72 of the Commonwealth of Pennsylvania. As of December 31, 2022, \$4,579,932 of the Township's bank balance of \$4,829,932 was uninsured, but collateralized by securities held by the bank or by its trust department or agent but not in the Township's name.

**3. RECEIVABLES**

**A. Earned Income/Local Services Tax Receivable and Deferred Revenue**

The Township assesses an earned income tax of 0.625%, which includes 0.125% for open space land acquisition and development. Additionally, the Township assesses the local services tax of \$52 for individuals working in the Township. Based upon historical trends, it is estimated that taxes receivable at December 31, 2022, are as follows:

|  | Earned<br>Income         | Open<br>Space           | Local<br>Services      | Total                    |
|--|--------------------------|-------------------------|------------------------|--------------------------|
| Taxes Receivable                       | \$ 400,000               | \$ 186,000              | \$ 22,000              | \$ 608,000               |
| Current Portion Included in<br>Revenue | <u>211,039</u>           | <u>101,470</u>          | <u>19,810</u>          | <u>332,319</u>           |
| Deferred Revenue                       | <u><u>\$ 188,961</u></u> | <u><u>\$ 84,530</u></u> | <u><u>\$ 2,190</u></u> | <u><u>\$ 275,681</u></u> |

The total taxes receivable and total deferred revenue amounted to \$550,000 and \$258,298, respectively as of January 1, 2022.

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2022**

**3. RECEIVABLES (continued)**

**B. Property Taxes Receivable**

Taxes are levied on March 1 based on the assessed value established by the Bucks County Board of Assessments. Real property in the Township was originally assessed at \$74,204,570 for 2022. Property taxes attach as an enforceable lien on property as of January 15 of the following year. The Township receives all tax collections through its tax collector. The Township is legally permitted to levy up to 14 mills (19 with court approval) of assessed property valuation for general purposes and 3 mills for fire tax purposes. The Township's assessed millage for 2022 was 8.725 mills for general purposes, 1 mill for fire tax purposes, 1.26 mills for debt service purposes (police headquarters), and 1.25 mills for capital improvements. Property taxes receivable at December 31, 2022, was \$28,948.

**C. Sewer Fees Receivable**

Sewer fees are billed at the end of each quarter of service. At December 31, 2022, sewer fees receivable totaled \$274,618.

**D. Street Light Receivable**

The Township assesses an annual street light flat fee of \$41 per residence in certain developments where street lights are maintained. At December 31, 2022, street light receivable totaled \$4,052.

**E. Lease Receivable**

**Farmland Rent**

The Township leases farmland at 700 Branch Road and 1901 Branch Road. Under the terms of the lease agreements, annual rent is \$75 and \$750, respectively. These leases automatically renew every year. The leases extend until cancelled, with notice, by either party. These leases are not considered material and are not included in the lease receivable calculations.

**Building Rent**

The Township has two leases for houses at 1920 N. Ridge Road and 1802 Ridge Road. Under the terms of the lease agreements, monthly rent is \$1,150 and \$1,375, respectively. These leases are on an automatic month to month renewal and can be cancelled, with notice, by either party. Due to the fact that either party can terminate at any time and that the amount of years to be renewed is unknown, these leases are not included in the lease receivable calculation.

**Cell Tower Leases**

The Township has entered into several leases for the rental of space for cell tower antennae. Each agreement has multiple renewal options for five year periods, and call for 3% percent increases each year. Currently, one of the leases expires in 2023, one expires in 2025, and the last expires in 2027. These leases receivable are measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.25%, which is the rate on the Township's general obligation note as of January 1, 2022. In 2022, the Township recognized \$56,296 of operating lease revenue and \$7,157 of interest revenue under these leases.

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

**3. RECEIVABLES (continued)**

**E. Lease Receivable (continued)**

The Township's future minimum lease payments are as follows:

| Year | Principal  | Interest  | Total<br>Lease<br>Payments |
|------|------------|-----------|----------------------------|
| 2023 | \$ 61,961  | \$ 5,890  | \$ 67,851                  |
| 2024 | 48,649     | 4,496     | 53,145                     |
| 2025 | 51,339     | 3,401     | 54,740                     |
| 2026 | 48,609     | 2,246     | 50,855                     |
| 2027 | 51,227     | 1,153     | 52,380                     |
|      | \$ 261,785 | \$ 17,186 | \$ 278,971                 |



**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2022**

**4. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2022, was as follows:

|   | Balance<br>1/1/22    | Additions         | Disposals        | Balance<br>12/31/22  |
|---|----------------------|-------------------|------------------|----------------------|
| <b>Governmental Activities</b>                    |                      |                   |                  |                      |
| Assets Not Being Depreciated                      |                      |                   |                  |                      |
| Land and Conservation Easements                   | \$ 5,952,654         | \$ 549,361        | \$ -             | \$ 6,502,015         |
| Depreciable Assets                                |                      |                   |                  |                      |
| Buildings   | 1,850,241            | 80,057            | 2,748            | 1,927,550            |
| Park Improvements                                 | 297,995              | -                 | 514              | 297,481              |
| Vehicles and Heavy Equipment                      | 1,036,808            | 46,022            | 11,359           | 1,071,471            |
| Office Equipment                                  | 28,664               | -                 | -                | 28,664               |
| Infrastructure                                    | 7,413,972            | -                 | -                | 7,413,972            |
| Total Depreciable Assets                          | <u>10,627,680</u>    | <u>126,079</u>    | <u>14,621</u>    | <u>10,739,138</u>    |
| Less Accumulated Depreciation                     |                      |                   |                  |                      |
| Buildings   | 648,410              | 37,556            | 2,748            | 683,218              |
| Park Improvements                                 | 155,349              | 6,947             | 514              | 161,782              |
| Vehicles and Heavy Equipment                      | 721,007              | 75,407            | 11,359           | 785,055              |
| Office Equipment                                  | 11,059               | 4,219             | -                | 15,278               |
| Infrastructure                                    | 3,736,984            | 190,977           | -                | 3,927,961            |
| Total Accumulated Depreciation                    | <u>5,272,809</u>     | <u>315,106</u>    | <u>14,621</u>    | <u>5,573,294</u>     |
| Total Governmental Activities Net Capital Assets  | <u>\$ 11,307,525</u> | <u>\$ 360,334</u> | <u>\$ -</u>      | <u>\$ 11,667,859</u> |
| *Dedication of Capital Assets                     |                      |                   |                  |                      |
| <b>Business-Type Activities</b>                   |                      |                   |                  |                      |
| Assets Not Being Depreciated                      |                      |                   |                  |                      |
| Land  | \$ 112,993           | \$ -              | \$ -             | \$ 112,993           |
| Depreciable Assets                                |                      |                   |                  |                      |
| Sewer Plant                                       | 1,920,708            | -                 | 26,868           | 1,893,840            |
| Sewer Interceptor                                 | 375,539              | -                 | -                | 375,539              |
| Sewer Collection System                           | 2,227,960            | -                 | -                | 2,227,960            |
| Pump Station                                      | 12,732               | 982,940           | -                | 995,672              |
| Equipment   | 39,217               | 25,750            | 23,921           | 41,046               |
| Vehicle   | 68,009               | -                 | -                | 68,009               |
| Total Depreciable Assets                          | <u>4,644,165</u>     | <u>1,008,690</u>  | <u>50,789</u>    | <u>5,602,066</u>     |
| Less Accumulated Depreciation                     |                      |                   |                  |                      |
| Sewer Plant                                       | 761,978              | 52,624            | 8,544            | 806,058              |
| Sewer Interceptor                                 | 154,597              | 7,511             | -                | 162,108              |
| Sewer Collection System                           | 1,180,334            | 44,561            | -                | 1,224,895            |
| Equipment   | 35,274               | 884               | 23,921           | 12,237               |
| Vehicle   | 68,010               | -                 | -                | 68,010               |
| Total Accumulated Depreciation                    | <u>2,200,193</u>     | <u>105,580</u>    | <u>32,465</u>    | <u>2,273,308</u>     |
| Total Business-Type Activities Net Capital Assets | <u>\$ 2,556,965</u>  | <u>\$ 903,110</u> | <u>\$ 18,324</u> | <u>\$ 3,441,751</u>  |

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

**4. CAPITAL ASSETS (continued)**

Depreciation expense was charged to programs as follows:

|                                 |                       |
|---------------------------------|-----------------------|
| <b>Governmental Activities</b>  |                       |
| General Government              | \$ 38,379             |
| Public Safety                   | 2,443                 |
| Highway Maintenance             | 261,992               |
| Parks and Recreation            | 12,292                |
|                                 | <u>315,106</u>        |
| <b>Business-Type Activities</b> |                       |
| Sewer System                    | 104,696               |
| Equipment                       | 884                   |
|                                 | <u>105,580</u>        |
| <br>Total Depreciation Expense  | <br><u>\$ 420,686</u> |

**5. LONG-TERM DEBT**

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

|                                   | Balance<br>1/1/22       | Loan<br>Proceeds | Principal<br>Payments | Balance<br>12/31/22   | Due Within<br>One Year |
|-----------------------------------|-------------------------|------------------|-----------------------|-----------------------|------------------------|
| <b>Governmental Activities</b>    |                         |                  |                       |                       |                        |
| Notes from Direct Borrowings      |                         |                  |                       |                       |                        |
| 2011 General Obligation Note      | \$ 799,457              | \$ -             | \$ 55,456             | \$ 744,001            | \$ 55,962              |
| 2013 General Obligation Note      | 159,239                 | -                | 50,000                | 109,239               | 50,000                 |
| 2019 General Obligation Note      | 231,429                 | -                | 231,429               | -                     | -                      |
|                                   | <u>1,190,125</u>        | <u>\$ -</u>      | <u>\$ 336,885</u>     | <u>\$ 853,240</u>     | <u>\$ 105,962</u>      |
| <br>Total Governmental Activities | <br><u>\$ 1,190,125</u> | <br><u>\$ -</u>  | <br><u>\$ 336,885</u> | <br><u>\$ 853,240</u> | <br><u>\$ 105,962</u>  |
| <b>Business-Type Activities</b>   |                         |                  |                       |                       |                        |
| General Obligation Note           |                         |                  |                       |                       |                        |
| Sewer Revenue Note                | \$ 475,000              | \$ -             | \$ 25,000             | \$ 450,000            | \$ 25,000              |
|                                   | <u>475,000</u>          | <u>\$ -</u>      | <u>25,000</u>         | <u>450,000</u>        | <u>25,000</u>          |

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2022**

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

**A. 2011 General Obligation Note**

On December 9, 2011, the Township issued a \$1,200,000 General Obligation Note for the purpose of paying their share of the Pennridge Regional Police Commission (PRPC) General Obligation Note of \$2,400,000 to construct a new police headquarters. As a participating member of the PRPC, the Township is a co-signor and co-borrower on one-half of this note, or \$1,200,000. The borrower is the PRPC, but the note satisfies the obligations of the Township as co-signor and co-borrower of the PRPC Note. Beginning in 2010, the Township has a 1.26 tax mill for debt service for this note and is paying the PRPC for its share of the debt service payments. However, the actual payments on the note are made by the PRPC. The note bears interest on the unpaid balance of principal at the tax exempt rates of interest set forth. If not sooner, the entire principal balance outstanding and any accrued interest are due and payable on June 30, 2037. The tax-exempt rates of interest (as defined in the PRPC note) shall at no time exceed 6% per year, nor after the first interest rate adjustment date (as defined in the PRPC note) will be less than the floor of 4%. The repayment schedule of this note is:

1. Beginning January 31, 2011, and thereafter on the last day of each succeeding month, the borrower paid interest only, on a monthly basis, on the advanced and unpaid balance of principal, until June 30, 2012, at an interest rate of 3.125% per annum.
2. Beginning July 31, 2012 (called the "Principal Repayment Commencement Date") and thereafter on the last day of each succeeding month for a period of sixty months, borrower shall repay the principal sum of the note, together with interest at the fixed rate of 3.125%, in equal successive monthly payments of \$5,797. During 2016, an extra principal payment of \$5,617 was made due to timing of the payments. On October 31, 2020, the interest rate changed to 1.80%.
3. On the 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup> and 20<sup>th</sup> anniversary dates of the Principal Repayment Commencement Date, the interest rate payable will be set to a fixed rate equivalent to 80% of the Wall Street Journal Prime Rate.

Interest expense for the year totaled \$14,111.

**B. 2013 General Obligation Note**

In January 2013, the Township issued a General Obligation Note for \$698,913 for the purpose of paying off the 2006 General Obligation Note. Interest is charged at the rate of 2.00% per annum and is payable semi-annually over the term of the note. Commencing on November 30, 2025 and on each annual anniversary thereof, the interest shall be reset to a rate equal to 70% of the QNB Bank Base Rate, subject to a minimum rate of 2.25% and a maximum rate of 5.00%. Principal in the amount of \$50,000 is payable December 1 until the maturity date. Interest expense for the year totaled \$3,068.

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2022**

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

**C. 2019 General Obligation Note**

In November 2019, the Township issued a \$550,000 General Obligation Note (non-electoral debt) for the purpose of completing an addition and renovations to the municipal building located at 1622 North Ridge Road. Interest is charged at a rate of 2.0% per annum fixed for five years. Commencing on November 30, 2025 and on each annual anniversary thereof, the interest shall be reset to a rate equal to 70% of the QNB Bank Base Rate, subject to a minimum rate of 2.25% and a maximum rate of 5.00%. The draw down period of the note was extended until February 28, 2021. Payments of principal are to start April 30, 2021. Interest will be paid semi-annually from inception of the loan on the advanced and outstanding principal of the loan. The remaining outstanding amount of principal is payable in full, together with any and all accrued interest thereon, and all other charges and assessments on the maturity date of April 30, 2027. Repayment of the debt is guaranteed by revenues as well as the full faith, credit, and taxing power of the Township. Interest expense for the year totaled \$2,461. This note was paid off during 2022.

**D. Sewer Revenue Note**

In 2021, the Township issued a \$500,000 Sewer Revenue Note (non-electoral debt) for the purpose of the replacement of the Three Mile Run Road Sewer Pumping Station and the costs of issuing the Note. Interest only payments are to be made based on the principal balance outstanding beginning November 1, 2021, and thereafter on May 1<sup>st</sup> and November 1<sup>st</sup> each year. On the tenth anniversary of the note and thereafter on a monthly basis, the Bank shall reset the interest rate to 65% of the "Prime Rate" published by the Wall Street Journal. The rate will not increase above the maximum interest rate of 4.0%. Principal payments are to be made in twenty equal installments of \$25,000 beginning November 1, 2021 until the maturity date of November 1, 2040.

Interest expense for the year totaled \$7,063.

Repayment of the debt is guaranteed by sewer revenues as well as the full faith, credit, and taxing power of the Township. The debt is reported in the Proprietary Funds.

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

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

**E. Future Debt Service Requirements**

Future debt service requirements of long-term debt in governmental activities are as follows:

| Year      | Notes from Direct Borrowings |                  | Total Debt Service |
|-----------|------------------------------|------------------|--------------------|
|           | Principal                    | Interest         |                    |
| 2023      | \$ 105,962                   | \$ 15,206        | \$ 121,168         |
| 2024      | 107,466                      | 13,202           | 120,668            |
| 2025      | 67,798                       | 11,177           | 78,975             |
| 2026      | 59,636                       | 9,930            | 69,566             |
| 2027      | 60,734                       | 8,833            | 69,567             |
| 2028-2032 | 320,817                      | 27,016           | 347,833            |
| 2033-2035 | 130,827                      | 2,377            | 133,204            |
| Total     | <u>\$ 853,240</u>            | <u>\$ 87,741</u> | <u>\$ 940,981</u>  |

Future debt service requirements of long-term debt in proprietary funds are as follows:

| Year      | Notes from Direct Borrowings |                  | Total Debt Service |
|-----------|------------------------------|------------------|--------------------|
|           | Principal                    | Interest         |                    |
| 2023      | \$ 25,000                    | \$ 6,750         | \$ 31,750          |
| 2024      | 25,000                       | 6,375            | 31,375             |
| 2025      | 25,000                       | 6,000            | 31,000             |
| 2026      | 25,000                       | 5,625            | 30,625             |
| 2027      | 25,000                       | 5,250            | 30,250             |
| 2028-2032 | 125,000                      | 20,625           | 145,625            |
| 2033-2037 | 125,000                      | 11,250           | 136,250            |
| 2038-2040 | 75,000                       | 2,250            | 77,250             |
| Total     | <u>\$ 450,000</u>            | <u>\$ 64,125</u> | <u>\$ 514,125</u>  |

**6. FIDUCIARY FUND - DEVELOPERS' LEGAL AND ENGINEERING ESCROW FUND**

The Developers' Legal and Engineering Escrow Fund is a custodial fund in that the Township has custodial capacity of funds deposited with it on behalf of developers. At December 31, 2022, \$221,883 was held in Developers' Legal and Engineering Escrow.

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

**7. FUND BALANCE CLASSIFICATIONS**

|   | General<br>Fund    | Open Space<br>Fund | Capital<br>Reserve<br>Fund | Capital<br>Improvements<br>Fund | Nonmajor<br>Governmental<br>Funds | Total              |
|---|--------------------|--------------------|----------------------------|---------------------------------|-----------------------------------|--------------------|
| Restricted for:                                     |                    |                    |                            |                                 |                                   |                    |
| Open Space Preservation                             | \$ -               | \$1,674,514        | \$ -                       | \$ -                            | \$ -                              | \$1,674,514        |
| Highway Improvements                                | -                  | -                  | -                          | -                               | 4,837                             | 4,837              |
| Acquisition/Construction<br>of Capital Improvements | -                  | -                  | -                          | 4,392                           | -                                 | 4,392              |
| Street Light Costs                                  | -                  | -                  | -                          | -                               | 601                               | 601                |
|   | <u>-</u>           | <u>1,674,514</u>   | <u>-</u>                   | <u>4,392</u>                    | <u>5,438</u>                      | <u>1,684,344</u>   |
| Assigned for:                                       |                    |                    |                            |                                 |                                   |                    |
| Open Space Preservation                             | -                  | 100,768            | -                          | -                               | -                                 | 100,768            |
| Acquisition/Construction<br>of Capital Improvements | -                  | -                  | 1,138,265                  | 32,389                          | -                                 | 1,170,654          |
| Debt Service - Police<br>Headquarters               | -                  | -                  | -                          | -                               | 24,258                            | 24,258             |
| Street Light Costs                                  | -                  | -                  | -                          | -                               | 8,237                             | 8,237              |
| Fire Protection                                     | -                  | -                  | -                          | -                               | 1,651                             | 1,651              |
|   | <u>-</u>           | <u>100,768</u>     | <u>1,138,265</u>           | <u>32,389</u>                   | <u>34,146</u>                     | <u>1,305,568</u>   |
| Unassigned  | <u>1,200,837</u>   | <u>-</u>           | <u>-</u>                   | <u>-</u>                        | <u>-</u>                          | <u>1,200,837</u>   |
| Total Fund Balances                                 | <u>\$1,200,837</u> | <u>\$1,775,282</u> | <u>\$1,138,265</u>         | <u>\$ 36,781</u>                | <u>\$ 39,584</u>                  | <u>\$4,190,749</u> |

**8. RESTATEMENT OF CAPITAL RESERVE FUND BALANCE**

The capital reserve fund balance was restated at December 31, 2021 due to sewage maintenance fees from prior years that belonged in the escrow fund and were transferred to that fund.

|   |                   |
|---|-------------------|
| Capital Reserve Fund                              |                   |
| Original Amount at 12/31/21                       | \$ 815,707        |
| To adjust for sewer maintenance fees              | <u>(46,585)</u>   |
| Restated Capital Reserve Fund Balance at 12/31/21 | <u>\$ 769,122</u> |

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

**8. RESTATEMENT OF CAPITAL RESERVE FUND BALANCE (continued)**

The net position in the government wide financial statements was also restated.

Net Position

|                                      |  |                             |
|--------------------------------------|--|-----------------------------|
| Original Amount at 12/31/21          |  | \$ 15,282,339               |
| To adjust for sewer maintenance fees |  | <u>(46,585)</u>             |
| Restated Net Position at 12/31/21    |  | <u><u>\$ 15,235,754</u></u> |

**9. INTERFUND TRANSACTIONS**

Interfund transactions are as follows:

| Purpose                               | Receivable Fund | Payable Fund        | Amount     |
|---------------------------------------|-----------------|---------------------|------------|
| To Transfer Money for Operations      | Nonmajor        | General             | \$ 2,900   |
| To Transfer Money for Future Projects | Capital Reserve | General             | \$ 350,000 |
| To Transfer Money to Pay off 2019 GON | Nonmajor        | General             | \$ 154,182 |
| To Transfer Money to Pay off 2019 GON | Nonmajor        | Capital Improvement | \$ 40,000  |

**10. NON-UNIFORM PENSION PLANS**

The non-uniform pension plan information included in this note is based on the measurement date of December 31, 2020, which utilizes the January 1, 2021 actuarial valuation from information provided by Pennsylvania Municipal Retirement System (PMRS) as of that date.

**A. Summary of Significant Accounting Policies**

**Basis of Accounting**

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

**Method Used to Value Investments**

Investments are reported at fair value. The Plans' assets are managed by the Pennsylvania Municipal Retirement System (PMRS). The assets with PMRS are pooled for investment purposes and, therefore, do not represent specific identifiable securities.

**EAST ROCKHILL TOWNSHIP  
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**10. NON-UNIFORM PENSION PLANS (continued)**

**B. Description of Plans**

The Township’s Non-Uniform Pension Plan is a single employer defined benefit pension plan controlled by provisions of Ordinance 271, adopted pursuant to Act 15 of 1974. The plan provides retirement and death benefits to non-uniformed employees. Additionally, in September 2013 the Township adopted Ordinance 272 to establish a cash balance plan for employees hired after July 1, 2013. The plans are part of the Pennsylvania Municipal Retirement System (PMRS), which is an agent of the multiple-employer public employees' retirement system (PERS). It is the responsibility of PMRS to function as the investment and administrative agent for the Township with respect to these plans. PMRS maintains each municipality’s plans separately with that municipality’s contributions and related employees’ contributions and account earnings and activity. Assets are held separately and may only be used for the payment of benefits to members of the plan.

Responsibility for PMRS is vested in the eleven-member Pennsylvania Municipality Retirement Board. There are over 900 defined benefit and cash balance plans in PMRS, each of which has the authority to establish or amend its respective benefits and employee contribution rates, subject to PMRS Board approval. Employer contributions are actuarially determined by actuaries. PMRS has the broad authority of enabling a municipality to design its own retirement benefit structure. As an alternative, PMRS has two basic benefit structures: one for municipal employees and one for uniformed employees (police and fire fighters). However, municipalities may provide for benefits different from those basic structures. Automatic postretirement benefit increases are optional in plan contracts. Some member municipalities include the automatic increase; others occasionally grant an ad hoc cost-of-living (COLA) increase. The most common method of granting a postretirement benefit increase is through PMRS’ excess interest award. Member municipalities interested in amending benefits contact the PMRS staff to discuss desired amendments and to obtain a cost study. Amendments are drafted by the PMRS staff, reviewed by the Chief Counsel’s Office, adopted by the municipality, and submitted to the Board for formal approval. PMRS issues a separate Comprehensive Annual Financial Report (“CAFR”). A copy of the CAFR can be obtained by contacting the PMRS Accounting Office, P.O. Box 1165, Harrisburg, PA 17108-1165.

**Plan Membership**

At the measurement date of December 31, 2021, plan membership in both plans consisted of the following:

|  |    |
|--|----|
| Active Employees   | 6  |
| Retirees and Beneficiaries Currently Receiving Benefits              | 5  |
| Terminated Employees Entitled to Benefits but Not Yet Receiving Them | -  |
| Total  | 11 |



**EAST ROCKHILL TOWNSHIP  
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**10. NON-UNIFORM PENSION PLANS (continued)**

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

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

|                            |   |
|----------------------------|---|
| Covered Employees:         | All full-time non-uniformed employees employed by the Township.   |
| Normal Retirement:         | For members hired prior to July 1, 2013: Age 50 and the completion of 10 years of credited service. For members hired on or after July 1, 2013: Age 55 and the completion of 10 years of credited service.  |
| Vesting:                   | None for the first 10 years of service; thereafter 100%.  |
| Retirement Benefit:        | <p>For members hired prior to July 1, 2013, the annual basic benefit shall comprised of the sum of the following:</p> <ol style="list-style-type: none"> <li>1. An annuity calculated by multiplying the member's final salary by all years of credited service and multiplied by the benefit accrual rate of 2.0%. Provided however, in no event shall the annual basic benefit exceed 50% of the member's final salary.</li> <li>2. An annuity equal to a single life annuity starting on the effective date of retirement with a present value equal to the optional member contributions and regular interest on the optional member contributions.</li> </ol> <p>For members hired on or after July 1, 2013, the annual basic benefit shall be equal to a single life annuity starting on the effective date of retirement with a present value equal to the member's accumulated deductions and municipal contributions made on behalf of the member.</p> |
| Death Benefit              |   |
| Before Retirement:         | Beneficiary receives the balance of the member's account at the date of death.  |
| After Retirement:          | The form of benefit payment in force for such participant at the time death occurs.   |
| Member Contributions Rate: | 5%  |

**EAST ROCKHILL TOWNSHIP  
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**10. NON-UNIFORM PENSION PLANS (continued)**

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

**Contributions**

For employees hired prior to July 1, 2013, participating employees are required to contribute 5% of their salary to the Plan. If sufficient funds exist, the Township may annually elect to lower or waive the required member contribution rate for employees hired prior to July 1, 2013 by adopting a resolution and filing it with the Board. Employees may optionally contribute up to, but no more than 15% of their salary to the Plan.

For members hired on or after July 1, 2013, participating employees are required to contribute 5% of their salary to the Plan. Employees may optionally contribute up to, but no more than 15% of their salary to the Plan.

Any member who terminates prior to eligibility for vesting shall be entitled to a refund of all such monies paid by him or her into the fund, plus interest earned at 5.5% per annum while in the fund. If discontinuance is due to death, such money shall be paid to his or her designated beneficiary or estate.

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

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

**C. Investments**

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

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

**EAST ROCKHILL TOWNSHIP  
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**10. NON-UNIFORM PENSION PLANS (continued)**

**C. Investments (continued)**

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

|   |       |
|---|-------|
| Domestic Equities (Large Capitalized Firms) | 24.5% |
| Domestic Equities (Small Capitalized Firms) | 8.0%  |
| International Equities (Developed Markets)  | 14.5% |
| International Equities (Emerging Markets)   | 3.0%  |
| Global Equities                             | 5.0%  |
| Fixed Income (Core Investment Credit)       | 24.0% |
| Fixed Income (Opportunistic Credit)         | 5.0%  |
| Real Estate                                 | 10.0% |
| Timber                                      | 5.0%  |
| Cash  | 1.0%  |

**Rate of Return**

For the year ended December 31, 2021, the annual money-weighted rate of return on Plan investments, net of pension plan investment expense, was 13.1%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

**D. Net Pension Liability of the Township**

The component of the net pension asset of the Township at December 31, 2022, was as follows:

|   |                     |
|---|---------------------|
| Total Pension Liability   | \$ 3,547,590        |
| Plan Fiduciary Net Position   | <u>(3,845,730)</u>  |
| Township's Net Pension Asset  | <u>\$ (298,140)</u> |
| Plan Fiduciary Net Position As a Percentage<br>of the Total Pension Liability | 108.40%             |

**Actuarial Assumptions**

The total pension liability for the Plan is measured as of December 31, 2021, based on the actuarial valuation at January 1, 2021, using the following actuarial assumptions, applied to all period included in the measurement.

|                           |  |
|---------------------------|--|
| Salary Increases          | Age-related scale<br>with merit and<br>inflation component |
| Investment Rate of Return | 5.25%  |
| Inflation                 | 2.8%   |

See Schedule of Township Contributions for details on mortality rate assumptions.

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

**10. NON-UNIFORM PENSION PLANS (continued)**

**D. Net Pension Liability of the Township (continued)**

**Actuarial Assumptions (continued)**

The actuarial assumptions used in the December 31, 2021, Non-Uniform Plan valuation were based on the results of an actuarial experience study for the period covering January 1, 2014 through December 31, 2018. These assumptions have been changed for the current measurement.

The net pension liability for the Non-Uniform Pension Plan was measured as of December 31, 2021. Because the beginning and end of year total pension liability are based upon the same actuarial valuation dates, there is no difference between expected and actual experience reported in 2021. The beginning of the year total pension liability is based upon the January 1, 2021, actuarial valuation, with liabilities measured at December 31, 2020. The end of year total pension liabilities is based on the January 1, 2021 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of the measurement date December 31, 2021, are summarized in the following table:

| Asset Class                              | Long-Term Expected<br>Real Rate of Return,<br>Per Year |
|--|--|
| Domestic Equity (Large Cap)              | 5.0%   |
| Domestic Equity (Small Cap)              | 5.7%   |
| International Equity (Developed Markets) | 5.6%   |
| International Equity (Emerging Markets)  | 5.7%   |
| Global Equities                          | 4.8%   |
| Real Estate                              | 4.9%   |
| Timber                                   | 3.7%   |
| Fixed Income (Core Investment Grade)     | 1.8%   |
| Fixed Income (Opportunistic Credit)      | 5.4%   |
| Cash                                     | (1.3)%   |

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

**10. NON-UNIFORM PENSION PLANS (continued)**

**D. Net Pension Liability of the Township (continued)**

**Changes in the Net Pension Liability**

Changes in the net pension liability for the measurement date of December 31, 2021, are as follows:

|   | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability<br>(a) – (b) |
|---|-----------------------------------|---------------------------------------|---------------------------------------|
| Balance at December 31, 2020                      | \$ 3,444,718                      | \$ 3,361,590                          | \$ 83,128                             |
| Changes for the Year                              |                                   |                                       |                                       |
| Service Cost                                      | 59,534                            | -                                     | 59,534                                |
| Interest  | 180,072                           | -                                     | 180,072                               |
| Changes in Assumptions                            | -                                 | -                                     | -                                     |
| Difference Between Expected and Actual Experience | -                                 | -                                     | -                                     |
| Contributions – Employer                          | -                                 | 129,328                               | (129,328)                             |
| Contributions – PMRS Assessment                   | -                                 | 220                                   | (220)                                 |
| Contributions - Employee                          | -                                 | 20,109                                | (20,109)                              |
| Net Investment Income                             | -                                 | 160,938                               | (160,938)                             |
| Market Value Investment Loss                      | -                                 | 319,614                               | (319,614)                             |
| Benefit Payments                                  | (136,734)                         | (136,734)                             | -                                     |
| Administrative Expense                            | -                                 | (9,335)                               | 9,335                                 |
| Net Changes                                       | 102,872                           | 484,140                               | (381,268)                             |
| Balances at December 31, 2021                     | \$ 3,547,590                      | \$ 3,845,730                          | \$ (298,140)                          |

**Discount Rate**

The discount rate used to measure the total pension liability was 5.25% for the Non-Uniform Plan. The pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

**10. NON-UNIFORM PENSION PLANS (continued)**

**D. Net Pension Liability of the Township (continued)**

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

For the year ended December 31, 2022, the Township recognized pension expense of \$(83,195). At December 31, 2022, the Township reported deferred outflows and inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Experience                                  | \$ -                                 | \$ 25,016                           |
| Changes of Assumptions  | 71,570                               | -                                   |
| Net Difference Between Projected and Actual Earnings<br>on Pension Plan Investments | -                                    | 536,449                             |
| Contributions Made by Employer After Measurement Date                               | 126,073                              | -                                   |
|   | \$ 197,643                           | \$ 561,465                          |

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

| Year Ending<br>December 31, | Amount       |
|-----------------------------|--------------|
| 2022                        | \$ (108,396) |
| 2023                        | (195,710)    |
| 2024                        | (121,867)    |
| 2025                        | (63,922)     |
|                             | \$ (489,895) |

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Notes to Financial Statements  
December 31, 2022**

**10. NON-UNIFORM PENSION PLANS (continued)**

**D. Net Pension Liability of the Township (continued)**

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

The following presents the net pension liabilities of the Township, calculated using the discount rate of 5.25%, as well as what the Township's net pension liabilities 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.

|  | <u>1% Decrease<br/>(4.25%)</u> | <u>Current<br/>Discount Rate<br/>(5.25%)</u> | <u>1% Increase<br/>(6.25%)</u> |
|--|--------------------------------|--|--------------------------------|
| Net Non-Uniform Pension Liability<br>(Asset) | <u>\$141,292</u>               | <u>\$(298,140)</u>                           | <u>\$(667,197)</u>             |

**11. DEFERRED COMPENSATION PLAN**

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

The assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. The requirements of IRC Section 457(g) prescribe that the Township is not the owner of the amounts deferred by employees, including the related income on those amounts. Accordingly, the assets and the related liability for the compensation deferred by plan participants, including earnings on plan assets, are not included in the Township's financial statements.

**12. RISK MANAGEMENT**

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

**a. Health Care Coverage**

The Township contracts with a commercial insurance company to provide health insurance benefits to employees and their dependents.

**b. Workers' Compensation Coverage**

The Township contracts with a commercial insurance company to provide workers' compensation benefits to employees.

**c. Insurance Coverage**

The Township contracts with a commercial insurance company to provide commercial, liability and bonding coverage for the Township.

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Financial Statements**  
**December 31, 2022**

**12. RISK MANAGEMENT (continued)**

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

**13. CONTINGENCIES**

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

**14. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 27, 2023, the date the financial statements were available to be issued.



**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Required Supplementary Information**  
**Schedule of Changes in the Township's Net Position Liability and Related Ratios**  
**December 31, 2022**  
**(Unaudited)**

|  | Measurement Date as of December 31, |                     |                     |                     |                     |
|--|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2021                                | 2020                | 2019                | 2018                | 2017                |
| <b>Total Pension Liability</b>                               |                                     |                     |                     |                     |                     |
| Service Cost   | \$ 59,534                           | \$ 57,165           | \$ 55,588           | \$ 54,726           | \$ 45,830           |
| Interest   | 180,072                             | 167,795             | 163,426             | 157,285             | 153,718             |
| Changes of Benefit Terms                                     | -                                   | -                   | -                   | 41                  | -                   |
| Differences Between Expected and Actual Experience           | -                                   | (70,884)            | -                   | 40,815              | -                   |
| Changes of Assumptions                                       | -                                   | 214,710             | -                   | -                   | -                   |
| Benefit Payments (Including Refunds of Member Contributions) | (136,734)                           | (136,734)           | (136,734)           | (139,973)           | (136,734)           |
| <b>Net Change in Total Pension Liability</b>                 | <u>102,872</u>                      | <u>232,052</u>      | <u>82,280</u>       | <u>112,894</u>      | <u>62,814</u>       |
| <b>Total Pension Liability</b>                               |                                     |                     |                     |                     |                     |
| Beginning of Year  | <u>3,444,718</u>                    | <u>3,212,666</u>    | <u>3,130,386</u>    | <u>3,017,492</u>    | <u>2,954,678</u>    |
| End of Year  | <u>\$ 3,547,590</u>                 | <u>\$ 3,444,718</u> | <u>\$ 3,212,666</u> | <u>\$ 3,130,386</u> | <u>\$ 3,017,492</u> |
| <b>Plan Fiduciary Net Position</b>                           |                                     |                     |                     |                     |                     |
| Contributions  |                                     |                     |                     |                     |                     |
| Employer   | 129,328                             | 120,072             | 116,638             | 88,654              | 94,677              |
| PMRS Assessment  | 220                                 | 220                 | 240                 | 240                 | 220                 |
| Member   | 20,109                              | 20,046              | 19,667              | 19,049              | 15,946              |
| PMRS Investment Income                                       | 160,938                             | 143,045             | 135,187             | 123,866             | 118,607             |
| Market Value Investment Income (Loss)                        | 319,614                             | 287,406             | 369,227             | (196,879)           | 268,523             |
| Benefit Payments (Including Refunds of Member Contributions) | (136,734)                           | (136,734)           | (136,734)           | (139,973)           | (136,734)           |
| Administrative Expense                                       | (9,335)                             | (6,453)             | (4,913)             | (5,748)             | (5,655)             |
| <b>Net Change in Plan Fiduciary Net Position</b>             | <u>484,140</u>                      | <u>427,602</u>      | <u>499,312</u>      | <u>(110,791)</u>    | <u>355,584</u>      |
| <b>Plan Fiduciary Net Position</b>                           |                                     |                     |                     |                     |                     |
| Beginning of Year  | <u>3,361,590</u>                    | <u>2,933,988</u>    | <u>2,434,676</u>    | <u>2,545,467</u>    | <u>2,189,883</u>    |
| End of Year  | <u>\$ 3,845,730</u>                 | <u>\$ 3,361,590</u> | <u>\$ 2,933,988</u> | <u>\$ 2,434,676</u> | <u>\$ 2,545,467</u> |

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Required Supplementary Information**  
**Schedule of Changes in the Township's Net Position Liability and Related Ratios**  
**December 31, 2022**  
**(Unaudited)**

|   | Measurement Date as of December 31, |                   |                   |                   |                   |
|---|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2021                                | 2020              | 2019              | 2018              | 2017              |
| (Continued)   |                                     |                   |                   |                   |                   |
| <b>Township's Ending Net Pension Liability (Asset)</b>                          | <u>\$ (298,140)</u>                 | <u>\$ 83,128</u>  | <u>\$ 278,678</u> | <u>\$ 695,710</u> | <u>\$ 472,025</u> |
| Plan Fiduciary Net Position As a Percentage of the<br>Total Pension Liability   | 108.40%                             | 97.59%            | 91.33%            | 77.78%            | 84.35%            |
| Covered Employee Payroll  | <u>\$ 402,172</u>                   | <u>\$ 400,929</u> | <u>\$ 393,339</u> | <u>\$ 380,980</u> | <u>\$ 318,916</u> |
| Township's Net Pension Liability As a Percentage of Covered<br>Employee Payroll | 74.13%                              | 20.74%            | 70.85%            | 182.61%           | 148.01%           |

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Required Supplementary Information**  
**Schedule of Changes in the Township's Net Position Liability and Related Ratios**  
**December 31, 2022**  
**(Unaudited)**

|  | Measurement Date as of December 31, |                            |                            |
|--|-------------------------------------|----------------------------|----------------------------|
|  | 2016                                | 2015                       | 2014                       |
| <b>Total Pension Liability</b>                               |                                     |                            |                            |
| Service Cost   | \$ 49,230                           | \$ 51,982                  | \$ 50,803                  |
| Interest   | 145,779                             | 137,530                    | 137,731                    |
| Changes of Benefit Terms                                     | -                                   | -                          | -                          |
| Differences Between Expected and Actual Experience           | 124,246                             | -                          | (98,483)                   |
| Changes of Assumptions                                       | 84,409                              | 62,549                     | -                          |
| Benefit Payments (Including Refunds of Member Contributions) | <u>(101,657)</u>                    | <u>(94,642)</u>            | <u>(95,106)</u>            |
| <b>Net Change in Total Pension Liability</b>                 | <b>302,007</b>                      | <b>157,419</b>             | <b>(5,055)</b>             |
| <b>Total Pension Liability</b>                               |                                     |                            |                            |
| Beginning of Year  | <u>2,652,671</u>                    | <u>2,495,252</u>           | <u>2,500,307</u>           |
| End of Year  | <u><u>\$ 2,954,678</u></u>          | <u><u>\$ 2,652,671</u></u> | <u><u>\$ 2,495,252</u></u> |
| <b>Plan Fiduciary Net Position</b>                           |                                     |                            |                            |
| Contributions  |                                     |                            |                            |
| Employer   | 95,023                              | 92,987                     | 77,423                     |
| PMRS Assessment  | 200                                 | 180                        | -                          |
| Member   | 16,340                              | 16,775                     | 16,048                     |
| PMRS Investment Income                                       | 126,731                             | 110,538                    | 104,846                    |
| Market Value Investment Income (Loss)                        | 54,057                              | (120,082)                  | (8,413)                    |
| Benefit Payments (Including Refunds of Member Contributions) | (101,657)                           | (94,642)                   | (95,106)                   |
| Administrative Expense                                       | <u>(6,389)</u>                      | <u>(4,788)</u>             | <u>(4,201)</u>             |
| <b>Net Change in Plan Fiduciary Net Position</b>             | <b>184,305</b>                      | <b>968</b>                 | <b>90,597</b>              |
| <b>Plan Fiduciary Net Position</b>                           |                                     |                            |                            |
| Beginning of Year  | <u>2,005,578</u>                    | <u>2,004,610</u>           | <u>1,914,013</u>           |
| End of Year  | <u><u>\$ 2,189,883</u></u>          | <u><u>\$ 2,005,578</u></u> | <u><u>\$ 2,004,610</u></u> |

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Required Supplementary Information**  
**Schedule of Changes in the Township's Net Position Liability and Related Ratios**  
**December 31, 2022**  
**(Unaudited)**

|   | Measurement Date as of December 31, |                   |                   |
|---|-------------------------------------|-------------------|-------------------|
|   | 2016                                | 2015              | 2014              |
| (Continued)   |                                     |                   |                   |
| <b>Township's Ending Net Pension Liability</b>                                  | <b>\$ 764,795</b>                   | <b>\$ 647,093</b> | <b>\$ 490,642</b> |
| Plan Fiduciary Net Position As a Percentage of the<br>Total Pension Liability   | 74.16%                              | 75.61%            | 80.34%            |
| Covered Employee Payroll  | <b>\$ 326,802</b>                   | <b>\$ 335,510</b> | <b>\$ 328,449</b> |
| Township's Net Pension Liability As a Percentage of Covered<br>Employee Payroll | 234.02%                             | 192.87%           | 149.38%           |

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

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Required Supplementary Information  
Schedule of Township Contributions  
December 31, 2022  
(Unaudited)**

| Year | Actuarially<br>Determined<br>Contribution | Contributions in<br>Relation to the<br>Actuarially<br>Determined<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Employee Payroll | Contributions As<br>a Percentage of<br>Covered<br>Employee Payroll |
|------|---|--|--|-----------------------------|--|
| 2021 | \$ 129,548                                | \$ 129,548   | \$ -                                   | \$ 402,172                  | 32.21%   |
| 2020 | \$ 120,292                                | \$ 120,292   | \$ -                                   | \$ 400,929                  | 30.00%   |
| 2019 | \$ 118,943                                | \$ 116,878   | \$ 2,065                               | \$ 393,339                  | 30.24%   |
| 2018 | \$ 89,660                                 | \$ 88,894  | \$ 766                                 | \$ 380,980                  | 23.33%   |
| 2017 | \$ 94,877                                 | \$ 94,897  | \$ (20)                                | \$ 318,916                  | 29.76%   |
| 2016 | \$ 95,203                                 | \$ 95,223  | \$ (20)                                | \$ 326,802                  | 29.14%   |
| 2015 | \$ 93,167                                 | \$ 93,167  | \$ -                                   | \$ 335,510                  | 27.77%   |
| 2014 | \$ 77,423                                 | \$ 77,423  | \$ -                                   | \$ 328,449                  | 23.57%   |

**Notes to Schedule:**

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

|                               |  |
|-------------------------------|--|
| Actuarial Valuation Date      | January 1, 2019  |
| Actuarial Cost Method         | Entry Age Normal   |
| Amortization Method           | Level Dollar Closed  |
| Remaining Amortization Period | 11 years   |
| Asset Valuation Method        | Based on the municipal reserves  |
| Inflation                     | 2.8%   |
| Salary Increases              | Age-related scale with merit and inflation component   |
| Investment Rate of return     | 5.25%  |
| Retirement Age                | Normal Retirement Age  |
| Pre-Retirement Mortality      | Males – RP2000 non-annuitant table projected 15 years with scale AA, Females – RP2000 non-annuitant table projected 15 years with scale AA, setback five years |
| Post-Retirement Mortality     | Males – RP2000 annuitant table projected 5 years with scale AA, Females – RP2000 annuitant table projected 10 years with scale AA                              |

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Required Supplementary Information  
Schedule of Investment Returns  
December 31, 2022  
(Unaudited)**

| Annual Money-Weighted Rate of Return, Net of Investment Expense |         |
|---|---------|
| 2021  | 13.30%  |
| 2020  | 14.50%  |
| 2019  | 20.10%  |
| 2018  | (4.57%) |
| 2017  | 17.84%  |
| 2016  | 8.23%   |
| 2015  | (0.27%) |
| 2014  | 5.20%   |
| 2013  | 7.28%   |

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**General and Open Space Funds**  
**Year Ended December 31, 2022**

|                                      | <b>General Fund</b>    |                     |  |
|--------------------------------------|------------------------|---------------------|--|
|                                      | <u>Original Budget</u> | <u>Actual</u>       | Variance<br>Favorable<br>(Unfavorable) |
| Revenues                             |                        |                     |  |
| Taxes                                | \$ 1,766,600           | \$ 2,092,861        | \$ 326,261                             |
| Intergovernmental                    | 47,265                 | 48,472              | 1,207                                  |
| Charges for Services                 | 154,020                | 126,950             | (27,070)                               |
| Fines, License, Permits              | 134,525                | 123,271             | (11,254)                               |
| Interest Income and Rents            | 93,795                 | 130,115             | 36,320                                 |
| Miscellaneous                        | 7,100                  | 16,982              | 9,882                                  |
| Total Revenues                       | <u>2,203,305</u>       | <u>2,538,651</u>    | <u>335,346</u>                         |
| Expenditures                         |                        |                     |  |
| General Governmental                 | 645,389                | 410,349             | 235,040                                |
| Public Safety                        | 1,044,184              | 1,043,150           | 1,034                                  |
| Public Works                         | 477,733                | 492,419             | (14,686)                               |
| Land Preservation                    | -                      | -                   | -                                      |
| Sanitation                           | 30,250                 | 31,549              | (1,299)                                |
| Debt Service - Principal             | 36,500                 | 50,000              | (13,500)                               |
| Debt Service - Interest              | 3,650                  | 3,068               | 582                                    |
| Capital Expenditures                 | 48,800                 | 81,335              | (32,535)                               |
| Miscellaneous Governmental           | 44,327                 | 39,126              | 5,201                                  |
| Total Expenditures                   | <u>2,330,833</u>       | <u>2,150,996</u>    | <u>179,837</u>                         |
| Excess of Revenues Over Expenditures | (127,528)              | 387,655             | 515,183                                |
| Other Financing Sources (Uses)       |                        |                     |  |
| Operating Transfers In (Out)         | <u>(2,900)</u>         | <u>(507,082)</u>    | <u>(504,182)</u>                       |
| Changes in Fund Balances             | (130,428)              | (119,427)           | 11,001                                 |
| Fund Balances                        |                        |                     |  |
| Beginning of Year                    | <u>130,428</u>         | <u>1,320,264</u>    | <u>1,189,836</u>                       |
| End of Year                          | <u>\$ -</u>            | <u>\$ 1,200,837</u> | <u>\$ 1,200,837</u>                    |

See notes to schedules of budget to actual comparisons.

**Open Space Fund**

| <u>Original Budget</u> | <u>Actual</u>       | Variance<br>Favorable<br>(Unfavorable) |
|------------------------|---------------------|--|
| \$ 500,000             | \$ 584,032          | \$ 84,032                              |
| -                      | -                   | -                                      |
| -                      | -                   | -                                      |
| 6,000                  | 21,908              | 15,908                                 |
| -                      | -                   | -                                      |
| <u>506,000</u>         | <u>605,940</u>      | <u>99,940</u>                          |
| -                      | -                   | -                                      |
| -                      | 2,500               | (2,500)                                |
| -                      | -                   | -                                      |
| 44,000                 | 17,572              | 26,428                                 |
| -                      | -                   | -                                      |
| -                      | -                   | -                                      |
| 287,000                | 549,361             | (262,361)                              |
| -                      | -                   | -                                      |
| <u>331,000</u>         | <u>569,433</u>      | <u>(238,433)</u>                       |
| 175,000                | 36,507              | (138,493)                              |
| <u>(175,000)</u>       | <u>-</u>            | <u>175,000</u>                         |
| -                      | 36,507              | 36,507                                 |
| -                      | 1,738,775           | 1,738,775                              |
| <u>\$ -</u>            | <u>\$ 1,775,282</u> | <u>\$ 1,775,282</u>                    |



**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Notes to Schedules of Budget to Actual Comparisons**  
**December 31, 2022**

**1. BASIS OF PRESENTATION**

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

**2. DIFFERENCES IN BUDGET BASIS VERSUS GAAP BASIS**

The Township did not amend its 2022 budget as originally adopted and, therefore, is presenting its original and final budget in one column for each fund presented.

Miscellaneous governmental expenditures are budgeted for as such. Actual expenses have been allocated to activities.

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Schedule of Revenues, Expenses, and**  
**Changes in Net Position - Budget and Actual**  
**Proprietary Funds**  
**Year Ended December 31, 2022**

|  | <b>Sewer Fund</b>      |                     |   |
|--|------------------------|---------------------|---|
|  | <u>Original Budget</u> | <u>Actual</u>       | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
| Operating Revenues   |                        |                     |   |
| Charges for Services   | \$ 1,158,523           | \$ 757,018          | \$ (401,505)                                    |
| Fees   | -                      | -                   | -   |
| Miscellaneous  | 10,000                 | 15,137              | 5,137   |
| Total Revenues   | <u>1,168,523</u>       | <u>772,155</u>      | <u>(396,368)</u>                                |
| Operating Expenses   |                        |                     |   |
| Salaries, Wages and Employee Benefits                            | 276,269                | 264,402             | 11,867  |
| PWTA   | 167,758                | 177,281             | (9,523)   |
| Depreciation   | 95,000                 | 104,918             | (9,918)   |
| Materials and Supplies   | 126,245                | 40,526              | 85,719  |
| Utilities  | 35,000                 | 28,680              | 6,320   |
| Professional Fees  | 88,000                 | 41,076              | 46,924  |
| Operations   | 1,035,000              | 49,959              | 985,041   |
| Plant Management   | 22,200                 | 22,200              | -   |
| Insurance  | 22,164                 | 22,165              | (1)   |
| Repairs and Maintenance  | 10,500                 | 16,873              | (6,373)   |
| Miscellaneous  | 4,700                  | 5,778               | (1,078)   |
| Communications   | 5,000                  | 4,586               | 414   |
| Data Processing  | 1,000                  | 1,071               | (71)  |
| Total Operating Expenses   | <u>1,888,836</u>       | <u>779,515</u>      | <u>1,109,321</u>                                |
| Operating Gain (Loss) Before Nonoperating<br>Revenues (Expenses) | <u>(720,313)</u>       | <u>(7,360)</u>      | <u>712,953</u>                                  |
| Nonoperating Revenues (Expenses)                                 |                        |                     |   |
| Interest Income  | 2,700                  | 4,084               | 1,384   |
| Interest Expense   | (7,125)                | (7,063)             | 62  |
| Loss on Sale of Capital Assets                                   | -                      | (18,324)            | (18,324)  |
| Total Nonoperating Revenues (Expenses)                           | <u>(4,425)</u>         | <u>(21,303)</u>     | <u>(16,878)</u>                                 |
| Change in Net Position   | (724,738)              | (28,663)            | 696,075   |
| Net Position   |                        |                     |   |
| Beginning of Year  | <u>749,738</u>         | <u>3,428,658</u>    | <u>2,678,920</u>                                |
| End of Year  | <u>\$ 25,000</u>       | <u>\$ 3,399,995</u> | <u>\$ 3,374,995</u>                             |

**Golf Driving Range and Park Fund**

| <u>Original Budget</u> | <u>Actual</u>    | Variance<br>Favorable<br>(Unfavorable) |
|------------------------|------------------|--|
| \$ -                   | \$ -             | \$ -                                   |
| 55,270                 | 63,992           | 8,722                                  |
| -                      | -                | -                                      |
| <u>55,270</u>          | <u>63,992</u>    | <u>8,722</u>                           |
| 27,148                 | 16,407           | 10,741                                 |
| -                      | -                | -                                      |
| 1,750                  | 662              | 1,088                                  |
| 12,080                 | 20,669           | (8,589)                                |
| 1,800                  | 1,653            | 147                                    |
| -                      | -                | -                                      |
| -                      | -                | -                                      |
| -                      | -                | -                                      |
| -                      | -                | -                                      |
| 12,402                 | 7,831            | 4,571                                  |
| 150                    | 36               | 114                                    |
| -                      | -                | -                                      |
| -                      | -                | -                                      |
| <u>55,330</u>          | <u>47,258</u>    | <u>8,072</u>                           |
| <u>(60)</u>            | <u>16,734</u>    | <u>16,794</u>                          |
| 60                     | 405              | 345                                    |
| -                      | -                | -                                      |
| -                      | -                | -                                      |
| <u>60</u>              | <u>405</u>       | <u>345</u>                             |
| -                      | 17,139           | 17,139                                 |
| -                      | 24,171           | 24,171                                 |
| <u>\$ -</u>            | <u>\$ 41,310</u> | <u>\$ 41,310</u>                       |

**EAST ROCKHILL TOWNSHIP  
BUCKS COUNTY, PA  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2022**

|  | <u>Fire Fund</u>       | <u>Street Light<br/>Fund</u> | <u>State Liquid<br/>Fuels Fund</u> |
|--|------------------------|------------------------------|------------------------------------|
| <b>Assets</b>                              |                        |                              |                                    |
| Cash                                       | \$ 802                 | \$ 8,838                     | \$ 4,837                           |
| Taxes Receivable                           | <u>2,706</u>           | <u>4,052</u>                 | <u>-</u>                           |
| <b>Total Assets</b>                        | <u><u>\$ 3,508</u></u> | <u><u>\$ 12,890</u></u>      | <u><u>\$ 4,837</u></u>             |
| <b>Liabilities and Fund Balances</b>       |                        |                              |                                    |
| Liabilities                                |                        |                              |                                    |
| Accounts Payable and Accrued Expenses      | <u>\$ -</u>            | <u>\$ -</u>                  | <u>\$ -</u>                        |
| Deferred Inflows of Resources              |                        |                              |                                    |
| Deferred Taxes                             | <u>1,857</u>           | <u>4,052</u>                 | <u>-</u>                           |
| Fund Balances                              |                        |                              |                                    |
| Restricted                                 | -                      | 601                          | 4,837                              |
| Assigned                                   | <u>1,651</u>           | <u>8,237</u>                 | <u>-</u>                           |
| Total Fund Balances                        | <u><u>1,651</u></u>    | <u><u>8,838</u></u>          | <u><u>4,837</u></u>                |
| <b>Total Liabilities and Fund Balances</b> | <u><u>\$ 3,508</u></u> | <u><u>\$ 12,890</u></u>      | <u><u>\$ 4,837</u></u>             |

| <u>Police<br/>Headquarters<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|---|
| \$ 23,188                               | \$ 37,665                               |
| <u>3,411</u>                            | <u>10,169</u>                           |
| <u>\$ 26,599</u>                        | <u>\$ 47,834</u>                        |
|   |   |
| <u>\$ -</u>                             | <u>\$ -</u>                             |
|   |   |
| <u>2,341</u>                            | <u>8,250</u>                            |
|   |   |
| -                                       | 5,438                                   |
| <u>24,258</u>                           | <u>34,146</u>                           |
| <u>24,258</u>                           | <u>39,584</u>                           |
|   |   |
| <u>\$ 26,599</u>                        | <u>\$ 47,834</u>                        |

**EAST ROCKHILL TOWNSHIP**  
**BUCKS COUNTY, PA**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2022**

|  | Fire Fund       | Street Light<br>Fund | State Liquid<br>Fuels Fund |
|--|-----------------|----------------------|----------------------------|
| Revenues   |                 |                      |                            |
| Taxes  | \$ 73,364       | \$ 18,730            | \$ -                       |
| Intergovernmental                                    | 44,801          | -                    | 228,736                    |
| Interest Income and Rents                            | 544             | 159                  | 515                        |
| Total Revenues                                       | <u>118,709</u>  | <u>18,889</u>        | <u>229,251</u>             |
| Expenditures   |                 |                      |                            |
| Public Safety  | 118,883         | -                    | -                          |
| Public Works   | -               | 18,129               | 232,295                    |
| Debt Service - Principal                             | -               | -                    | -                          |
| Debt Service - Interest                              | -               | -                    | -                          |
| Total Expenditures                                   | <u>118,883</u>  | <u>18,129</u>        | <u>232,295</u>             |
| Excess (Deficiency) of Revenues<br>Over Expenditures | (174)           | 760                  | (3,044)                    |
| Other Financing Sources (Uses)                       |                 |                      |                            |
| Operating Transfers In                               | -               | 2,900                | -                          |
| Changes in Fund Balances                             | (174)           | 3,660                | (3,044)                    |
| Fund Balances  |                 |                      |                            |
| Beginning of Year                                    | <u>1,825</u>    | <u>5,178</u>         | <u>7,881</u>               |
| End of Year  | <u>\$ 1,651</u> | <u>\$ 8,838</u>      | <u>\$ 4,837</u>            |

| Police<br>Headquarters<br>Fund | Total<br>Governmental<br>Funds |
|--------------------------------|--------------------------------|
| \$ 92,442                      | \$ 184,536                     |
| -                              | 273,537                        |
| 334                            | 1,552                          |
| <u>92,776</u>                  | <u>459,625</u>                 |
| -                              | 118,883                        |
| -                              | 250,424                        |
| 286,885                        | 286,885                        |
| 16,572                         | 16,572                         |
| <u>303,457</u>                 | <u>672,764</u>                 |
| (210,681)                      | (213,139)                      |
| <u>194,182</u>                 | <u>197,082</u>                 |
| (16,499)                       | (16,057)                       |
| <u>40,757</u>                  | <u>55,641</u>                  |
| <u><u>\$ 24,258</u></u>        | <u><u>\$ 39,584</u></u>        |