

THE TOWNSHIP OF RIDLEY
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2024



TOWNSHIP OF RIDLEY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Township of Ridley
Folsom, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Township of Ridley, Folsom, Pennsylvania as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Township of Ridley, as of December 31, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. We did not audit the financial statements of the Ridley Township Public Library, which represent one and two percent, respectively, of the assets and revenues of the Township of Ridley. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Library, is based solely on the reports of other auditors.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 that we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. We did not audit the financial statements of the Ridley Township Public Library, which represent one and two percent, respectively, of the assets and revenues of the Township of Ridley. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Library, is based solely on the reports of other auditors. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, 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, budgetary comparison information, and pension information on pages 4 to 11 and 53 to 60 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 (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2026, on our consideration of the Township of Ridley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Ridley's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Ridley's internal control over financial reporting and compliance.

Leitzell & Economidis, PC

LEITZELL & ECONOMIDIS, PC
Certified Public Accountants

February 18, 2026
Newtown Square, Pennsylvania

**THE TOWNSHIP OF RIDLEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

(UNAUDITED)

This Management's Discussion and Analysis (MD&A) is intended to provide a narrative overview and analysis of the financial activities of the Township of Ridley for the year ended December 31, 2024. The Township's financial performance is discussed and analyzed within the context of the financial statements and the disclosures that follow. This discussion focuses on the Township's primary government.

FINANCIAL HIGHLIGHTS

The Board of Commissioners and Management believe the Township's financial condition is strong. Performance exceeded budgetary and other expectations.

- The Township's assets on the government-wide basis exceeded its liabilities (net position) by \$11,434,975. This represented a decrease in net position by \$849,726 primarily resulting from a significant increase from changes in post-employment and pension actuarial determined liabilities and expense, and a decrease in interest earnings.
- The governmental funds showed a total decrease in fund balances this period in the amount of \$180,740. This also included, however, capital outlay in the amount of \$1,822,311 primarily such things as the recreational fields, roads, bridges and storm and sanitary sewers. Actual operations without capital expenditures would have resulted in a surplus of \$2,003,051. Capital outlay is shown as expenditures in the governmental funds, but as an increase in net position within the government wide statements as these items become part of the Township's fixed assets as presented in the government wide statements.
- During the year, the Township's operating revenue in the government-wide statements increased to \$33,717,257, an increase of 1.93%. Intergovernmental grants increased by \$716,609, resulting from the use and recognition of the American Rescue Program (ARPA) funds received. Departmental charges for services remained consistent from the prior period. Operating expenses in the government-wide statements, including other post-employment benefits and pension costs (without regard to depreciation), increased by \$2,521,731 or 10.5% primarily reflected in increased actuarially determined post-employment benefit costs and pension expenses. The overall decrease was due to some increases within recreation related expense, and rising insurance costs. Most other costs remained relatively stable during the period.
- At the close of this fiscal year, total fund balance for the General Fund was \$9,936,295 or 42.5% of total General Fund expenditures (before operating transfers among funds) and 44.0% of total General Fund revenue. The unassigned fund balance represented 12.5% of General Fund revenues and 12.1% of General Fund expenditures.

- The General Fund activities resulted in a deficit of \$847,159 without regard for the interfund operating transfers. That deficit also included \$521,492 in capital outlay. The activities of the Township exceeded budgetary expectations. Actual revenue exceeded anticipated revenues in the General Fund by 3.4% inclusive of investment proceeds exceeding budgeted expectations, departmental service income higher than anticipated, although there was a decreased collection of local enabling taxes. Further, expenditures were less than budgeted amounts by approximately 9.96% indicating strong departmental fiscal management despite the capital expenditures (included in the budgetary line items) as noted above.
- Tax collections remained stable at a 98.48% collection rate for current taxes including those actually collected in 2024. Collection rates are consistent with prior years.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves. This MD&A represents management's analysis of the Township's financial condition and performance. Summary financial statement data and other management tools were utilized for analysis.

Government-wide Financial Statements

The Township's report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. These statements are intended to provide the reader with a broad overview of the Township's finances, similar to the perspective found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The *Statement of Net Position* includes all of the Township's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating.

The second statement, the *Statement of Activities*, presents information on how the Township's net position has changed during the most recent fiscal year. An important purpose of this statement is to show the financial reliance of the Township's distinct functions on revenues provided by various sources.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and intergovernmental revenue, such as grants, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, health and human services, highways and streets, sewers, sanitation and culture and recreation.

The fiduciary activities, including the police pension plan, scholarship and drug forfeiture fund, are not included in the government-wide statements since these assets are not available to fund the Township's programs.

Fund Financial Statements

The fund financial statements provide more detailed information about the Township's most significant *funds*—not the Township as a whole. The funds are an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. All funds are reported as major funds.

The Township has two types of funds - governmental funds and fiduciary funds. The Township itself does not have any proprietary funds. A proprietary fund is a fund in which customers are charged fees for specific services. Although a separate assessment is charged through the Sewer Fund, the Township considers this a governmental fund due to the nature and intent of the activities.

Governmental Funds—Almost all of the Township's basic services are included in the governmental funds, which are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, the governmental fund statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. The relationship or differences between the governmental activities as reported in the Statement of Net Position and the Statement of Activities and the governmental funds, if any, is shown in the accompanying reconciliation.

The Township maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, sewer fund, highway aid fund, two capital project funds, stormwater management fund, a sinking fund (debt service fund), Pennvest fund and an American Rescue Plan Act (ARPA) fund. The General Fund within these financial statements also includes presentation of the activities of the General Fund, Fire Fund, Library Fund, Escrow, Tax and Recreation. All Governmental funds are considered to be major governmental funds.

Fiduciary Funds—The Township has three fiduciary funds: the police pension fund, Anne Howanski scholarship fund, and Drug Forfeiture fund for which the Township is responsible for ensuring that the assets reported in these funds are used for their respective intended purposes. This is reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. The activities of these funds are not a part of the government wide financial statements since the Township cannot use these assets to finance its operations. Builders and developers escrow funds are not considered fiduciary funds and are reported in the Township's General Fund.

Notes to Financial Statements--The notes to the financial statements provide required disclosures and other information essential to a full understanding of the material data

provided in the government wide and fund financial statements. The notes present information about the Township's accounting policies, significant accounts and activities, obligations, commitments and subsequent events, if any.

Required Supplementary Information

This Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Analysis of Pension Funding Progress and Contributions from Employer and Other Contributing Entity represent financial information required by the Governmental Accounting Standards Board (GASB) to be presented. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements and notes to the financial statements. The Township adopted an annual appropriated budget for its General Fund, Sewer Fund, Highway Fund, and Sinking Fund. The budgets for the Library and Fire Funds are presented with the General Fund.

FINANCIAL ANALYSIS OF THE TOWNSHIP

The following comparative condensed financial data serve as indicators of the Township's financial health or financial position. Table 1 below shows a condensed version of the Township's Net Position. The change in net assets is shown below in Table 2 as a condensed *Statements of Activities*. Table 3 provides a comparative of the components of the capital assets from 2023 to 2024. Table 4 shows changes in outstanding bonded and other debt from 2023 to 2024.

TABLE 1
SUMMARY STATEMENT OF NET POSITION
DECEMBER 31,

	<u>2024</u>	<u>2023</u>
Assets		
Cash and cash equivalents	\$ 25,031,785	\$21,507,396
Investments	-	5,115,879
Accounts receivable	1,450,963	1,317,471
Prepaid assets	165,001	206,044
Right to use operating lease	87,395	17,500
Capital assets (net of accumulated depreciation)	37,406,786	37,586,376
Total assets	<u>64,141,930</u>	<u>65,750,666</u>
Deferred outflows of resources - pension and OPEB related	<u>7,141,295</u>	<u>13,503,931</u>
Liabilities		
Accounts payable and accrued expenses	697,030	899,089
Escrow and security deposits	1,141,819	1,113,782
Accrued interest	11,776	7,810
Environmental liability	8,646	8,646
Unearned revenue	681,013	1,792,933
Due to Fiduciary Fund	817	817
Long term liabilities - current portion	1,646,099	1,632,090
Long-term net pension liability	5,853,978	10,502,029
Long term liabilities - long term portion	37,910,216	38,771,328
Total liabilities	<u>47,951,394</u>	<u>54,728,524</u>
Deferred inflows of resources	<u>11,896,856</u>	<u>12,241,372</u>
Net position		
Invested in capital assets net of related debt	56,056,793	53,132,092
Restricted for debt service and capital projects	5,852,145	5,285,261
Unrestricted	(50,473,963)	(46,132,652)
Total net position	<u>\$ 11,434,975</u>	<u>\$12,284,701</u>

TABLE 2
SUMMARY STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	<u>2024</u>	<u>2023</u>	<u>Incr/Dec</u>
Revenue			
Taxes	\$ 15,175,533	\$ 15,140,165	0.23%
Charges for services including cable	11,123,433	11,050,851	0.65%
Grants	4,204,757	3,488,148	17.04%
Rent	750,488	689,706	8.10%
Interest	1,314,165	1,550,964	-18.02%
Miscellaneous	1,148,881	1,145,459	0.30%
Total revenue	<u>33,717,257</u>	<u>33,065,293</u>	<u>1.93%</u>
Expense			
General government	2,545,231	2,744,302	-7.25%
Public safety	5,760,734	5,897,448	-2.32%
Highway, streets and sewers	8,155,665	8,330,649	-2.10%
Health and human services	4,021	1,017	295.38%
Sanitation	3,473,557	3,455,484	0.52%
Recreation	1,520,530	1,276,724	19.10%
Pension fund expense	2,429,723	897,096	170.84%
Insurance and employee benefits	5,075,269	4,587,621	10.63%
Library contribution	480,000	480,000	0.00%
Interest	277,013	305,338	-9.28%
Post employment benefit costs	2,843,338	1,506,390	88.75%
Unallocated depreciation and amortization	2,001,901	2,132,584	-6.13%
Total expenditures	<u>34,566,982</u>	<u>31,614,653</u>	<u>9.34%</u>
Excess of total revenue over (under) expenditures	<u>(849,725)</u>	<u>1,450,640</u>	
Change in net position	<u>\$ (849,725)</u>	<u>\$ 1,450,640</u>	

**TABLE 3
CHANGES IN CAPITAL ASSETS
YEAR-TO-YEAR COMPARISON
DECEMBER 31,**

CAPITAL INVESTMENT	2024	2023	% Inc/Decr
Land	\$ 5,803,588	\$ 5,803,588	0.00%
Construction in progress	4,653,816	3,718,385	25.16%
Infrastructure	19,748,062	19,748,062	0.00%
Buildings and building improvements	25,903,327	25,903,327	0.00%
Furniture and equipment	11,904,702	11,031,072	7.92%
Capital leases	473,621	473,621	
Contributed capital	18,000	18,000	
Totals	<u>\$ 68,505,116</u>	<u>\$66,696,055</u>	

**TABLE 4
CHANGES IN OUTSTANDING NOTES AND BONDS PAYABLE
DECEMBER 31,**

SERIES	2024	2023	INC/DEC
General Obligation Note Series 2006	\$ 312,000	\$ 408,000	\$ (96,000)
General Obligation Note Series 2013	2,942,000	3,644,000	(702,000)
General Obligation Note Series 2017	5,780,000	6,427,000	(647,000)
Pennvest	2,940,702	3,084,963	(144,261)
Totals	<u>\$11,974,702</u>	<u>\$13,563,963</u>	<u>\$(798,000)</u>

ECONOMIC FACTORS

Ridley Township services an area of 5.3 square miles and is home to more than 30,000 residents. Located in the southeastern Delaware County, just nine miles from Philadelphia, the Township remains a convenient and desirable place to live, work, and raise a family.

Economic development remained strong. Several construction projects began in 2023 and continued into 2024, including *Spark Car Wash* at MacDade Boulevard and Kedron Avenue, *Popeyes* at MacDade Boulevard and Amosland Road, redevelopment of *Wawa* at MacDade Boulevard and Bullens Lane, and ongoing renovations at the Boeing facility on Stewart Avenue. The Board continues to meet with prospective developers drawn to Ridley Township's proximity to major highways and its supportive tax base.

Ridley Township continues to prioritize essential services that directly benefit residents, including twice-weekly trash collection, weekly recycling, fall curbside leaf collection, and bulk trash pickup. Residents are encouraged to participate in the Township's single-stream recycling program, which helps reduce disposal costs.

We understand resident concerns regarding vacant commercial properties. These sites are privately owned, and while the Township cannot control leasing decisions, we actively work with property owners and developers to attract new businesses. The

Board remains committed to fostering economic growth, job opportunities, and continued investment in our community.

TO CONTACT MANAGEMENT AND FOR REQUESTS FOR INFORMATION

The financial report of the Township of Ridley is intended to provide readers with a general overview of the Township's financial operations as well as to demonstrate the Township's accountability for its public appropriations or subsidies and grants. Questions concerning any of the information provided in this report or additional requests for financial information should be addressed to the Township Manager, Township of Ridley, 100 East MacDade Boulevard, Folsom, PA 19033.

TOWNSHIP OF RIDLEY
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government Governmental Activities	Component Unit Ridley Township Public Library
Assets		
Cash and cash equivalents	\$ 25,031,785	\$ 280,997
Investments	-	175,691
Accounts receivable (net of allowance)	1,450,963	1,586
Prepaid expenditures	165,001	2,675
Right to use operating leases	87,395	-
Capital assets		
Land	5,803,588	-
Buildings	25,903,327	-
Infrastructure	19,766,062	-
Machinery, equipment, furniture and fixtures	11,904,702	123,265
Exhaustible book collection	-	412,918
Capital leases	473,621	-
Construction in progress	4,653,816	-
Accumulated depreciation	(31,098,330)	(394,475)
Capital assets net	37,406,786	141,708
Total assets	64,141,930	602,657
Deferred outflows of resources		
Pension related differences on earnings, assumptions and actual experience	1,583,996	-
OPEB related differences on actual experience and changes in assumptions	5,557,299	-
	7,141,295	-
Total assets and deferred outflows of resources	71,283,225	602,657
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	697,030	22,711
Due to fiduciary fund	817	-
Accrued interest	11,776	-
Environmental liability	8,646	-
Unearned revenue	681,013	-
Escrow liability and security deposit	1,141,819	-
Current portion of operating lease liability	21,788	-
Current portion of long-term debt liabilities	1,624,311	-
Long-term liabilities		
Operating lease liabilities	65,607	-
Net police pension, non-uniform and union pension liability	5,853,978	-
Other post employment benefits liability	27,033,480	-
Sick pay liability	460,737	-
Debt due in more than one year	10,350,391	-
Total liabilities	47,951,394	22,711
Deferred inflows of resources		
Pension related differences in experience	1,017,483	-
OPEB related differences on actual experience and changes in assumptions	10,874,688	-
Debt premium	4,685	-
	11,896,856	-
Total liabilities and deferred inflows of resources	59,848,250	22,711
Net position		
Invested in capital assets net of related debt	56,056,793	141,708
Restricted for		
Debt service	1,624,311	-
Capital projects	3,900,942	-
ARPA	326,892	-
Unrestricted	(50,473,963)	438,228
Total net position	\$ 11,434,975	\$ 579,936

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

TOWNSHIP OF RIDLEY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2024

Functions/programs	Expenses	Program Income			Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Govt Activities	Component Unit
Primary Government						
General government	\$ 2,545,231	\$ 329,810	\$ 32,487	\$ -	\$ (2,182,934)	\$ -
Public safety	5,760,734	1,753,783	196,416	-	(3,810,535)	-
Recreation	1,520,530	450,645	25,966	-	(1,043,919)	-
Sanitation	3,473,557	2,869,618	68,030	-	(535,909)	-
Sewers	5,623,805	5,180,907	-	-	(442,898)	-
Highways and streets	2,531,860	-	2,006,542	-	(525,318)	-
Health and human services	4,021	-	-	-	(4,021)	-
Pension contribution expense	2,429,723	-	742,404	-	(1,687,319)	-
Insurance and employee benefits	5,075,269	-	-	-	(5,075,269)	-
Library	480,000	12,291	-	-	(467,709)	-
Post employment benefit costs	2,843,338	-	-	-	(2,843,338)	-
Interest	277,014	-	-	-	(277,014)	-
Unallocated depreciation and amortization	2,001,901	-	-	-	(2,001,901)	-
Total governmental activities	\$ 34,566,982	\$ 10,597,054	\$ 3,071,845	\$ -	(20,898,083)	-
Component Units						
Ridley Township Public Library	\$ 785,275	\$ 84,763	\$ 658,176	\$ 9,561	-	(32,775)
General revenues						
Taxes					15,175,533	-
Grants and contributions not restricted to specific programs					1,132,912	-
Cable television					526,378	-
Interest and investment earnings					1,314,165	12,111
Rent					750,488	-
Premium amortization					2,253	-
Miscellaneous refunds/reimbursements					1,146,628	856
Total general revenues					20,048,357	12,967
Change in net position					(849,726)	(19,808)
Net position - beginning					12,284,701	599,744
Net position - ending					\$ 11,434,975	\$ 579,936

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

TOWNSHIP OF RIDLEY
BALANCE SHEET
GOVERNMENTAL FUNDS

DECEMBER 31, 2024

	General Fund	Sewer Fund	Highway Fund	Sinking Fund	Capital Improvement Fund	Capital Reserve Fund	Stormwater Fund	PENNVEST Fund	ARPA Fund	Total Governmental Funds
ASSETS										
Cash and cash equivalents	\$ 11,035,782	\$ 1,892,851	\$ 2,030,042	\$ 1,015,745	\$ 4,053,458	\$ 3,902,028	\$ 223,772	\$ 17,224	\$ 860,883	\$ 25,031,785
Investments	-	-	-	-	-	-	-	-	-	-
Accounts receivable (net of allowance)	1,103,033	294,297	-	42,433	-	11,200	-	-	-	1,450,963
Prepaid expenditures	165,001	-	-	-	-	-	-	-	-	165,001
Due from other funds	412,184	95,535	-	455,767	6,876	235,803	-	1,000	-	1,207,185
Total assets	12,715,999	2,282,683	2,030,042	1,513,945	4,060,334	4,149,031	223,772	18,224	860,883	27,854,914
DEFERRED OUTFLOW OF RESOURCES										
Total assets and deferred outflows of resources	\$ 12,715,999	\$ 2,282,683	\$ 2,030,042	\$ 1,513,945	\$ 4,060,334	\$ 4,149,031	\$ 223,772	\$ 18,224	\$ 860,883	\$ 27,854,914
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable and accrued expenses	\$ 322,560	\$ 36,457	\$ 17,591	\$ -	\$ 43,580	\$ -	\$ -	\$ -	\$ 4,141	\$ 424,329
Accrued payroll and related costs	272,702	-	-	-	-	-	-	-	-	272,702
Accrued interest	-	-	-	8,218	-	-	-	3,558	-	11,776
Environmental liability	8,646	-	-	-	-	-	-	-	-	8,646
Unearned revenue	57,837	-	-	-	500	114,076	-	-	508,600	681,013
Security deposit and escrow	791,997	-	-	-	-	126,050	223,772	-	-	1,141,819
Due to other funds	902,091	22,102	-	14,000	237,901	7,963	-	2,675	21,250	1,207,983
Total liabilities	2,355,833	58,559	17,591	22,218	281,981	248,089	223,772	6,233	533,991	3,748,287
DEFERRED INFLOWS OF RESOURCES										
Unavailable taxes, trash and sewer fees	423,871	251,477	-	37,745	-	-	-	-	-	713,093
Total liabilities and deferred inflows of resources	2,779,704	310,037	17,591	59,962	281,981	248,089	223,772	6,233	533,991	4,461,360
Fund balances										
Restricted	-	-	-	-	-	-	-	-	-	165,001
Nonspendable	-	-	-	-	-	-	-	-	-	-
Committed for	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	1,453,983	-	-	-	-	-	1,453,983
Capital projects and open space	-	-	-	-	-	3,900,942	-	11,991	326,892	4,239,825
Assigned	6,950,000	1,972,646	2,012,452	-	3,778,353	-	-	-	-	14,713,451
Unassigned	2,821,295	-	-	-	-	-	-	-	-	2,821,295
Total fund balance	9,936,295	1,972,646	2,012,452	1,453,983	3,778,353	3,900,942	-	11,991	326,892	23,393,654
Total liabilities, deferred inflows of resources and fund balances	\$ 12,715,999	\$ 2,282,683	\$ 2,030,042	\$ 1,513,945	\$ 4,060,334	\$ 4,149,031	\$ 223,772	\$ 18,224	\$ 860,883	\$ 27,854,914

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

RIDLEY TOWNSHIP

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

DECEMBER 31, 2024

Total fund balances - governmental funds	\$ 23,393,554
Amounts reported for governmental activities in the statement of net assets are different because.	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land	\$ 5,803,588
Infrastructure assets	19,766,062
Other capital assets	38,281,650
Construction in progress	4,653,816
Accumulated depreciation	<u>(31,098,330)</u>
Total capital assets	37,406,786
Certain pension and OPEB expenditures or changes in expected experience or amounts paid after the measurement dates are considered to be deferred outflows and not charged to the current period but considered an asset	
	7,141,295
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Bonds and notes payable, compensated absences and other post employment benefits	(39,468,919)
Net pension obligations	(5,853,978)
Certain revenues may be collected after year-end but are not available soon enough for the current period expenditures and considered deferred inflows in governmental funds	
	713,093
Certain deferred inflows are not reportable on the modified accrual basis but are relative to full accrual reporting including the premiums paid on bond financing	
	(4,685)
Other deferred inflows are also not reportable on the modified accrual basis but are pension and OPEB related and reported on the full accrual basis	
	<u>(11,892,171)</u>
Net position	<u><u>\$ 11,434,975</u></u>

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

TOWNSHIP OF RIDLEY

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

FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Sewer Fund	Highway Fund	Sinking Fund	Capital Improvement Fund	Capital Reserve Fund	Stormwater Fund	PENNVEST Fund	ARPA Fund	Total Governmental Funds
Revenue										
Real estate taxes	\$ 11,566,799	\$ -	\$ -	\$ 1,767,306	\$ -	\$ -	\$ -	\$ -	\$ -	13,334,105
Real estate transfer taxes	551,167	-	-	-	-	-	-	-	-	551,167
Other taxes	1,290,261	-	-	-	-	-	-	-	-	1,290,261
Sewer charges	-	5,254,151	-	-	-	-	-	-	-	5,254,151
Cable television franchise fees	526,378	-	-	-	-	-	-	-	-	526,378
Licenses and permits	1,362,514	-	-	-	-	-	-	-	-	1,362,514
Rents and cell tower leases	750,488	-	-	-	-	-	-	-	-	750,488
Fines and forfeits	89,409	-	-	-	-	-	-	-	-	89,409
Investment earnings	538,659	121,829	112,184	60,659	204,176	197,488	-	-	79,170	1,314,165
Municipal State aid	742,404	-	-	-	-	-	-	-	-	742,404
Grants and other intergovernmental revenue	359,577	-	787,097	-	1,197,050	-	-	-	1,118,630	3,462,354
Charges for services	3,984,228	-	-	-	-	-	-	-	-	3,984,228
Other income	818,497	-	-	-	21,860	212,410	-	-	93,860	1,146,627
Total revenue	22,580,381	5,375,980	899,281	1,827,965	1,423,086	409,998	-	-	1,291,660	33,808,251
Expenditures										
Current:										
General governmental	2,428,098	-	-	51	45,809	54,069	-	-	50,000	2,578,027
Public safety	6,574,821	-	-	-	40,515	-	-	-	-	6,615,336
Recreation	1,014,979	-	-	-	-	81,322	-	-	424,229	1,520,530
Sanitation	3,473,557	-	-	-	-	-	-	-	-	3,473,557
Sewers	-	5,623,805	-	-	-	-	-	-	-	5,623,805
Highways and streets	1,458,173	-	532,365	-	541,322	-	-	-	-	2,531,860
Health and human services	4,021	-	-	-	-	-	-	-	-	4,021
Pension fund contributions	2,397,130	-	-	-	-	-	-	-	-	2,397,130
Insurance and employee benefits	5,075,269	-	-	-	-	-	-	-	-	5,075,269
Library	480,000	-	-	-	-	-	-	-	-	480,000
Debt service	-	-	-	1,445,000	-	-	-	144,261	-	1,589,261
Principal	-	-	-	233,351	-	-	-	43,663	-	277,014
Interest	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Recreation	179,808	-	-	-	-	11,545	-	-	644,401	835,754
Streets and highways and sewers and sanitation	186,594	-	-	-	644,873	-	-	-	-	831,407
General government	155,150	-	-	-	-	-	-	-	-	155,150
Total expenditures	23,427,539	5,623,805	532,365	1,678,402	1,272,519	146,936	-	187,924	1,118,630	33,988,120
Excess of revenue over (under) expenditures	(847,159)	(247,825)	366,916	149,563	150,567	262,962	-	(187,924)	173,031	(179,869)
Other financing sources (uses)	-	-	-	-	100,000	-	-	189,000	-	289,000
Operating transfer in	(100,871)	-	-	(189,000)	-	-	-	-	-	(289,871)
Operating transfer out	(100,871)	-	-	(189,000)	100,000	-	-	189,000	-	(871)
Excess of revenue and other sources over (under) expenditures and other (uses)	(948,030)	(247,825)	366,916	(39,437)	250,567	262,962	-	1,076	173,031	(180,740)
Fund balance - beginning	10,884,325	2,220,471	1,645,536	1,493,420	3,527,786	3,637,980	-	10,915	153,861	23,574,294
Fund balance - ending	\$ 9,936,295	\$ 1,972,646	\$ 2,012,452	\$ 1,453,983	\$ 3,778,353	\$ 3,900,942	\$ -	\$ 11,991	\$ 326,892	\$ 23,393,554

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

THE TOWNSHIP OF RIDLEY

RECONCILIATION OF THE CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2024

Net change in fund balances - total governmental funds \$ (180,740)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period these amounts were:

Capital outlay	\$ 1,822,311	
Depreciation expense	<u>(2,001,901)</u>	(179,590)

Repayment of long term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consisted of:

Principal repayment	1,589,261
Amortization on premium of bond refunding	2,253

Pension expense on a full accrual basis is adjusted for presentation on the modified accrual basis (32,593)

Long-term compensated absences and other post employment benefits are reported in the statement of net assets; changes in the liabilities are reported as an expense in the Statement of Activities

Other post employment benefits	(1,936,723)
--------------------------------	-------------

Some revenues are not collected for several months or longer after the Township's year-end. They are not considered "available" revenues and are deferred in the governmental funds. Those amounts were for real estate taxes, sewer assessments and trash collections and reflected prior years revenues collected in the current period and are shown as net

(111,594)

Change in net position \$ (849,726)

TOWNSHIP OF RIDLEY
STATEMENT OF NET FIDUCIARY POSITION

DECEMBER 31, 2024

	<u>POLICE PENSION</u>	<u>ANNE HOWANSKI SCHOLARSHIP</u>	<u>DRUG FORFEITURE FUND</u>	<u>TOTAL FIDUCIARY FUNDS</u>
Assets:				
Cash and cash equivalents	\$ 988,488	\$ 2,329	\$ 153,289	\$ 1,144,106
Investments at fair value	32,784,327	-	-	32,784,327
Accounts receivable	25,753	-	-	25,753
Due from other funds	817	-	-	817
Total assets	<u>33,799,384</u>	<u>2,329</u>	<u>153,289</u>	<u>33,955,002</u>
Liabilities				
Accounts payable	-	-	-	-
Depositors/Contributors funds held in trust	-	2,329	152,289	154,618
Due to other funds	-	-	1,000	1,000
Total liabilities	<u>-</u>	<u>2,329</u>	<u>153,289</u>	<u>155,618</u>
Net fiduciary position				
Held in trust for pension benefits	<u>\$ 33,799,384</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,799,384</u>

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

TOWNSHIP OF RIDLEY
STATEMENT OF CHANGES IN NET FIDUCIARY POSITION
FIDUCIARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>POLICE PENSION</u>	<u>ANNE HOWANSKI SCHOLARSHIP</u>	<u>DRUG FORFEITURE FUND</u>	<u>TOTAL FIDUCIARY FUNDS</u>
Additions:				
Township and Commonwealth contribution	\$ 1,325,806	\$ -	\$ -	\$ 1,325,806
Plan members	205,057	-	-	205,057
Drug forfeiture revenue	-	-	23,554	23,554
Miscellaneous	-	-	-	-
	<u>1,530,863</u>	<u>-</u>	<u>23,554</u>	<u>1,554,417</u>
Investment earnings:				
Interest and dividends	807,035	-	1,972	809,007
Net appreciation in fair value of investments	2,927,318	-	-	2,927,318
Less investment expense	(111,909)	-	-	(111,909)
Total investment earnings	<u>3,622,444</u>	<u>-</u>	<u>1,972</u>	<u>3,624,416</u>
Total additions	<u>5,153,307</u>	<u>-</u>	<u>25,527</u>	<u>5,178,833</u>
Deductions:				
Retirement benefits	2,101,187	-	-	2,101,187
Scholarships	-	-	-	-
Administrative expense	7,200	-	-	7,200
Drug forfeiture program expense	-	-	26,398	26,398
Total deductions	<u>2,108,387</u>	<u>-</u>	<u>26,398</u>	<u>2,134,785</u>
	3,044,920	-	(871)	3,044,049
Other financing sources (uses):				
Operating transfer in/ (out)	<u>-</u>	<u>-</u>	<u>871</u>	<u>871</u>
Changes in net fiduciary position	3,044,920	-	-	3,044,920
Net fiduciary position - beginning of year	<u>30,754,464</u>	<u>-</u>	<u>-</u>	<u>30,754,464</u>
Net fiduciary position - end of year	<u><u>\$ 33,799,384</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 33,799,384</u></u>

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

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

Ridley Township is a First Class Township within the Commonwealth of Pennsylvania and is governed by a Board of Commissioners. The Township's annual financial report includes the accounts of all Township operations. The accounting policies of the Township conform to generally accepted accounting principles (GAAP) as applicable to municipalities. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Township's financial reporting entity is comprised of the primary government (The Township of Ridley) and The Ridley Township Public Library (a component unit). In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting entity, the Township applied the criteria prescribed by GASB Statement No. 14, as amended by GASB Statement No. 39, "Determining whether Certain Organizations are Component Units", GASB Statement No. 61 "Financial Reporting Entity-Omnibus" and GASB Statement No. 80, "Blending Requirements for Certain Component Units". A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or, based on the nature and significance of the organization's relationship with the primary government, are such that exclusion would cause the reporting entity's financial statements to be misleading. Ridley Township has determined that the Ridley Township Public Library met these criteria and is discretely presented herein these financial statements. Separate financial statements for the Ridley Township Public Library are available.

B. Basis of Presentation

Government Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the government of the Township of Ridley as a whole. These statements include all funds of the reporting entity except for the fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between governmental and business type activities. The Township, however, does not have any proprietary or business type funds. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include charges to those who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items not included in program revenues are reported as general revenues.

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

Governmental Funds

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. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The emphasis is placed on major funds within the governmental categories. A fund for the purposes of these financial statements is considered major if it is the primary operating fund (General Fund) or it meets the following criteria:

1. Total assets, liabilities, revenues or expenditures of the fund are at least ten percent of the total for all funds of that category or type; and
2. Total assets, liabilities, revenues or expenditures of the fund are at least five percent of the total for all funds combined.
3. Other funds not necessarily meeting the above criteria are shown in these financial statements as major per the Township's discretion.

The Township considers all of its governmental funds to be major funds.

The funds of the financial reporting entity are described as follows:

General Fund: General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund. The activity in the General Fund also includes the activities of the Township's Library and Fire Tax Fund as well as a Recreation Fund accounting for recreation related grants. In addition, with the adoption of GASB Statement 84, *Fiduciary Funds*, the Township includes developer and resident escrow funds presented as asset and liability within the general fund.

Special Revenue Funds: The Special Revenue Funds account for revenue derived from specifically earmarked revenue sources. For the purposes of this report, the Special Revenue Funds are as follows and are all considered to be major funds: Sewer Fund and Highway Fund.

Debt Service Funds: The Sinking Fund is used to account for accumulation of resources for and the payment of general long-term debt principal and interest.

Capital Project Funds: The Township has two capital project funds: Capital Improvement Fund and the Capital Reserve Fund. These two funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items.

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Stormwater Fund: The fund accounts for stormwater fees collected and intended to fund requisite inspections and related stormwater impact.

Pennvest Fund: The fund accounts for activities for stormwater improvements funded by a loan from Pennvest which is drawn down from Pennvest as expended.

ARPA Fund: The Township received \$3,281,588 in American Rescue Plan Act funding. The Township expended \$2,772,988 of these funds to date, of which \$1,118,630 was expended this period. The balance of \$508,600 is shown as unearned revenue in these financial statements.

Proprietary Funds

The Township of Ridley has no Proprietary Funds.

Fiduciary Funds

Fiduciary Funds are utilized to account for assets held by the Township as trustee or agent for individuals, private organizations and other governmental units. These funds principally include the accounts of the Municipal Police Pension Plan. However, as shown on the accompanying financial statements, there also exists escrow accounts designed to hold funds for drug forfeiture funds accounts for those funds that were seized as illegal drug activity which ultimately may need to be remitted back to the County of Delaware, and the Anne Howanski Scholarship fund to account for any donations received to give scholarships to seniors of Ridley High School.

C. Measurement Focus

The accounting and reporting treatment applied to a fund is determined by its measurement focus. 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. On the government-wide Statement of Net Position and Statement of Activities, governmental and business-like activities (as applicable) are presented using the economic resources measurement focus. The objective of the economic resources measurement focus is the determination of operating income, changes in net assets, net position and cash flows (if applicable). All assets and liabilities, whether current or non-current, are reported. All Governmental Fund Types are accounted for on a current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Operating statements of such funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the governmental 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. In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the 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 sixty days of the year-end. 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. Penalties and interest are recorded when received in cash because they are generally not measurable until actually received. Interest is accrued when its receipt occurs soon enough after the end of the accounting period so as to be both measurable and available.

E. Assets, Liabilities and Equity

Cash and cash equivalents

For the purpose of financial reporting, cash and cash equivalents includes all demand and savings accounts and certificates of deposit with a maturity of three months or less. Trust account investments in open-ended mutual fund shares are also considered cash equivalents.

Investments

Investments classified in the financial statements include certificates of deposit whose original maturity term exceeds three months, as well as investments in the Pennsylvania Local Government Investment Trust (PLGIT).

With the exception of the Pension Trust Funds, the Township is permitted under state law to invest funds consistent with sound business practice in the following types of investments:

Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.

Fair Value Measurement

The Township's investments are measured and reported at fair value and are classified according to the following hierarchy:

Level 1—Investments reflect prices quoted in active markets.

Level 2—Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3—Investments which reflect prices based on unobservable resources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

The Township considers all investments to be Level 1.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are utilized in governmental fund operations and whether they are reported in the government-wide or fund financial statements. All long-term debt to be repaid from governmental resources is reported as liabilities on the government-wide statements. The long-term debt consists of general obligation bonds and/or notes payable, pension and other post-employment benefits, and accrued compensated absences.

Equity classification

Government-wide Statements

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

- a. Net investment in capital assets —consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted —consists of items within net position with constraints placed on the use either by outside groups such as grantors or laws and regulations of other governments; or through law.
- c. Unrestricted —includes all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Statements

Governmental fund equity is classified as fund balance. In the fund financial statements, governmental fund balance is presented in five possible categories:

Nonspendable—resources which cannot be spent because they are either a) not in spendable form) or; b) legally or contractually required to be maintained intact.

Restricted—resources can be spent only for the specific purposes stipulated by externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; b) imposed by law through constitutional provisions or enabling legislation.

Committed—resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

Assigned—resources neither restricted nor committed for which a government has a stated intended use as established by the Board or an official to which the Board has delegated the authority to assign amounts for specific purposes.

Unassigned—resources which cannot be properly classified in one of the other four categories. The General Fund, is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs, if applicable.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances in both government-wide and fund statements, particularly with regard to real estate taxes, sewer rental assessments and trash and rubbish collections, are based upon historical trends. Non-exchange transactions collectible but not available such as the real estate taxes, sewer rental assessments and trash and rubbish 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 of accounting.

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Inflows and Outflows of Resources

Deferred outflows of resources include such items as:

- Grants paid in advance to a grantee
- Deferred amounts from refunding of debt
- Decrease in value of derivative instruments
- Payments made to a pension fund after the actuarial year but before the end of the fiscal year
- Pension and OPEB related differences on earnings, assumptions and actual experience

Deferred inflows of resources include such items as:

- Grants received in advance when time requirements are the only eligibility requirement that has not been met
- Resources received in advance that are related to an imposed nonexchange transaction such as prepaid taxes
- Assets recorded in governmental fund financial statements for which revenue is not available such as taxes receivable, previously reported as “deferred” revenue in the fund financial statements
- Current and advance refunding related items
- Increase in fair value of derivative instruments
- Service concession arrangements for up-front payments.
- Pension and OPEB related differences in earnings, assumptions and actual experience

Capital Assets

All fixed assets are valued at historical cost or estimated historical cost if actual was unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation. The Township has adopted a capitalization policy of \$5,000 per individual asset.

Depreciation of all exhaustible fixed assets is recorded as an unallocated expense in the Statement of Activities. Depreciation is shown as “unallocated” due to the assets’ applicability to multiple functions of the government. Depreciation is provided over the assets’ useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	30 years
Equipment	3-5 years
Machinery	10 years
Fire Trucks	25 years
Vehicles	3-15 years
Infrastructure	40 –50 years

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

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. VACATION AND SICK LEAVE

The Township's vacation policy for Township employees provides that employees, both uniform and non-uniform, are to take vacation within the Township's fiscal year it was earned, or the employee loses the vacation time. However, beginning in 2015, Uniform employees may elect to either sell back or carry over up to 40 hours of vacation and/or holiday days to the Township each year. The Township's non-uniform employees are permitted to accumulate up to 55 sick days. All such employees will only be paid for sick leave when adequate proof of illness has been demonstrated. Any excess sick days remaining at year-end are bought back by the Township at half value. Uniform employees are entitled to 90 days of sick time. From 91 to 120 days of illness, uniform employees must utilize available vacation and holiday time. After the 121st day of allowable time, the individual is required to be placed on disability. Accumulated sick leave does not vest for uniform or non-uniform employees.

G. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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 amounts of revenue and expenses during the period. Actual results could differ from those estimates.

H. BUDGETARY

Budgets are legally adopted for the following funds: General (including the Fire Tax Fund and the Library Fund – as part of the General Fund), Sewer Fund, Highway Fund and Sinking Fund. Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. An annual appropriated budget is adopted for all the funds. All annual appropriations lapse at fiscal year-end. The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to October 31, a proposed operating budget is submitted to the Township Board of Commissioners for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the respective financing.
2. Public hearings are conducted at the Township offices to obtain taxpayer comments.
3. Prior to January 1, the budget is legally enacted through passage of an ordinance.
4. Formal budgetary integration is employed as a management control device during the year for all funds except Trust and Agency and Capital Project Funds.
5. Budgeted amounts as of December 31, 2024 are as originally adopted, or as amended by the Township Board of Commissioners.

**TOWNSHIP OF RIDLEY
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following presents those areas which incurred an excess of expenditures over appropriations for the year ended December 31, 2024:

Excess expenditures over legally adopted budgets:		
General Fund		
Insurance and employee benefits	\$	457,399
Sinking Fund		
Administration	\$	51
Transfers out	\$	189,000

There was sufficient revenue and/or fund balance to allow for the expenditures.

I. OPERATING LEASE OBLIGATIONS

Ridley Township adopted Government Accounting Standards Board (GASB) Statement No. 87, *Leases* which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payments provisions of the contracts. Operating leases to be classified as such and reported at net present value as an asset and liability on the balance sheet would include all leases other than short-term leases which has a maximum possible term of 12 months or less. Effectively, this meant showing on the Statement of Financial Position the net present value of its existing operating leases shown herein as both an asset and a liability which includes copiers. Net present value of those leases are shown herein as Right to Use Operating Leases and Operating Lease liability.

NOTE 2 CASH DEPOSITS AND INVESTMENTS

Custodial Risk - Deposits is the risk that in the event of a bank failure, the government's deposits may not be returned, or the government will not be able to recover collateral securities in the position of an outside party. The entity does not have a policy for custodial credit risk. However, the Township of Ridley primarily maintains deposits either with financial institutions which, pursuant to Act No. 72 of Pennsylvania, pool assets required to be pledged to secure public deposits, the total value of the pool to equal not less than the sum of all the pledges required for each separate deposit, or in amounts insured by the Federal Deposit Insurance Corporation. Deposits for all funds are either fully insured or collateralized pursuant to Commonwealth of Pennsylvania statutes. As of December 31, 2024, the aggregate book balance of deposits included in cash and cash equivalents was \$26,175,891 (including fiduciary

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 CASH DEPOSITS AND INVESTMENTS (continued)

funds) of which \$1,251,458 is insured by the federal depository insurance (FDIC). Therefore, included in bank deposits is the remaining \$25,143,807 collateralized as noted above pursuant to Act 72. The Township carrying amount of cash, cash equivalents, certificates of deposit and investment in the Pennsylvania Local Government Investment Trust (PLGIT) are as follows:

	Cash and Cash Equivalents	Certificates of Deposit and PLGIT over three months maturity	Pennsylvania Local Government Investment Trust PLGIT	Total
General Fund including escrow	\$ 8,255,577	\$ -	\$ 1,385,969	\$ 9,641,546
Fire Tax Fund	800	-	832,100	832,900
Library Fund	719	-	560,617	561,336
Sewer Fund	98,163	-	1,794,688	1,892,851
Highway Fund	2,030,013	-	29	2,030,042
Sinking Fund	929,426	-	86,319	1,015,745
Capital Improvement Fund	(3,770)	-	4,057,228	4,053,458
Capital Reserve Fund	210,816	-	3,691,212	3,902,028
Stormwater Fund	223,772	-	-	223,772
Pennvest fund	17,224	-	-	17,224
ARPA Fund	(112,823)	-	973,706	860,883
Police Pension Fund	988,488	-	-	988,488
Ann Howanski Scholarship	2,329	-	-	2,329
Drug Forfeiture	153,289	-	-	153,289
	<u>\$ 12,794,023</u>	<u>\$ -</u>	<u>\$ 13,381,868</u>	<u>\$ 26,175,891</u>

Custodial Credit Risk - Investments is the risk that in the event of a failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in position of an outside party. The risks of default are limited due to the constraints imposed upon allowable investment instruments. The Township is authorized under Section 1705.1 of the First Class Township Code to invest in United States Treasury Bills, short-term obligations of the United States Government and its agencies or instrumentalities and savings accounts, time deposits or certificates of deposit insured by the FDIC or the FSLIC.

Investments in the Pennsylvania Local Government Investment Trust (PLGIT) in the amount of \$13,381,868 are invested in full faith and credit obligations of the Commonwealth of Pennsylvania and its agencies, instrumentalities and political subdivisions. This amount is insured as noted above in discussing deposits. Collateralization requirements of Act 72, when required for deposits in excess of insurance limits, are followed with respect to pooling, custody and type of collateral. Additional investments in PLGIT with maturity of over three months are considered investments, however at the end of the period all PLGIT deposits were considered to be cash or cash equivalents for the purpose of financial statement presentation. The Township had a certificate of deposit with a maturity of less than three months in the amount of \$219,374 in the Capital Reserve Fund shown herein as cash and cash equivalents.

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 CASH AND INVESTMENTS (continued)

The Township held a total of \$32,784,327 in investments in the Police Pension Plan.

Investments in external investment pools, in open-end mutual funds or in unallocated insurance contracts such as those maintained by the Police Pension Plan are disclosed and are not considered securities for the purposes of credit risk classification pursuant to GASB Statement No. 40.

Police Pension Plan

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Plan’s deposits may not be returned. At December 31, 2024, the carrying amount and the balance of the Plan’s deposits in cash and cash equivalents was \$988,488. These cash balances were inclusive of the collateralization as noted above.

Investments

In accordance with Government Accounting Standards Board (GASB), investments are reported within fair value measurement. All investments are considered to be Level 1 within the fair value hierarchy in that investments reflect prices quoted in active markets. Unrealized gains and/or losses due to fluctuations in market value are recorded in the financial statements. Securities traded on national exchanges are valued at the last reported sales price. Realized gains or losses are recorded at the time of sale. Net appreciation or depreciation in the fair value of plan investments includes both realized and unrealized gains and losses and related fees as well as investment. Pension Plan investments at year end are as follows:

Ishares IBOXX High Yield	\$ 461,361
Vanguard All World	6,824,958
Vanguard Intermediate	454,489
Vanguard Total Bond Fund	8,228,589
Vanguard Growth ETF Fund	7,727,354
Vanguard Mid Cap ETF Fund	1,739,824
Vanguard Small Cap Fund	606,226
Vanguard Value Fund	6,741,526
	<u>\$ 32,784,327</u>

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 CASH AND INVESTMENTS (continued)

Investments in the following represented more than 5% of Plan investment value:

Vanguard All World Ex US	\$ 6,824,958
Vanguard Total Bond Fund	8,228,589
Vanguard Growth ETF Fund	7,727,354
Vanguard Mid Cap ETF Fund	1,739,824
Vanguard Value Fund	6,741,526
	<u>\$ 31,262,251</u>

The pension plan has established an investment policy regarding the allocation of invested assets and may be amended by the Township Board of Commissioners and its Pension Board. The policy strategy acts to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations as they become due.

The Police Pension Plan has adopted the following target allocation across asset classes:

Asset Class	Target	Long Term Expected Real Rate of Return
Domestic equities	49.00%	5.60%
International equities	21.00%	5.60%
Fixed Income	27.00%	2.60%
Cash	3.00%	0.60%
Net blended return		<u>4.54%</u>

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments (net of pension expense) was 12.01% as compared with 16.79% in 2023. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

**TOWNSHIP OF RIDLEY
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2024**

NOTE 3 ACCOUNTS RECEIVABLE / REAL ESTATE TAXES

Real estate taxes are levied on February 1. A two percent (2%) discount is allowed if the taxes are paid on or before March 31. The face amount is due by May 31. Taxes paid after May 31 are subject to a ten percent (10%) penalty. Unpaid taxes are considered delinquent after December 31. Delinquent real estate taxes are then turned over to the County and are subject to lien. The tax rate in 2024 was 5.463 mills. The Township real estate tax collection was included within the scope of the overall township audit.

**THE TOWNSHIP OF RIDLEY
 STATEMENT OF REAL ESTATE TAXES - 2024 DUPLICATE
 YEAR ENDED DECEMBER 31, 2024**

	ASSESSED VALUATION	TOTAL TAX LEVY
Tax rate in mills		5.4630
Tax duplicate	\$ 2,407,316,740	\$13,136,115
Deduct: taxes collected at face		12,979,035
Taxes receivable for year ended December 31, 2024		\$ 157,080
Penalty assessed at 10%		\$ 15,708

**THE TOWNSHIP OF RIDLEY
 STATEMENT OF REAL ESTATE TAXES - PRIOR YEARS
 YEAR ENDED DECEMBER 31, 2024**

	TOTAL
Prior year 2023 duplicate taxes	\$ 199,720
Add: Penalties liened and collected to February 28, 2024 (net)	19,972
Deduct: Collections including penalties	(31,183)
Taxes returned to Collection (\$171,372 plus 10 percent penalty of \$17,137)	\$ 188,509
Prior years returned and liened balance January 1, 2024	\$ 111,146
Add: 2023 taxes returned for agency collection	188,509
Sub-total	299,655
Deduct: Collections	(148,239)
Prior years taxes receivable - December 31, 2024	\$ 151,416

**TOWNSHIP OF RIDLEY
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2024**

NOTE 3 ACCOUNTS RECEIVABLE / REAL ESTATE TAXES (continued)

The accounts receivable as of December 31, 2024 were as follows:

Real estate taxes	\$ 324,204
Less: allowance	(5,779)
Trash fees	204,374
Less: allowance	(3,899)
Sewer fees	299,430
Less: allowance	(5,132)
Deed transfer	52,881
Cable franchise fees	125,543
Recycling performance grant	38,334
County Aid - Liquid Fuels	32,994
Mercantile Tax and LST	30,687
Crossing guard reimbursement	35,795
Library reimbursements	4,353
Booking fees	365
Police extra duty	67,923
Refunds and miscellaneous	248,890
	<u>\$1,450,963</u>

NOTE 4 CAPITAL ASSETS

All fixed assets are valued at historical cost or estimated historical cost if actual was unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation. Infrastructure costs prior to 2012 are valued at estimated historical cost by engineers where exact records were unavailable with accompanying accumulated depreciation as applicable.

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 CAPITAL ASSETS (continued)

	Balance 01/01/24	Additions	Deletions	Balance 12/31/24
Capital assets not being depreciated:				
Land	\$ 5,803,588	\$ -	\$ -	\$ 5,803,588
Construction in progress	3,718,385	935,431	-	4,653,816
Total capital assets not being depreciated	<u>9,521,973</u>	<u>935,431</u>	<u>-</u>	<u>10,457,404</u>
Capital assets being depreciated:				
Buildings and improvements	25,903,327	-	-	25,903,327
Infrastructure	19,748,062	-	-	19,748,062
Furniture and fixtures	763,024	-	-	763,024
Equipment	4,214,014	775,594	-	4,989,608
Vehicles	6,054,034	111,286	(13,250)	6,152,070
Capital leases	473,621	-	-	473,621
Contributed capital	18,000	-	-	18,000
Total capital assets being depreciated	<u>57,174,082</u>	<u>886,880</u>	<u>(13,250)</u>	<u>58,047,712</u>
Total capital assets	<u>66,696,055</u>	<u>1,822,311</u>	<u>(13,250)</u>	<u>68,505,116</u>
Accumulated depreciation:				
Buildings and improvements	10,954,955	746,767	-	11,701,722
Infrastructure	10,088,275	513,027	-	10,601,302
Furniture and fixtures	672,909	65,642	-	738,551
Equipment	2,983,742	194,949	-	3,178,691
Vehicles	4,409,798	290,037	(13,250)	4,686,585
Capital leases	-	191,479	-	191,479
Total accumulated depreciation	<u>29,109,679</u>	<u>2,001,901</u>	<u>(13,250)</u>	<u>31,098,330</u>
Governmental activities capital assets, net of depreciation	<u>\$ 37,586,376</u>	<u>\$ (179,590)</u>	<u>\$ -</u>	<u>\$ 37,406,786</u>

Construction in progress represents costs accumulated for projects not completed at year end. The Township has no outstanding contract commitments at year end. Engineering fees on projects comprise the majority of the construction in progress.

NOTE 5 LONG-TERM DEBT

A general obligation note in the amount of \$1,500,000 was issued in 2006 for the construction of new municipal marina docks and a fishing pier, renovations and upgrades to existing buildings and docks and the cost of issuance. The note, supported by the full faith and credit of the Township, is for a term of 20 years at a rate of 3.747%.

In 2013, a general obligation note was issued in the amount of \$10,000,000. The note, supported by the full faith and credit of the Township, is for a term of 15 years at a fixed rate of 1.973%. The note has been issued for the purpose of funding certain capital projects including improvements to the storm water and sanitary sewer systems, roads and bridges, the township building, marina and library.

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM DEBT (continued)

An additional general obligation note was issued in 2017 in the amount of \$10,000,000 for renovations to the Municipal Building, construction and improvements to bridges and roads. improvements to the storm and sanitary sewer systems and to reimburse the Township’s operating funds for project costs. The note is supported by the full faith and credit of the Township and is for a term of 15 years at a fixed rate of 2.46%.

The Township entered into a debt agreement in 2021 with the Pennsylvania Infrastructure Investment Authority (PennVest) in the amount \$3,266,864 for a period of 240 months at the interest rate of 1.452% for years 1-5 and 2.033% from year 6 through the end of the loan period. Funds are drawn down from PennVest as incurred. At December 31, 2024, the Township had drawn down \$3,266,800.

The 2006, 2013 and 2017 General Obligation Notes were a direct placement with the Delaware Valley Regional Finance Authority (DeVal), The security of these notes is the full, faith, credit and taxing power of the Township.

DeVal has entered into interest rate swap agreements with various counterparties to provided fixed interest rates to borrowers. These transactions would normally only be terminated if the borrower requested such or if the borrower defaulted on its loan. The borrower then would be responsible for any termination payment. The DeVal swap transactions related to the fixed rate loans are effective under both the consistent critical terms and the quantitative method standards promulgated via GASB Statement 53, *Accounting and Financial Reporting for Derivative Instruments*.

The following presents long-term debt transactions of the Township for the year ended December 31, 2024:

Notes/Bonds	Final Maturity	1/1/2024	Issued 2024	Principal Paid	12/31/2024	Amount Due in One Year
2006 GON	2027	\$ 408,000	\$ -	\$ (96,000)	\$ 312,000	\$ 100,000
2013 GON	2028	3,644,000	-	(702,000)	2,942,000	715,000
2017 GON	2032	6,427,000	-	(647,000)	5,780,000	663,000
Pennvest	2042	3,084,963	-	(144,261)	2,940,702	146,311
		<u>\$ 13,563,963</u>	<u>\$ -</u>	<u>\$ (1,589,261)</u>	11,974,702	<u>\$ 1,624,311</u>
			Sick pay liability		460,737	
			OPEB liability		27,033,480	
			Net pension liability			
			Police pension plan		3,209,117	
			Non-uniformed pension plan		2,083,579	
			Union pension fund		561,282	
					<u>\$ 45,322,897</u>	

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 5 LONG-TERM DEBT (continued)

The PennVest loan as shown above only includes the liability as of December 31, 2024 and does not show the full potential indebtedness.

The annual future requirements to amortize all debt outstanding inclusive of the PennVest obligation amount after full drawdown (as Township officials expect to drawdown the balance within the next calendar year) is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,624,311	\$ 240,720	\$ 1,865,031
2026	1,660,449	202,473	1,862,922
2027	1,694,965	169,014	1,863,979
2028	1,615,676	158,393	1,774,069
2029	879,685	136,983	1,016,668
2030 - 2034	3,094,782	349,228	3,444,010
2035 - 2039	880,852	99,535	980,387
2040 - 2042	523,982	15,227	539,209
	<u>\$ 11,974,702</u>	<u>\$ 1,371,573</u>	<u>\$ 13,346,275</u>

NOTE 6 INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables arise from interfund transactions. Principally, these amounts result from operating subsidies or loans. Interfund receivables and payables are eliminated within the government-wide financial statements but are shown on the governmental fund statements. At the balance sheet date, the amount of interfund receivables is equal to the amount of interfund payables as follows:

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 INTERFUND RECEIVABLES AND PAYABLES (continued)

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 412,184	\$ 902,091
Capital reserve fund	235,803	7,963
Capital improvement fund	6,876	237,901
Sinking fund	455,767	14,000
PennVest fund	1,000	2,675
Sewer fund	95,535	22,102
ARPA fund	-	21,250
Police pension fund	817	-
	<u>\$ 1,207,982</u>	<u>\$ 1,207,982</u>

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; 2) move receipts restricted to debt service from the funds collecting the receipts as debt service payments become due; and 3) use unassigned and uncommitted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers were as follows:

<u>Fund</u>	<u>Transfers to Other Funds</u>	<u>Transfers from Other Funds</u>
General fund	\$ -	\$ 100,871
Sinking fund	-	189,000
Drug Forfeiture-fiduciary	817	-
Pennvest fund	189,000	-
Capital improvement fund	100,000	-
	<u>\$ 289,817</u>	<u>\$ 289,871</u>

NOTE 7 PENSIONS

Police Pension Plan

Plan Description – The Township of Ridley Police Pension Plan is a single-employer defined benefit pension plan controlled by the provisions of Ordinance No. 1715 and Ordinance No. 1875, as amended. The Plan is governed by the Board of Township Commissioners, which is responsible for the management of Plan assets. The Board of Township Commissioners delegated the authority to manage certain Plan assets to CBIZ/InR Advisory Services, LLC. The police pension plan is subject to the funding and reporting requirements of the Pennsylvania Municipal Pension Plan Funding Standards and Recovery Act (Act 205 of 1984).

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 PENSIONS (continued)

Pension plan financial statements are prepared using the accrual basis of accounting. Employees' and employer contributions are recognized as revenues in the period in which employee services are performed. Pension plan investments are valued at fair market value as noted previously. Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

Basic Provisions -- Under the provisions of the Township's Police Pension Plan, pension benefits vest after 12 years of service. A police officer may retire at age 55 with 20 years of service or at age 50 with 25 years of service if hired before 1994 and receive annual pension benefits equal to 50% of the officer's final 36-month average salary plus a service increment of \$100 per month for each year of service worked after 25 years up to a maximum of \$300 per month, and an additional \$50 per month after years 29 and 30, to a maximum of \$400 per month.

Also, the Police Pension Plan provides for survivor benefits to surviving spouse and/or children under age 18 (or under the age of 23, if in college) of an officer killed in the line of duty or who dies while eligible for retirement and disability benefits (75% of officer's monthly salary for service-related disablement less Workers' Compensation benefits less any disability insurance benefits funded by the Township, if officer is not eligible for Social Security disability benefits, 100% of officer's monthly salary at time of disablement less Social Security disability benefits less Workers' Compensation benefits less any disability insurance benefits funded by the Township, if officer is eligible for Social Security disability benefits).

Active members may also elect to participate in the Deferred Retirement Option Program (DROP) for a period up to 36 months after attaining age 52 and 27 years service. Monthly pension is calculated as of the date of DROP participation. At the termination of DROP, account balance is distributed to the member. As of December 31, 2024, there were no members participating in the DROP Program.

Funding Policy

All full-time Township police officers who are members of the Police Pension Plan must contribute 5% of their salaries to the Pension Plan. In addition, the Township must provide annual contributions equal to the minimum municipal obligation (MMO) less State aid to satisfy the actuarially determined contribution requirements. The MMO for 2024 was \$1,325,806 of which the Township contributed \$948,313. The balance of \$377,493 was comprised of Commonwealth of Pennsylvania aid. The 2025 MMO is anticipated to be \$1,325,806. A significant portion of this amount is expected to be received from the General Municipal Pension System pursuant to Act 205.

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 PENSIONS (continued)

The Township and Commonwealth contributions over the past ten years were as follows:

	Police		
	Township	Commonwealth	Total
2015	\$ 523,990	\$ 285,253	\$ 809,243
2016	\$ 314,524	\$ 297,476	\$ 612,000
2017	\$ 301,698	\$ 339,698	\$ 641,229
2018	\$ 687,923	\$ 346,645	\$1,034,568
2019	\$ 689,580	\$ 337,953	\$1,027,533
2020	\$ 921,963	\$ 315,125	\$1,237,088
2021	\$ 941,503	\$ 297,432	\$1,238,935
2022	\$ 363,470	\$ 341,910	\$ 705,380
2023	\$ 295,151	\$ 361,329	\$ 656,480
2024	\$ 948,313	\$ 377,493	\$1,325,806

Annual Pension Cost and Net Pension Obligation

The Township received on behalf of the Township plans \$742,403 in Commonwealth funds pursuant to Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, of which \$377,493 was deposited to the Police Pension Plan. Plan membership as of December 31, 2024, consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	41
Inactive employees entitled to but not yet receiving benefits	2
Active employees	30
Total plan participants	<u>73</u>

Police active membership contributions for 2024 was \$205,057 based on the active police covered salary of \$4,200,000.

The minimum municipal obligation (MMO) contribution for the current year was determined as part of the January 1, 2023 actuarial valuation using the entry age actuarial cost method. An actuarial valuation was conducted as of January 1, 2023. Update procedures were used to roll forward to December 31, 2024. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses) and (b) projected salary increases of 5% per year, and an inflation rate of 2.25%. Asset valuation method is five year smoothing.

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 PENSIONS (continued)

Net Pension Liability of the Township

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

Total pension liability	\$ 37,007,686
Plan fiduciary net position	<u>33,798,569</u>
Net pension liability	<u>\$ 3,209,117</u>

Plan fiduciary net position as a percentage of the total pension liability: 91.33%.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation date of January 1, 2024 using the following actuarial assumptions applied to all periods in the measurement:

Inflation	2.25 percent
Salary increases	5 percent per annum, including inflation
Investment rate of return	7.50 percent per annum
Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	11 years
Asset valuation method	Five year smoothing

Mortality rates were based on the PUBS-2010 Mortality projected to 2026 using scale MP-2020.

Long term expected rate of return

The long-term expected rate of return on pension plan investments is determined using asset allocation studies conducted by the Plan’s investment management consultants in December 2024 in which best-estimate ranges of expected future real rates of return (net of investment expense and inflation) were developed for each major asset class. The ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. As noted above in the Investment section of these notes, the real rate of return net of pension plan investment expense and including the 2.25% inflation assumption was a blended rate of 6.94%. The long term expected rate of return excluding expected inflation of 2.4% was 4.54%. However, the annual money-weighted rate of return on the plan investments, as noted previously (net of investment expense) was 12.01%.

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 PENSIONS (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50% per year. Based on that assumption, the Plan’s fiduciary net position is projected to be sufficient to make projected benefit payments of current Plan members. However, if the assumptive long-term rate of return results in less than the assumptive actuarial discount rate used to determine pension liability the actual pension liability may be in excess of that actuarially reported at this time. This may result in future increased total and net pension liability.

	1% Decrease	Current Discount Rate	1% Increase
	6.50%	7.50%	8.50%
Net pension liability	\$ 7,455,610	\$ 3,209,117	\$ (358,673)

For the year ended December 31, 2024, the Township recognized total pension expense in its government fund statements in the amount of \$2,396,610 inclusive of the Police Pension and Non Uniform Plan of which \$1,325,806 was related to the Police Pension. The Township also reported deferred outflows of resources and deferred inflows of resources related to Police pension as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 573,277
Changes in assumptions	843,883	-
Net difference between projected and actual investment earnings	230,224	-
Changes in proportions	-	-
Difference between employer contributions and proportionate share of total contributions	-	-
Contributions subsequent to measurement date	-	-
	<u>\$ 1,074,107</u>	<u>\$ 573,277</u>

**TOWNSHIP OF RIDLEY
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2024**

NOTE 7 PENSIONS (continued)

Certain amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense in future years as follows:

Year ending December 31:		
	2025	\$ 714,802
	2026	\$ 969,508
	2027	\$ (899,470)
	2028	\$ (284,010)
	2029	\$ -
	Thereafter	\$ -

Non-Uniformed Pension Plan

Plan Description

The Township of Ridley contributes to the Pennsylvania Municipal Retirement System (“PMRS”), which is an agent multiple-employer public employee retirement system. It is the responsibility of the PMRS to function as an investment and administrative agent for the Township with respect to the pension plan. PMRS issues a separate Annual Comprehensive Financial Report (“ACFR”). A copy of the ACFR can be obtained by contacting the PMRS accounting office.

The Pennsylvania Municipal Retirement System (PMRS), pursuant to the December 31, 2023 reporting/measurement date, has also developed a long-term expected rate of return for its individual participating municipalities known as its Regular Interest Rate. The long-term expected rate of return on pension plan investments is determined by a building block method in which best-estimates of expected future real rates of return are developed for each major asset class for the PMRS portfolio as a whole and at different levels of probability or confidence. The long term expected system rate of return as reported by PMRS is 7.31%. The Long term expected rate of return for individual participating municipalities is referred to as the regular interest rate and at December 31, 2024 measurement date is equal to the discount rate of 5.25%. The annual money weighted rated of return for PMRS investments in 2024 was 9.22%.

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 PENSIONS (continued)

The PMRS target asset rate and long-term expected real rate of return is as follows:

Asset Class	Target	Long Term Expected Real Rate of Return
Domestic equities	32.50%	10.69%
Real estate	10.00%	3.88%
Global equities	5.00%	4.11%
International equity	17.50%	11.07%
Opportunistic credit	5.00%	4.45%
Timber	5.00%	5.75%
Fixed income	24.00%	2.51%
Cash	1.00%	0.89%
Toital portfolio	100.00%	

Board established long term expected rate of return as of December 31, 2024 measurement date was 7.29%.

Under the provisions of the Township’s Pension Plan, pension benefits vest after seven years of service. Normal retirement age is 65. An employee may retire early after 20 years of service with a voluntary termination or after 8 years with an involuntary termination. Retirement benefits are based on the final average salary (“FAS”) during the last five years of employment. Benefit equals 1.25 times years of credited service times FAS. Also, the Pension Plan provides for death benefits and disability benefits (50% of final salary for service related disability with benefit offset by Workers’ Compensation Benefit and 30% of final salary for non-service related disability with ten years of service required for eligibility).

Funding Policy

All participating employees of the PMRS must contribute 3% of their gross earnings to the Pension Plan. The Township must provide annual contributions sufficient to satisfy the actuarially determined contribution requirements. However, PMRS participating employees may also contribute up to an additional 17% of their after-tax gross earnings to the Pension Plan as part of a PMRS Cash Balance Plan. Within this plan, the Township is required to contribute one percent of each member’s contribution.

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 PENSIONS (continued)

Plan members pursuant to the January 1, 2025 most recent actuarial determination consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	34
Inactive employees entitled to but not yet receiving benefits	9
Active employees	<u>64</u>
Total plan participants	<u><u>107</u></u>

Member contributions totaled \$311,079 for the year ended December 31, 2024, based on eligible covered payroll of \$4,600,000.

Contributions to the plan for the past ten years were as follows:

	Non-Uniformed		
	Township	Commonwealth	Total
2015	\$ -	\$ 262,479	\$ 262,479
2016	\$ -	\$ 260,435	\$ 260,435
2017	\$ -	\$ 277,147	\$ 277,147
2018	\$ 6,298	\$ 301,414	\$ 307,712
2019	\$ 35,159	\$ 347,509	\$ 382,668
2020	\$ 59,655	\$ 392,830	\$ 452,485
2021	\$ 92,419	\$ 385,549	\$ 477,968
2022	\$ 83,626	\$ 321,187	\$ 404,813
2023	\$ 594,103	\$ 343,845	\$ 937,948
2024	\$ 566,338	\$ 364,910	\$ 931,248

Annual Pension Cost and Net Pension Obligation

The Township’s annual MMO for the Ridley PMRS Non-uniformed Pension Plan for the current year was \$931,248. The MMO for 2025 is expected to be \$1,122,805.

The annual required contribution for the current year was determined as part of the January 1, 2021 actuarial valuation. Pursuant to GASB 68, PMRS established a measurement date of December 31, 2024. Contributions between that measurement date and the reporting date would be reported within the deferred outflows offsetting the cash outflow or expenditure reported. This period the reporting date and the measurement date are both December 31, 2024. Pension expense within the governmental funds included the 1% of the members’ contributions of \$46,009. Total Municipal Pension expense in the government fund totaled \$1,070,804 which is comprised of the MMO of \$931,248, the annual Union pension payment as noted below, and other fees for administration, the 1% match and new member fee.

**TOWNSHIP OF RIDLEY
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2024**

NOTE 7 PENSIONS (continued)

Net Pension Liability of the Township

The components of the net pension liability of the Township at December 31, 2024, the measurement date, were as follows:

Total pension liability	\$ 24,110,516
Plan fiduciary net position	<u>22,026,937</u>
	<u>\$ 2,083,579</u>

Plan fiduciary net position as a percentage of the total pension liability 91.36%

Actuarial Assumptions

The total pension liability at December 31, 2024 (the PMRS measurement date) was determined by an actuarial valuation January 1, 2025. The following actuarial assumptions have been applied to all periods in the measurement:

Inflation	2.20%
Salary increases	Age related scale with merit and inflation component
Discount rate	5.50%
Actuarial cost method	Entry Age
Amortization period	Level dollar based on the amortization periods in Act 205
Asset valuation method	Based on the municipal reserves

Mortality rates for post-retirement were based on the RP-2006 annuitant table for males; and RP 2006 annuitant table for females. Pre-retirement mortality is based on Pub-2010 General Employees male table; and Pub-2010 General Employees female table.

Long term expected rate of return

The long-term expected rate of return on pension plan investments is determined by a building block method in which best-estimates of expected future real rates of return are developed for each major asset class for the PMRS portfolio as a whole and at different levels of probability or confidence. The long term expected system rate of return as reported by PMRS is 7.29%. The long term expected rate of return for individual participating municipalities is referred to as the regular interest rate and at December 31, 2024 is equal to the discount rate of 5.25%.

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 PENSIONS (continued)

Discount Rate

The discount rate used to measure the total pension liability as noted above was 5.25% per year. Based on that assumption, the Plan's fiduciary net position is projected to be sufficient to make projected benefit payments of current Plan members. However, if the assumptive long-term rate of return results in less than the assumptive actuarial discount rate used to determine pension liability (asset) the actual pension liability (asset) may be in excess of that actuarially reported at this time. This may result in future increased total and net pension liability.

Following shows the impact of the net pension liability (asset) to the discount rate applied pursuant to the measurement date:

	1% Decrease 4.50%	Current Discount Rate 5.50%	1% Increase 6.50%
\$	4,332,030	\$ 2,083,579	\$ 163,014

At December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to pension as follows (with the addition of the contribution to the plan made subsequent to the measurement date):

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Difference between expected and actual experience	\$ 68,970	\$ 274,613
Changes in assumptions	440,919	109,878
Net difference between projected and actual investment earnings	-	59,715
Changes in proportions	-	-
Difference between employer contributions and proportionate share of total contributions	-	-
Contributions subsequent to measurement date	-	-
	<u>\$ 509,889</u>	<u>\$ 444,206</u>

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 PENSIONS (continued)

Based on the measurement date of December 31, 2024, certain amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense in future years as follows:

Year ending December 31,		
2025	\$	308,189
2026	\$	337,647
2027	\$	(391,354)
2028	\$	(218,188)
2029	\$	(101,977)
Thereafter	\$	-

Union Pension Fund

Certain employees of the Township had participated in the National Conference of Firemen and Oilers Pension Fund. The Township participation in the plan was discontinued in 2010. The Township continues funding of the previously vested members and will incur this charge of \$93,547 through 2030. The liability totals \$561,282 and is included in the total pension liability on the Statement of Net Position.

NOTE 8 OTHER POST EMPLOYMENT BENEFITS

The Township provides full certain medical benefits to both uniform and non-uniform retirees in effect at the time of their respective retirements. Township funding of these benefits is on a pay-as-you-go basis. There are currently 153 persons covered by these plans, with 57 persons (retirees and/or beneficiaries) receiving these benefits. For the year ended December 31, 2024, the amount paid for these benefits totaled \$ 854,602.

The Plan is unfunded, and no financial report is prepared. The Plan is authorized and under the control, maintenance and operation of the Township Commissioners. The required contribution of the Township is based on a pay-as-you-go financing requirement. The Board of Commissioners has the authority within contractual limitations to amend the plan including changing the obligation of plan members and the Township to contribute to the Plan. Benefits defined as OPEB include medical, prescription drug, vision and life insurance (as applicable).

OPEB liability and OPEB cost for Non-Uniform and Uniform employees is as follows:

	Non uniform	Uniform	Total
Net OPEB Liability	\$ 6,032,192	\$ 21,001,288	\$ 27,033,480
OPEB Cost	\$ 562,671	\$ 1,284,700	\$ 1,847,371

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (continued)

The increase in OPEB liability is shown as follows:

Annual OPEB cost (expense)	\$ 1,847,371
Contributions made (pay as you go)	(854,602)
Adjustment to estimate for imputed benefit cost and assumption changes	<u>(353,303)</u>
Increase in net OPEB obligation	639,466
Net OPEB obligation at January 1, 2024	<u>26,394,014</u>
Net OPEB obligation at December 31, 2024	<u><u>\$ 27,033,480</u></u>

The Total OPEB Liability is based on entry age normal cost funding method. Liabilities are based on the results of actuarial calculations performed as of January 1, 2024 rolled forward to December 31, 2024. The actuarial valuation is performed biennially.

Following is the history of OPEB cost/expense and the percentage of pay-as-you-go to the actuarially determined expense as well as the net OPEB total obligation for the Township.

<u>Fiscal year Ended</u>	<u>Annual OPEB Cost/Expense</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2015	\$ 2,291,720	30.20%	\$ 9,146,691 *
December 31, 2016	\$ 2,355,705	29.71%	\$ 10,802,593 *
December 31, 2017	\$ 2,421,941	33.08%	\$ 12,423,435 *
December 31, 2018	\$ 1,654,027	37.34%	\$ 23,145,768 *
December 31, 2019	\$ 1,722,696	33.90%	\$ 23,910,958 *
December 31, 2020	\$ 3,637,231	14.17%	\$ 36,265,320 **
December 31, 2021	\$ 3,728,150	15.12%	\$ 37,503,838 **
December 31, 2022	\$ 2,068,903	28.07%	\$ 24,248,620 **
December 31, 2023	\$ 1,835,986	32.79%	\$ 26,394,014 **
December 31, 2024	\$ 1,847,371	32.78%	\$ 27,033,480 **

** GASB 75 calculation

* GASB 45 calculations

Actuarial accrued liability (AAL)	\$ 27,033,480
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	<u><u>\$ 27,033,480</u></u>

Funded ratio (actuarial value of plan assets/AAL) 0%

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (continued)

Following is a sensitivity analysis of the liability to changes in the discount rate as provided by the actuarial determination:

	<u>1% Decrease</u> 3.28%	<u>Current Discount Rate</u> 4.28%	<u>1% Increase</u> 5.28%
Net OPEB liability	\$ 31,393,588	\$ 27,033,480	\$ 23,513,283

Following is an additional sensitivity analysis of the net OPEB liability to changes in the healthcare trend rates:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 23,033,466	\$ 27,033,480	\$ 32,124,545

At December 31, 2024, the Township reported deferred outflows of resources and deferred inflows of resources related to other post employment benefits as follows:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Difference between expected and actual experience	\$ 2,479,791	\$ 2,038,914
Changes in assumptions	3,077,508	8,835,774
Net difference between projected and actual investment earnings	-	-
Changes in proportions	-	-
Difference between employer contributions and proportionate share of total contributions	-	-
	<u>\$ 5,557,299</u>	<u>\$ 10,874,688</u>

Based on the measurement of December 31, 2024, certain amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense in future years as follows:

Year ending December 31,	
2025	\$ (193,532)
2026	\$ (474,943)
2027	\$ (1,647,879)
2028	\$ (1,647,879)
2029	\$ (1,647,881)
Thereafter	\$ 294,725

**TOWNSHIP OF RIDLEY
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2024**

NOTE 9 DEFERRED COMPENSATION PLAN

The Township has a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan is administered by the Township and is available to all Township employees. Employees defer a portion of their salaries until future years. Deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergencies.

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

It is the opinion of the Township’s legal counsel that the Township has no liability for losses under the plan agreement but does have the duty of due care that would be required of an ordinary prudent investor. The Township believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 10 LEASES

The Township has a commercial lease agreement with a restaurant within the Township Marina for an initial term of five years beginning March 1, 2017 through February 28, 2022, with a potential five-year term extension which had been exercised extending from March 1, 2022 through February 28, 2027. Rental was \$15,000 per month through March 1, 2024 increasing to \$18,000 subsequently. Rental income this year totaled \$210,000.

Further, the Township had entered into a four-year commercial lease with the County of Delaware for use of its property for a magisterial district court. The initial term of the lease began January 1, 2018 and ran through December 31, 2021 The lease was extended through April 30, 2026. Rental income this year was \$38,920.

	<u>Marina</u>	<u>District Court</u>	<u>Total</u>
2025	\$ 216,000	\$ 38,920	\$ 254,920
2026	216,000	12,973	228,973
2027	36,000	-	36,000
	<u>\$ 468,000</u>	<u>\$ 51,893</u>	<u>\$ 519,893</u>

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; injuries to employees and others; and nature disasters. The Township carries commercial insurance for such risks. There has been no significant reduction in insurance coverage from the previous year in any of the Township's policy coverage. Settled claims resulting from these risks have not exceeded commercial insurance in the past three years.

NOTE 12 COMMITMENTS AND CONTINGENCIES

Intergovernmental Grants – Intergovernmental grants received by the Township are subject to audit and adjustment by the funding agencies or their representatives. If grant revenues are received for expenditures, which are subsequently disallowed, the Township may be required to repay the revenues to the funding agency. In the opinion of management, liabilities resulting from such disallowed expenditures, if any, will not be material to the accompanying financial statements at December 31, 2024.

Claims and Other Legal Proceedings – The Township is involved in various claims and lawsuits arising in the normal course of business, including claims for tax assessment appeals. In the opinion of management, the ultimate outcome of these claims and lawsuits will not have a material adverse effect on the Township's financial position as of December 31, 2024.

Operating Leases – The Township has the following operating leases:

- The Township is leasing gymnasium and office space from the Ridley School District for \$35,000 per year on a year to year basis.
- Copier and scanning machines, which leases extend from 2022 through 2026.

As previously noted, Ridley Township adopted Government Accounting Standards Board (GASB) Statement No. 87, *Leases* which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payments provisions of the contracts. The gymnasium lease does not fall under the policy. However, the copier leases are reported on the Statement of Financial Position as both an asset and a liability. The following schedule includes those leases.

Year ending:		
2025	\$	20,340
2026		20,340
2027		20,340
2028		20,340
2029		<u>15,255</u>
Present Value		96,615
Interest		<u>(9,220)</u>
Total payment	\$	<u><u>87,395</u></u>

Operating lease expense for the copiers for the year totaled \$9,855.

**TOWNSHIP OF RIDLEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 13 RISKS AND UNCERTAINTY

Since the balance sheet date, certain economic uncertainties have arisen including the volatility of the stock market. Although this event has not resulted in a risk of decline of market value of investments with particular regard to the Police Pension Plan and PMRS valuation of the Non-Uniform Plan, the ultimate financial impact of the economic and market conditions is undetermined at this time.

NOTE 14 SUBSEQUENT EVENTS

Township management has evaluated subsequent events through February 18, 2026, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

REQUIRED SUPPLEMENTAL INFORMATION

THE TOWNSHIP OF RIDLEY

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Real estate taxes	\$ 11,208,500	\$ 11,208,500	\$ 11,566,799	\$ 358,299
Local enabling act taxes	1,977,000	1,977,000	1,841,428	(135,572)
Licenses and permits	2,030,000	2,030,000	1,888,892	(141,108)
Fines and forfeits	168,500	168,500	89,409	(79,091)
Rent	567,530	567,530	750,488	182,958
Investment earnings	210,000	210,000	538,659	328,659
Grants and entitlements	1,201,250	1,201,250	1,101,981	(99,269)
Departmental earnings and charges for services	3,868,500	3,868,500	3,984,228	115,728
Miscellaneous and other revenue	606,000	606,000	818,497	212,497
Total revenues	<u>21,837,280</u>	<u>21,837,280</u>	<u>22,580,381</u>	<u>743,101</u>
EXPENDITURES				
General governmental	2,948,394	2,948,394	2,583,248	365,146
Public Safety	7,726,900	7,726,900	6,574,821	1,152,079
Health and sanitation	3,489,200	3,489,200	3,477,578	11,622
Recreation	1,472,000	1,472,000	1,194,787	277,213
Highways and streets	2,886,700	2,886,700	1,644,707	1,241,993
Insurance and employee benefits	7,015,000	7,015,000	7,472,399	(457,399)
Library contribution	480,000	480,000	480,000	-
Total expenditures	<u>26,018,194</u>	<u>26,018,194</u>	<u>23,427,540</u>	<u>2,590,654</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,180,914)	(4,180,914)	(847,159)	3,333,755
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Financing revenue	80,000	80,000	-	(80,000)
Operating transfers in	-	-	-	-
Operating transfers out	(1,425,806)	(1,425,806)	(100,871)	1,324,935
Total other financing sources (uses) of funds, net	<u>(1,345,806)</u>	<u>(1,345,806)</u>	<u>(100,871)</u>	<u>1,244,935</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	\$ (5,526,720)	\$ (5,526,720)	(948,030)	\$ 4,578,690
FUND BALANCE - BEGINNING			<u>10,884,325</u>	
FUND BALANCE - ENDING			<u>\$ 9,936,295</u>	

Note: Budget includes General Fund, Library Fund and Fire Fund

REQUIRED SUPPLEMENTAL INFORMATION

THE TOWNSHIP OF RIDLEY

BUDGETARY COMPARISON SCHEDULE
SEWER FUND

FOR THE YEAR ENDED DECEMBER 31, 2024

	Sewer Rental Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Sewer rentals, penalties and interest	\$ 5,200,000	\$ 5,200,000	\$ 5,254,151	\$ 54,151
Other income	-	-	-	-
Investment earnings	-	-	121,829	121,829
Total revenues	<u>5,200,000</u>	<u>5,200,000</u>	<u>5,375,980</u>	<u>175,980</u>
EXPENDITURES				
Sewer maintenance expenditures	<u>5,792,000</u>	<u>5,792,000</u>	<u>5,623,805</u>	<u>168,195</u>
Total expenditures	<u>5,792,000</u>	<u>5,792,000</u>	<u>5,623,805</u>	<u>168,195</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(592,000)</u>	<u>(592,000)</u>	<u>(247,825)</u>	<u>344,175</u>
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses) of funds, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	<u>\$ (592,000)</u>	<u>\$ (592,000)</u>	<u>(247,825)</u>	<u>\$ 344,175</u>
FUND BALANCE - BEGINNING			<u>2,220,471</u>	
FUND BALANCE - ENDING			<u>\$ 1,972,646</u>	

REQUIRED SUPPLEMENTAL INFORMATION

THE TOWNSHIP OF RIDLEY

BUDGETARY COMPARISON SCHEDULE
HIGHWAY FUND

FOR THE YEAR ENDED DECEMBER 31, 2024

	Highway Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Grants	\$ 835,260	\$ 835,260	\$ 787,097	\$ (48,163)
Investment earnings	-	-	112,184	112,184
Total revenues	<u>835,260</u>	<u>835,260</u>	<u>899,281</u>	<u>64,021</u>
EXPENDITURES				
General highway expenditures	<u>763,500</u>	<u>763,500</u>	<u>532,365</u>	<u>231,135</u>
Total expenditures	<u>763,500</u>	<u>763,500</u>	<u>532,365</u>	<u>231,135</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>71,760</u>	<u>71,760</u>	<u>366,916</u>	<u>295,156</u>
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses) of funds, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	<u>\$ 71,760</u>	<u>\$ 71,760</u>	<u>366,916</u>	<u>\$ 295,156</u>
FUND BALANCE - BEGINNING			<u>1,645,536</u>	
FUND BALANCE - ENDING			<u>\$2,012,452</u>	

REQUIRED SUPPLEMENTAL INFORMATION

THE TOWNSHIP OF RIDLEY

BUDGETARY COMPARISON SCHEDULE
SINKING FUND

FOR THE YEAR ENDED DECEMBER 31, 2024

	Sinking Fund		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Real estate taxes	\$ 1,672,500	\$ 1,672,500	\$ 1,767,306	\$ 94,806
Other income	-	-	-	-
Investment earnings	-	-	60,659	60,659
Total revenues	<u>1,672,500</u>	<u>1,672,500</u>	<u>1,827,965</u>	<u>155,465</u>
EXPENDITURES				
Administration	-	-	51	(51)
Debt service - principal and interest	1,892,500	1,892,500	1,678,351	214,149
Total expenditures	<u>1,892,500</u>	<u>1,892,500</u>	<u>1,678,402</u>	<u>214,098</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(220,000)</u>	<u>(220,000)</u>	<u>149,563</u>	<u>369,563</u>
OTHER FINANCING SOURCES (USES) OF FUNDS:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(189,000)	(189,000)
Total other financing sources (uses) of funds, net	<u>-</u>	<u>-</u>	<u>(189,000)</u>	<u>(189,000)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	<u>\$ (220,000)</u>	<u>\$ (220,000)</u>	<u>(39,437)</u>	<u>\$ 180,563</u>
FUND BALANCE - BEGINNING			<u>1,493,420</u>	
FUND BALANCE - ENDING			<u>\$ 1,453,983</u>	

TOWNSHIP OF RIDLEY

**REQUIRED SUPPLEMENTAL INFORMATION
(UNAUDITED)**

SCHEDULE OF EMPLOYER CONTRIBUTIONS AND RELATED INFORMATION

POLICE PENSION PLAN

	Schedule of Employer Contributions	Covered Employee Payroll	Contribution as a Percentage of Covered Payroll
12/31/2015	\$ 809,243	\$ 3,253,276	24.87%
12/31/2016	\$ 612,000	\$ 3,335,424	18.35%
12/31/2017	\$ 641,229	\$ 3,752,518	17.09%
12/31/2018	\$ 1,034,568	\$ 4,043,768	25.58%
12/31/2019	\$ 1,027,533	\$ 3,959,812	25.95%
12/31/2020	\$ 1,237,088	\$ 3,974,944	31.12%
12/31/2021	\$ 1,238,935	\$ 4,000,000	30.97%
12/31/2022	\$ 705,380	\$ 4,400,000	16.03%
12/31/2023	\$ 656,480	\$ 3,900,000	16.83%
12/31/2024	\$ 1,325,806	\$ 4,200,000	31.57%

NON-UNIFORM PENSION PLAN – PMRS

	Schedule of Employer Contributions	Covered Employee Payroll	Contribution as a Percentage of Covered Payroll
12/31/2015	\$ 262,479	\$ 3,565,278	7.36%
12/31/2016	\$ 260,435	\$ 3,556,423	7.32%
12/31/2017	\$ 277,147	\$ 3,775,074	7.34%
12/31/2018	\$ 301,414	\$ 3,925,700	7.68%
12/31/2019	\$ 382,668	\$ 3,866,458	9.90%
12/31/2020	\$ 392,830	\$ 4,252,909	9.24%
12/31/2021	\$ 385,549	\$ 4,370,383	8.82%
12/31/2022	\$ 404,813	\$ 4,327,897	9.35%
12/31/2023	\$ 969,604	\$ 4,322,860	22.43%
12/31/2024	\$ 975,919	\$ 4,600,902	21.21%

TOWNSHIP OF RIDLEY

REQUIRED SUPPLEMENTAL INFORMATION
(UNAUDITED)

SCHEDULE OF CHANGES IN RIDLEY TOWNSHIP'S
POLICE PENSION PLAN
NET PENSION LIABILITY AND RELATED RATIOS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 745,321	\$ 709,830	\$ 732,332	\$ 648,799	\$ 488,767	\$ 465,492	\$ 531,755	\$ 506,433	\$ 426,959	\$ 406,628
Interest	2,603,230	2,517,584	2,477,897	2,432,524	2,313,739	2,219,156	2,104,141	2,006,423	1,839,113	1,749,894
Changes in benefit terms	-	-	-	-	-	-	-	-	-	68,864
Differences between expected and actual experience	-	(679,137)	-	(516,506)	-	335,629	-	663,849	-	(840,815)
Changes in assumptions	-	-	-	2,698,575	-	-	-	244,332	-	478,026
Benefit payments	(2,101,187)	(2,069,764)	(1,934,092)	(1,721,022)	(1,544,344)	(1,506,925)	(1,423,032)	(1,215,568)	(1,109,131)	(1,014,112)
Net change in total pension liability	1,247,364	478,513	1,276,137	3,542,370	1,258,162	1,513,352	1,212,864	2,205,469	1,156,941	848,485
Total pension liability - beginning	35,760,322	35,281,809	34,005,672	30,463,302	29,205,140	27,691,788	26,478,924	24,273,455	23,116,514	22,268,847
Total pension liability - ending	\$ 37,007,686	\$ 35,760,322	\$ 35,281,809	\$ 34,005,672	\$ 30,463,302	\$ 29,205,140	\$ 27,691,788	\$ 26,478,924	\$ 24,273,455	\$ 23,117,332
Plan Fiduciary Net Position										
Contributions - Employer	\$ 948,313	\$ 295,151	\$ 363,470	\$ 941,503	\$ 921,963	\$ 689,580	\$ 687,923	\$ 301,698	\$ 314,524	\$ 523,990
Contributions - State Aid	377,493	361,329	341,910	297,432	315,125	337,953	346,645	339,531	297,476	285,253
Contributions - Members	205,057	198,108	199,008	195,178	218,464	199,990	196,062	199,149	187,929	178,401
Investment income and appreciate (depreciation)	3,622,447	4,462,349	(5,318,724)	3,851,083	3,889,838	4,638,225	(1,429,726)	3,372,844	1,527,681	(242,342)
Miscellaneous	-	-	-	-	-	4,570	1,470	-	-	-
Benefit payments including refunds	(2,101,187)	(2,069,764)	(1,934,092)	(1,721,022)	(1,544,344)	(1,506,925)	(1,423,032)	(1,215,568)	(1,109,131)	(1,014,112)
Administrative expense	(8,400)	(14,500)	(7,400)	(15,300)	(7,000)	(12,600)	(6,600)	(12,000)	(6,600)	(14,000)
Net change in plan fiduciary net position	3,043,723	3,232,673	(6,355,828)	3,548,874	3,794,046	4,350,793	(1,627,258)	2,985,654	1,211,879	(282,810)
Plan fiduciary net position - beginning	30,754,846	27,522,173	33,878,001	30,329,127	26,535,900	22,185,107	23,812,365	20,826,711	19,614,832	19,897,642
Plan fiduciary net position - ending	\$ 33,798,569	\$ 30,754,846	\$ 27,522,173	\$ 33,878,001	\$ 30,329,946	\$ 26,535,900	\$ 22,185,107	\$ 23,812,365	\$ 20,826,711	\$ 19,614,832
Net Pension Liability	\$ 3,209,117	\$ 5,005,476	\$ 7,759,636	\$ 127,671	\$ 133,356	\$ 2,669,240	\$ 5,506,681	\$ 2,666,569	\$ 3,446,744	\$ 3,502,500

Plan fiduciary net position as a percentage of total pension liability

	91.33%	86.00%	78.01%	99.62%	99.56%	90.86%	80.11%	89.93%	85.80%	84.85%
Covered employee payroll	\$ 4,200,000	\$ 3,900,000	\$ 4,400,000	\$ 4,000,000	\$ 3,974,944	\$ 3,959,812	\$ 4,043,768	\$ 3,752,518	\$ 3,335,424	\$ 3,253,276
Plan's net pension liability as a percentage of covered employee payroll	76.41%	128.35%	176.36%	3.19%	3.35%	67.41%	136.18%	71.06%	103.34%	107.66%

SCHEDULE OF INVESTMENT RETURNS

Annual money-weighted rate of return net of investment expense

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	12.01%	16.79%	-16.28%	13.08%	15.01%	20.91%	-6.20%	16.20%	7.88%	-1.17%

TOWNSHIP OF RIDLEY

REQUIRED SUPPLEMENTAL INFORMATION
(UNAUDITED)

SCHEDULE OF CHANGES IN RIDLEY TOWNSHIP'S
NON-UNIFORM PMRS
NET PENSION LIABILITY

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 726,857	\$ 687,324	\$ 625,584	\$ 604,377	\$ 460,087	\$ 412,702	\$ 410,172	\$ 393,790	\$ 346,473	\$ 376,679
Interest	1,256,125	1,203,325	1,152,668	1,113,588	873,282	836,046	779,004	743,546	727,729	702,499
Changes in benefit terms	-	-	-	-	2,067,527	-	-	-	-	-
Differences between expected and actual experience	(82,764)	-	207,712	-	1,024,553	-	359,233	-	150,453	-
Change in assumptions	(529,103)	-	-	-	659,273	-	-	-	277,900	(40,887)
Benefit payments	(1,081,298)	(765,538)	(1,337,084)	(634,890)	(656,870)	(507,614)	(420,145)	(532,079)	(699,635)	(397,210)
Net change in total pension liability	289,817	1,125,111	648,880	1,093,075	4,427,852	741,134	1,128,284	605,257	802,920	641,081
Total pension liability - beginning	23,820,699	22,695,588	22,046,708	20,963,633	16,535,781	15,794,647	14,666,383	14,061,126	13,258,206	12,617,125
Total pension liability - ending	\$ 24,110,516	\$ 23,820,699	\$ 22,695,588	\$ 22,046,708	\$ 20,963,633	\$ 16,535,781	\$ 15,794,647	\$ 14,666,383	\$ 14,061,126	\$ 13,258,206
Plan Fiduciary Net Position										
Contributions - Employer	\$ 973,659	\$ 967,544	\$ 402,934	\$ 383,649	\$ 390,850	\$ 384,314	\$ 329,401	\$ 312,959	\$ 258,515	\$ 226,596
Contributions - Members	311,079	296,673	250,588	216,864	202,021	179,403	178,999	171,488	162,162	156,572
PMRS investment income	1,008,254	950,834	905,215	885,709	882,702	759,996	714,866	667,159	671,268	658,911
Market value investment income	581,058	1,038,905	(3,645,003)	1,550,480	1,586,265	2,078,321	(1,384,533)	1,473,584	381,476	(871,557)
PMRS assessment	2,260	2,060	2,060	1,900	1,980	1,920	1,980	1,900	1,920	1,840
Benefit payments including refunds	(1,081,298)	(765,538)	(1,337,084)	(634,890)	(656,870)	(507,614)	(420,145)	(532,079)	(699,635)	(397,210)
Administrative expense	(57,483)	(55,316)	(49,889)	(52,065)	(40,439)	(28,190)	(33,861)	(32,462)	(34,686)	(29,309)
Net change in plan fiduciary net position	1,737,529	2,435,162	(3,471,179)	2,351,647	2,366,509	2,868,150	(613,293)	2,062,549	741,020	(254,157)
Plan fiduciary net position - beginning	20,289,408	17,854,246	21,325,425	18,973,778	16,607,269	13,739,119	14,352,412	12,289,863	11,548,843	11,803,000
Plan fiduciary net position - ending	\$ 22,026,937	\$ 20,289,408	\$ 17,854,246	\$ 21,325,425	\$ 18,973,778	\$ 16,607,269	\$ 13,739,119	\$ 14,352,412	\$ 12,289,863	\$ 11,548,843
Net Pension Liability (Asset)	\$ 2,083,579	\$ 3,531,291	\$ 4,841,342	\$ 721,283	\$ 1,989,855	\$ (71,488)	\$ 2,055,528	\$ 313,971	\$ 1,771,263	\$ 1,709,363
Plan fiduciary net position as a percentage of the total pension liability	91.36%	85.18%	78.67%	96.73%	90.51%	100.43%	86.99%	97.86%	87.40%	87.11%
Covered employee payroll	\$ 4,600,902	\$ 4,322,860	\$ 4,327,897	\$ 4,370,383	\$ 4,252,909	\$ 3,851,926	\$ 3,925,700	\$ 3,775,074	\$ 3,556,423	\$ 3,565,278
Net pension liability as a percentage of covered employee payroll	45.29%	81.69%	111.86%	16.50%	46.79%	-1.86%	52.36%	8.32%	49.80%	47.94%
Annual money-weighted rate of return net of investment expense	2024 9.22%	2023 10.98%	2022 -12.83%	2021 13.34%	2020 13.08%	2019 20.90%	2018 -4.57%	2017 17.84%	2016 8.23%	2015 -0.27%

TOWNSHIP OF RIDLEY

REQUIRED SUPPLEMENTAL INFORMATION
(UNAUDITED)

SCHEDULE OF CHANGES IN RIDLEY TOWNSHIP'S
NET OPEB LIABILITY AND RELATED RATIOS

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 920,555	\$ 849,938	\$ 1,584,810	\$ 1,430,460	\$ 1,362,342	\$ 897,923	\$ 855,165
Interest	1,113,933	1,062,262	693,554	718,741	695,940	824,773	798,862
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	956,887	-	(2,652,820)	-	4,010,536	-	-
Changes in assumptions	(1,497,307)	1,147,041	(11,875,086)	-	7,264,901	-	-
Benefit payments	(854,602)	(913,847)	(1,005,676)	(910,683)	(979,357)	(957,506)	(955,453)
Net change in total OPEB liability	639,466	2,145,394	(13,255,218)	1,238,518	12,354,362	765,190	698,574
Total OPEB liability beginning	26,394,014	24,248,620	37,503,838	36,265,320	23,910,958	23,145,768	22,447,194
Total OPEB liability ending	\$ 27,033,480	\$ 26,394,014	\$ 24,248,620	\$ 37,503,838	\$ 36,265,320	\$ 23,910,958	\$ 23,145,768
Plan Fiduciary Net Position	\$ -						
Plan fiduciary net position - beginning	\$ -						
Plan fiduciary net position - ending	\$ -						
Plan fiduciary net position as a percentage of total OPEB liability	0.00%						



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

Board of Commissioners
Township of Ridley
Folsom, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the Township of Ridley, Folsom, Pennsylvania, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township of Ridley, Folsom, Pennsylvania's basic financial statements and have issued our report thereon dated February 18, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Ridley's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Ridley Township's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Leitzell & Economidis, PC

LEITZELL & ECONOMIDIS, PC
Certified Public Accountants

Newtown Square, Pennsylvania
February 18, 2026