

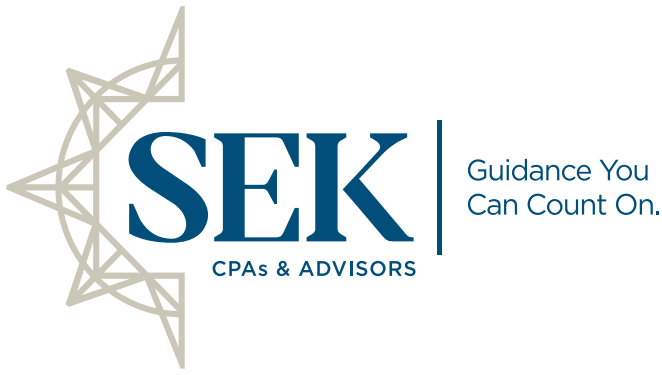
Audited
Financial
Statements

December 31,
2023

Rye Township

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INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Rye Township, Perry County
Marysville, Pennsylvania

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund of Rye Township, Perry County, Pennsylvania (the "Township"), as of and for the year ended December 31, 2023, 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 modified cash basis financial position of the governmental activities, the business-type activities, and each major fund of the Rye Township, Perry County, Pennsylvania, as of December 31, 2023, and the respective changes in modified cash basis financial position, and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is acceptable basis for the preparation of the financial statements in the circumstances.

Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rye 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 Rye 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.

Supplementary Information

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

In our opinion, the budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the management's discussion and analysis but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

A handwritten signature in black ink that reads "Smith & Elliott Keams & Company, LLC". The signature is written in a cursive, flowing style.

Carlisle, Pennsylvania
March 21, 2024

RYE TOWNSHIP

Management's Discussion and Analysis - Unaudited

Our discussion and analysis of Rye Township's (the "Township") financial performance provides an overview of the Township's financial activities for the year ended December 31, 2023, within the limitations of the Township's modified cash basis of accounting. Please read it in conjunction with the Township's financial statements that follow.

FINANCIAL HIGHLIGHTS/ANALYSIS OF FUNDS

- ◆ Total assets for the Solid Waste Fund at the end of the 2023 Fiscal year were \$ 296,671 which is an increase of \$ 227 from the preceding year. Basically, the fund broke even with the transfer of monies from the Capital Reserve Fund. The Board is spending down the reserves to insulate the fund and prevent increases or minimal increases in the quarterly trash fees. No increase in the residential and commercial trash fees is proposed for 2024.
- ◆ Solid Waste revenues are generated from quarterly trash billings, including delinquent fees and penalty charges, a small amount of investment interest, and costs recouped from recycling scrap metal received at the annual bulk clean-up.
- ◆ Since January 2019, corrugated cardboard is the only item recycled by the Township at its voluntary drop-off site, which is located in the fenced-in lot to the rear of the Township building. The Township pays Penn Waste, Inc. a hauling charge of \$ 345 per haul when they empty the cardboard transporter. Participation remained stable in 2023.
- ◆ A contracted trash hauler, Penn Waste, Inc. of York, continues to provide weekly trash collection service to Rye Township. The three-year contract with Penn Waste ended December 31, 2023. However, a two-year extension of the contract through December 31, 2025 was approved by the board. Penn Waste, Inc. informed us that the company was sold and is now owned by Waste Connections, Inc. The Penn Waste name will not be changed.
- ◆ Paving projects completed in the 2023 Fiscal year were: the entire paved section of Millers Gap Road beginning at SR 850 to the dirt and gravel section, the entire length of Chestnut Street and Orchard Drive, including the two cul-de-sacs.
- ◆ The amount of revenue received from the State Liquid Fuels allocation increased from \$ 120,699 in 2022 to \$ 124,407 in 2023. Highway Aid monies are invested in short-term easy access certificates of deposit for better rates of interest return.
- ◆ The total miles of roadway resurfaced in 2022 were 1.30 miles compared to .61 miles resurfaced in 2023.
- ◆ Total expenditures for governmental funds in 2023 were \$ 682,130, which is a decrease of \$ 221,436 from fiscal year 2022 expenditures of \$ 903,566. The decrease in expenditures was mainly due to fewer major road projects, a milder winter, and no major drainage or culvert replacements in 2023.
- ◆ The Board continues their conservative cost containment measures in all areas and their policy to not hire any additional employees in all departments. The Road Department utilizes two full time employees since the trash collection was outsourced in January 2011. Seasonal temporary employees assist with winter snow removal. The Road Department utilizes in-house labor as much as possible to complete maintenance and equipment repairs and for smaller infrastructure projects. The Administrative Office has one full time and one part time employee.

RYE TOWNSHIP

Management's Discussion and Analysis - Unaudited

- ◆ The Federal American Rescue Plan Act (ARPA) funds received in 2022 brought the total to \$ 250,334. No ARPA funds were expended in 2023, but were invested in several certificates of deposit to gain higher rates of return and additional revenue. The Board of Supervisors is considering the following projects for funding by the ARPA money: Road or culvert replacement projects and the capital equipment purchase of a new tractor/mower along with an additional donation to assist the two local volunteer fire companies. ARPA monies are required to be spent or obligated to a specific project or capital purchase by December 31, 2024.
- ◆ Game Commission revenues, which are included in intergovernmental revenue, remain elevated at \$ 7,888 from the annual \$ 2,615, which is calculated at \$.40 per acre in lieu of taxes. Act 102 of 2006 provides for payment of fixed charges in lieu of taxes for State Game Lands in Rye Township. The additional revenue is generated from the Pennsylvania Gaming Control Board's Gaming fund monies, which is separate from the Pennsylvania Game Commission's Game Fund, which doubles the amount received and provides an additional \$.80 per acre for a total of \$ 1.20 per acre for the 6,536 acres of Game Commission's land located within the Township.
- ◆ The 2024 Budget was already approved and does not reflect the December 2023 approval by lawmakers of an increase in the payment in lieu of per acre of Game Commission lands from \$ 1.20 to \$ 2.40 per acre. This is a welcomed unexpected increase in revenue for 2024 and going forward.
- ◆ Total current assets for governmental funds were \$ 2,252,098 as of December 31, 2023, an increase of \$ 147,476 from the previous year. The Costs of Capital Assets used in Governmental activities totals \$ 2,318,247 minus accumulated depreciation of \$ 1,155,967 equals \$ 1,162,280. Capital assets are not current financial resources, and therefore not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position. With the inclusion of the capital assets, collectively the governmental activities assets total \$ 3,414,378.
- ◆ The General Fund, (the primary operating fund) reports an increase in the fund balance in 2023 of \$ 133,105; the Capital Reserve reports an increase of \$ 10,650. The Highway Aid Fund reports an increase of \$ 3,992. The total of all Governmental Funds, which includes the General Fund, the Capital Reserve Fund, and the Highway Aid, or Liquid Fuels Fund reports an overall increase of \$ 147,747. The net increase in fund balance in all governmental funds is mainly attributed to higher interest rates on investments, a milder winter, and less than expected road expenditures. Consistently and as in previous years, the Township spent conservatively and under budget.
- ◆ The Earned Income Tax, (EIT) is the largest revenue received by the Township. The EIT tax is a one-half (.5%) tax levied on wages earned by residents within the Township. This tax is collected by Capital Tax Collection Bureau, who currently charges a 2.0% commission on what is collected. This economically sensitive revenue decreased in 2023 by \$ 10,427, which is approximately a 3% decrease. While revenue appears to be recovering and inflation is slowing, Rye continues to practice prudent fiscal management. There still are many unknowns post COVID along with the unrest and conflict in the Middle East. As in prior years, the Township continued to budget this line item conservatively in 2023.

RYE TOWNSHIP
Management's Discussion and Analysis - Unaudited

A chart of the EIT revenue received for the last seven years follows:

YEAR	GROSS EIT RECEIVED
2017	\$ 331,788
2018	309,588
2019	326,956
2020	314,168
2021	352,230
2022	392,493
2023	382,066

- ◆ Investments in certificates of deposit continued to renew at higher interest rates at maturity, allowing the Township to reap the benefits. The higher rates netted the Township a total from all major funds of over \$ 73,000 in investment interest. Certificates of 15-18 months offered rates in January 2023 of approximately 4.5% and increased to 5% in August 2023. Rates of investment at local banks were starting to decline slightly towards the end of 2023.
- ◆ Building permit activity for the year 2023 for Rye Township decreased with only 23 permits issued in comparison to 34 permits issued in 2022. One (1) new home permit was issued in 2023. The year 2012 remains the lowest on record with the issuance of zero (0) new home construction permits and a total receipt of only 25 permit applications for the entire year.
- ◆ The Non-Uniform and Uniform Pension Plans are Defined Benefit Plans currently invested with the Pennsylvania Municipal Retirement System, (PMRS). PMRS interest rate on investments is set at 5.25% for the years 2022 and 2023.
- ◆ In order to reduce future pension liabilities, the Board met with PMRS in December 2013, approved and adopted new ordinances and plan agreements in July, which revised the two pension plan agreements reducing benefits for all new hires effective January 1, 2015. For example, the previous number of years for vesting to receive a benefit was seven (7) years at age 62 years. The current number of years for vesting to receive a benefit is ten (10) years at 65 years.
- ◆ Pension changes were adopted by Ordinance in 2018 to take effect on January 1, 2019. The new Agreement with PMRS eliminates the Defined Benefit Plan for all newly hired full-time employees. Newly hired full time employees will now be enrolled into a Defined Contribution Plan, or as PMRS calls it a “Cash Balance Plan”, following a ninety (90) day probation period. This type of plan, the Cash Balance Plan, is similar to a 401K retirement plan. The plan requires the employee to contribute at least 3% of his gross wages through payroll deduction. There were no new hires in 2023, and therefore no employees enrolled in the new Cash Balance Plan.
- ◆ Both the Non-Uniform and the Police Pension Plans invested at PMRS are fully funded. The current Minimum Municipal Obligation, MMO for the Police Pension is zero dollars, (\$ 0) and the Non-Uniform Pension is \$ 18,574 for 2023. Rye received Pension State Aid in 2023 of \$ 17,484. A portion of the amount received was deposited back into the General Fund to partially reimburse it for payment of the MMO. The remaining \$10,000 was deposited into the Non-Uniform Pension Plan at PMRS. Additional state aid or \$ 4,195 was also received in 2023 for prior years. This was also deposited into the Non-Uniform Plan. The intent of the deposit of the State Aid into the pension plan is to assist with defraying the costs of future MMOs. PA Pension State Aid is generated from proceeds of the insurance premium tax on foreign casualty insurance companies.
- ◆ Rye Township currently has no long or short-term debt.

RYE TOWNSHIP

Management's Discussion and Analysis - Unaudited

USING THIS ANNUAL REPORT

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Township's modified cash basis of accounting.

REPORT COMPONENTS

This annual report consists of five parts as follows (see table of contents for page numbers):

Management Discussion and Analysis (MD&A): This is the current section.

Government-Wide Financial Statements: The statement of Net Position and the Statement of Activities provide information about the activities of the Township's government-wide (or "as a whole") and present a longer-term view of the Township's finances.

Fund Financial Statements: Fund financial statements focus on the individual parts of the Township's government. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's most significant ("major") funds. For *governmental funds*, these statements tell how these services were financed in the short term as well as what remains for future spending. For *proprietary funds*, these statements offer short-term and long-term financial information about the solid waste activities the Township operates like a business.

Notes to the Financial Statements: The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Other Supplementary Information (two parts): This Management's Discussion and Analysis and the General Fund Budgetary Comparison Schedule provide users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as "the basic financial statements").

BASIS OF ACCOUNTING

The Township has elected to present its financial statements on a modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to *when* financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets and liabilities. Under the Township's modified cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from cash transactions, except for the recording of depreciation expense on capital assets in the government-wide financial statements for all activities and in the fund financial statements for proprietary funds.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

RYE TOWNSHIP

Management's Discussion and Analysis - Unaudited

REPORTING THE TOWNSHIP AS A WHOLE

The Township's Reporting Entity Presentation

This annual report includes all activities for which the Township Board of Supervisors is fiscally responsible.

The Government-Wide Statement of Net Position and the Statement of Activities

Our financial analysis of the Township as a whole begins on page 15. The government-wide financial statements are presented on pages 15 and 16. One of the most important questions asked about the Township finances is, "Is the Township as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer this question. These statements include all of the Township's assets and liabilities resulting from the use of the modified cash basis of accounting. These two statements report the Township net position and changes in them. Keeping in mind the limitations of the modified cash basis of accounting, you can think of the Township's net position -the difference between assets and liabilities - as one way to measure the Township's financial health or financial position. Over time, increases or decreases in the Township's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Township's tax base and the condition of the Township's roads, to assess the overall health of the Township.

In the Statement of Net Position and the Statement of Activities, we divide the Township into two kinds of activities:

Governmental activities. Most of the Township's basic services are reported here, including expenses for general administration, highways, and cemetery maintenance. Real estate and earned income taxes, licenses and permits, fines, and state grants finance most of these activities. The greatest source of revenue for the Township is taxes- earned income taxes and property taxes.

Business-type activities. The Township charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Township's solid waste collection services are reported here.

REPORTING THE TOWNSHIP'S MOST SIGNIFICANT FUNDS

The Fund Financial Statements

Our analysis of the Township's major funds begins on page 17. The fund financial statements provide detailed information about the most significant funds - not the Township as a whole. Some funds are required to be established by State law. However, the Board of Supervisors establish certain other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The Township's funds - governmental, proprietary and fiduciary - use different accounting approaches.

Governmental funds - Most of the Township's basic services are reported in governmental funds, which 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 governmental fund statements provide a detailed short-term view of the Township's general government

RYE TOWNSHIP
Management's Discussion and Analysis - Unaudited

operations and the basic services it provides. Governmental fund information helps you determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements. The Township considers the General Fund, Capital Reserve Fund and Highway Aid Fund to be its significant, or major, governmental funds.

Proprietary funds - When the Township charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net position and the Statement of Activities. For example, proprietary fund capital assets are capitalized and depreciated and principal payments on long-term debt are recorded as a reduction to the liability. In fact, the Township's proprietary (enterprise) fund financial statements are essentially the same as the business-type activities we report in the government-wide statements, but the fund statements provide more detail and additional information, such as cash flow. The Township only has one enterprise fund - the Solid Waste Fund.

FINANCIAL ANALYSIS OF RYE TOWNSHIP AS A WHOLE

Statement of Net position - Modified Cash Basis

The Township's combined net position for governmental activities, resulting from modified cash basis transactions, increased from approximately \$ 3,325,512 to \$ 3,414,378 between 2022 and 2023.

Table 1
Statement of Net Position

	Governmental Activities		Total % of change	Business-Type Activities		Total % of change
	2022	2023	2022-2023	2022	2023	2022-2023
Assets						
Current & other assets	\$ 2,104,622	\$ 2,252,098	7%	\$ 296,212	\$ 296,487	0%
Capital assets	1,221,240	1,162,280	-(5%)	232	184	-(21%)
Total assets	<u>\$ 3,325,862</u>	<u>\$ 3,414,378</u>	3%	<u>\$ 296,444</u>	<u>\$ 296,671</u>	0%
Liabilities						
Escrow	\$ 271	\$ -	0%	\$ -	\$ -	0%
Accrued wages & withholdings	-	-	0%	-	184	0%
Total liabilities	<u>271</u>	<u>-</u>	0%	<u>-</u>	<u>-</u>	0%
Net Position						
Net investment in capital assets	1,221,240	1,162,280	-(5%)	232	184	-(21%)
Restricted	411,898	465,684	-(13%)	-	-	0%
Unrestricted	1,692,453	1,786,414	6%	296,212	296,487	0%
Total net position and liabilities	<u>\$ 3,325,862</u>	<u>\$ 3,414,378</u>	3%	<u>\$ 296,444</u>	<u>\$ 296,671</u>	0%

RYE TOWNSHIP
Management's Discussion and Analysis - Unaudited

**MAJOR FACTORS AFFECTING THE CHANGE IN NET POSITION FOR GOVERNMENTAL
ACTIVITIES AND BUSINESS TYPE ACTIVITIES**

The following infrastructure upgrades were completed in 2023:

- ◆ Final payment for completion of guiderail replacement at the southern end of Lambs Gap Road near the Idle Road intersection
- ◆ In 2022 and 2023 two sections of the dirt portion of Millers Gap Road were regraded, ditches cleaned, and shale installed to better stabilize and crown the road to allow for the water to better shed evenly into the side ditches and prevent further erosion on this steep, mountain road.

There were not any large culvert projects completed in 2023.

The capital assets for Governmental Activities decreased by 5%. Overall, the net position for Governmental Activities increased by 3 % from 2022-2023.

Business Type Activities or the Solid Waste Fund net position overall remained stable. Keystone Collections Group continued to pursue delinquent accounts in 2023; the Township office provided follow-up on new and transferred billing accounts; and only held one bulk clean-up in May, where the scrap metal collected was recycled to net additional miscellaneous income for the fund. See Table 2 below for a recap of the Statement of Activities for 2022 and 2023.

Table 2
Statement of Activities

	Governmental Activities		Business-Type Activities	
	2022	2023	2022	2023
Revenues				
Program Revenues:				
Charges for services	\$ 23,757	\$ 17,434	\$ 207,360	\$ 214,550
Operating grants and contributions				
Highway aid funding	120,700	124,407	-	-
Other grants and contributions	24,963	34,999	951	1,897
Capital grants and contributions	-	-	-	-
General Revenues:				
Taxes	608,961	589,206	-	-
Intergovernmental	133,843	8,433	-	-
Investment income	21,639	71,823	821	2,135
Miscellaneous	1,961	438	1,050	-
Total Revenues	<u>935,824</u>	<u>846,740</u>	<u>210,182</u>	<u>218,582</u>
Expenses				
General government	174,587	191,286	-	-
Public safety	88,011	82,352	-	-
Highways	672,955	457,942	-	-
Other public works - cemeteries	1,358	1,328	-	-
Culture and recreation	11,871	8,182	-	-
Solid waste	-	-	225,324	235,218
Total expenses	<u>948,782</u>	<u>741,090</u>	<u>225,324</u>	<u>235,218</u>
Transfers	<u>(16,935)</u>	<u>(16,863)</u>	<u>16,935</u>	<u>16,863</u>
Increase or (decrease) in net position	<u>\$ (29,893)</u>	<u>\$ 88,787</u>	<u>\$ 1,793</u>	<u>\$ 227</u>

RYE TOWNSHIP
Management's Discussion and Analysis - Unaudited

STATEMENT OF ACTIVITIES

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is the format that is significantly different from a typical Statement of Revenues, Expenditures, and Changes in Fund Balance. You will notice that expenses are listed in the first column, with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. This type of format highlights the relative financial burden of each of the functions on the Township's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue, even if restricted for a specific purpose.

CAPITAL ASSETS

At December 31, 2023, the Township had \$ 1,162,464 invested in combined capital assets, net of depreciation, which includes bridge culverts, road culverts, office equipment/software, vehicles and machinery, buildings, property, salt sheds, recycling bins, and park and playground facilities. (See table below).

Table 3
Capital Assets

	2022	2023
Governmental Activities:		
Construction in progress	\$ 6,246	\$ -
Infrastructure	1,450,761	1,463,253
Buildings and property	173,142	173,142
Machinery and equipment	<u>698,129</u>	<u>681,852</u>
Total capital assets	2,322,032	2,318,247
Accumulated depreciation	<u>(1,107,038)</u>	<u>(1,155,967)</u>
Net capital assets	<u>\$ 1,221,240</u>	<u>\$ 1,162,280</u>
Business Activities:		
Machinery and equipment	\$ 6,627	\$ 6,627
Accumulated depreciation	<u>(6,395)</u>	<u>(6,443)</u>
Net capital assets	<u>232</u>	<u>\$ 184</u>
Total combined assets	<u>\$ 1,221,472</u>	<u>1,162,464</u>

More detailed information about Rye Township's capital assets can be found in Note 4 of the Notes to Financial Statements.

RYE TOWNSHIP
Management's Discussion and Analysis - Unaudited

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Township services an area of approximately 26 square miles and a community of approximately 2,260 residents per the 2020 census.

The 2024 General Fund Budget, which is the chief operating fund of the Township, includes no property tax increase with the real estate tax remaining constant at .900 mills levied as follows:

	2024 millage
General	.590
Fire Companies	.160
Ambulance	.020
Library	.010
Road Equipment	<u>.120</u>
TOTAL	.900

Perry County began the process of a required county-wide reassessment project in 2023 in Rye Township. The Township may be reducing their millage in 2026 following the reassessment. Pennsylvania state law requires that after the tax base has been equalized and brought to current market value, the millage must be reduced in order to collect the same revenue as collected in the previous year. If the taxing body needs to collect additional revenue, they may do so; however, they are limited (by law) to the amount of additional total revenue that may be collected from taxpayers in the year following the countywide reassessment. The statutory limit for counties, townships, and boroughs is 10%. New property assessments will be certified by November 2025 and in effect for the tax year 2026.

Rye Township has not raised municipal property tax millage for over 26 years.

The Budget emphasizes cost containment. In general, the Township has taken a conservative budgeting approach, which entails estimating revenues on the low side and expenses on the high side of acceptable ranges. Budgeting conservatively the Township can better manage unexpected events that may arise, such as a sudden drop in the housing market or a catastrophic weather event. For the upcoming fiscal year ending December 31, 2024, the Township's General Fund budget increased a total of \$ 291,325 or approximately 43.5% as follows:

YEAR	General Fund Budget
2016	\$ 718,000
2017	680,085
2018	548,215
2019	604,350
2020	638,000
2021	607,400
2022	739,600
2023	670,000
2024	961,325

The 2024 General Fund budget revenues and expenditures are projected at \$ 961,325 in comparison to \$ 670,000 budgeted for the year ending December 31, 2023. The main reason for the significant increase is the inclusion of the ARPA funds, which are required to be expended or obligated by contract by December 31, 2024. The Township anticipates a capital equipment purchase of a new

RYE TOWNSHIP

Management's Discussion and Analysis - Unaudited

tractor/mower and completion of a culvert project, or at least the engineering and permitting in 2024. Rye Township evaluates carefully each capital expenditure and considers and continues to save for the expenditure over several years, and only spending for those items that are a need rather than a want.

The amount of State Liquid Fuels monies allocated for municipalities from motor vehicle fuel taxes decreased slightly in 2024 from 2023.

In 2024, the amount budgeted for Earned Income Tax, EIT, the Township largest source of tax revenue, was increased to \$ 349,000. Generally earned income tax revenue is the primary source of government wide revenues funding the budget. The percentage of earned income tax revenue ratio decreased with the inclusion of the ARPA monies in the 2024 Budget. The earned income tax revenue accounts for 36% of the budget with property and real estate transfer taxes funding another 22%. Overall, the tax revenue accounts for 58% of the total budget.

The real estate transfer tax revenue for 2024 was decreased for the second year to \$ 27,500. The Federal Reserve continued to raise the prime interest rate into 2023 resulting in higher mortgage interest rates. The Real Estate market continued to slow with the economy resulting in a decrease of real estate transfer tax from over \$ 40,000 in 2022 to slightly over \$ 27,000 in 2023.

No permit fee increases were proposed to the Fee Schedule in 2024.

The Board continues their effort to implement conservative financial policies and thereby absorbing the increase with the high rate of inflation in utility costs, fuel, road salt, employee wages, legal expenses, health care issues, and other insurance premiums.

The Township's Business-type activity, the Solid Waste Fund, proposes no increase in the residential and commercial trash fees for 2024. The Fund was balanced with the use of reserves in 2022 and 2023. Reserves will be tapped again for 2024. The Township anticipates future increases to garbage bills with Penn Waste fees to provide weekly collection increasing annually. The Township currently agreed to a two-year extension of the contract with Penn Waste to December 31, 2025.

Rye Township budgets conservatively for real estate tax revenue. Amounts increased minimally for 2024 with little variation from 2023. Residents and property owners continue to pay their taxes in the 2% discount period, appeal their assessment values, enroll their properties in the Clean and Green program, and qualified veterans are granted exonerations whereby the widows of veterans continue to be exempt from payment of all real estate taxes. All of these situations reduce the overall tax revenue received.

The high inflation rate continued during the year 2023 beginning in January at 6.4% and slowing to end in December at 3.4% with the overall average for the year at 4%. With the Federal Reserve raising the prime rate into early 2023 to try to curb high inflation, higher investment rates continued to positively affect earnings on savings and investments. The average 12-month CD at the local bank earned approximately 4.50% in January 2023 and dropped slightly to 4.00% by December 2023. With the Federal Reserve keeping their rates steady, certificates of deposit rates are peaking and beginning to drop into 2024. The Township makes every attempt to maximize earnings on idle funds while balancing cash flow needs. The year 2023 netted the Township a combined total of over \$73,000 in investment interest.

The economy continues to rebound. Even with inflation beginning to decrease, costs continue to remain elevated for goods and services needed such as blacktop, road salt, diesel, heating oil, electricity, trash collection fees, and benefits. The Township has weathered similar periods in a strong financial position due to conservative fiscal principles that they plan to continue to practice in the coming years.

RYE TOWNSHIP
Management's Discussion and Analysis - Unaudited

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

This report is designed to provide our citizens, taxpayers, students, creditors, consultants, and customers with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Secretary/Treasurer at the Township's office at 1775 New Valley Road, Marysville, Pennsylvania 17053-9419, telephone at (717) 957-2348, or email us at ryetwp@ptd.net.

RYE TOWNSHIP
Statement of Net Position – Modified Cash Basis
December 31, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 3,548	\$ 193,832	\$ 197,380
Investments	<u>2,248,550</u>	<u>102,655</u>	<u>2,351,205</u>
Total current assets	<u>2,252,098</u>	<u>296,487</u>	<u>2,548,585</u>
Noncurrent assets			
Capital assets			
Buildings and property, net	55,226	-	55,226
Machinery and equipment, net	68,289	184	68,473
Infrastructure, net	<u>1,038,765</u>	<u>-</u>	<u>1,038,765</u>
Total capital assets	<u>1,162,280</u>	<u>184</u>	<u>1,162,464</u>
Total assets	<u>\$ 3,414,378</u>	<u>\$ 296,671</u>	<u>\$ 3,711,049</u>
NET POSITION			
Net investment in capital assets	1,162,280	184	1,162,464
Restricted	465,684	-	465,684
Unrestricted	<u>1,786,414</u>	<u>296,487</u>	<u>2,082,901</u>
Total net position	<u>3,414,378</u>	<u>296,671</u>	<u>3,711,049</u>
Total liabilities and net position	<u>\$ 3,414,378</u>	<u>\$ 296,671</u>	<u>\$ 3,711,049</u>

RYE TOWNSHIP
Statement of Activities - Modified Cash Basis
Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities							
General government	\$ 192,306	\$ 14,051	\$ 19,814	\$ -	\$ (158,441)	\$ -	\$ (158,441)
Public safety	82,352	2,508	15,185	-	(64,659)	-	(64,659)
Highways	457,942	425	124,407	-	(333,110)	-	(333,110)
Other public works - cemeteries	1,328	-	-	-	(1,328)	-	(1,328)
Culture and recreation	8,182	450	-	-	(7,732)	-	(7,732)
Total governmental activities	<u>742,110</u>	<u>17,434</u>	<u>159,406</u>	<u>-</u>	<u>(565,270)</u>	<u>-</u>	<u>(565,270)</u>
Business-type activities							
Solid waste	<u>234,198</u>	<u>214,550</u>	<u>1,897</u>	<u>-</u>	<u>-</u>	<u>(17,751)</u>	<u>(17,751)</u>
Total	<u>\$ 976,308</u>	<u>\$ 231,984</u>	<u>\$ 161,303</u>	<u>\$ -</u>	<u>(565,270)</u>	<u>(17,751)</u>	<u>(583,021)</u>
General revenues and transfers							
Taxes							
Property taxes					171,117	-	171,117
Earned income tax					382,066	-	382,066
Other taxes					36,023	-	36,023
Intergovernmental revenue not restricted to specific purposes					8,433	-	8,433
Investment income					71,823	2,135	73,958
Miscellaneous					438	-	438
Transfers					(15,843)	15,843	-
Total general revenues and transfers					<u>654,057</u>	<u>17,978</u>	<u>672,035</u>
Change in net position					88,787	227	89,014
Net position - beginning					<u>3,325,591</u>	<u>296,444</u>	<u>3,622,035</u>
Net position - ending					<u>\$ 3,414,378</u>	<u>\$ 296,671</u>	<u>\$ 3,711,049</u>

RYE TOWNSHIP
Balance Sheet - Modified Cash Basis - Governmental Funds
December 31, 2023

	General Fund	Capital Reserve Fund	Highway Aid Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 3,548	\$ 3,548
Investments	1,275,062	969,592	3,896	2,248,550
Total assets	<u>\$ 1,275,062</u>	<u>\$ 969,592</u>	<u>\$ 7,444</u>	<u>\$ 2,252,098</u>
FUND BALANCES				
Restricted	11,717	446,523	7,444	465,684
Committed	90,106	523,069	-	613,175
Unassigned	1,173,239	-	-	1,173,239
Total fund balances	<u>1,275,062</u>	<u>969,592</u>	<u>7,444</u>	<u>2,252,098</u>
Total liabilities and fund balance	<u>\$ 1,275,062</u>	<u>\$ 969,592</u>	<u>\$ 7,444</u>	<u>\$ 2,252,098</u>

Reconciliation to Statement of Net Position

Fund balance as shown above \$ 2,252,098

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.

Cost of assets	2,318,247	
Accumulated depreciation	<u>(1,155,967)</u>	<u>1,162,280</u>
Net position of governmental activities		<u>\$ 3,414,378</u>

RYE TOWNSHIP
Statement of Revenues, Expenditures, and Changes in Fund Balance - Modified Cash
Basis - Governmental Funds
Year Ended December 31, 2023

	General Fund	Capital Reserve Fund	Highway Aid Fund	Total Governmental Funds
REVENUES				
Taxes	\$ 589,206	\$ -	\$ -	\$ 589,206
Licenses and permits	13,923	-	-	13,923
Fines and penalties	2,508	-	-	2,508
Interest and rents	42,351	28,591	1,331	72,273
Intergovernmental	43,432	-	124,407	167,839
Charges for services	553	-	-	553
Other revenue	438	-	-	438
Total revenues	<u>692,411</u>	<u>28,591</u>	<u>125,738</u>	<u>846,740</u>
EXPENDITURES				
General government	276,523	-	-	276,523
Public safety	82,352	-	-	82,352
Highways	193,027	-	121,746	314,773
Other public works - cemeteries	1,320	-	-	1,320
Culture and recreation	8,182	-	-	8,182
Total expenditures	<u>561,404</u>	<u>-</u>	<u>121,746</u>	<u>683,150</u>
Excess (deficiency) of revenues over expenditures	<u>131,007</u>	<u>28,591</u>	<u>3,992</u>	<u>163,590</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	55,806	37,865	-	93,671
Transfers out	<u>(53,708)</u>	<u>(55,806)</u>	<u>-</u>	<u>(109,514)</u>
Total other financing sources and uses	<u>2,098</u>	<u>(17,941)</u>	<u>-</u>	<u>(15,843)</u>
Net change in fund balances	133,105	10,650	3,992	147,747
Fund balances - beginning	<u>1,141,957</u>	<u>958,942</u>	<u>3,452</u>	<u>2,104,351</u>
Fund balances - ending	<u>\$ 1,275,062</u>	<u>\$ 969,592</u>	<u>\$ 7,444</u>	<u>\$ 2,252,098</u>
Reconciliation to Statement of Activities				
Net change in fund balance - total governmental funds				\$ 147,747
Amounts reported for governmental activities in the Statement of Activities are different because:				
Governmental funds reported capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the asset:				
Depreciation expense				(77,829)
Capital outlays				<u>18,869</u>
Change in net position of governmental activities				<u>\$ 88,787</u>

RYE TOWNSHIP
Statement of Net Position - Modified Cash Basis - Proprietary Fund
December 31, 2023

	Solid Waste Fund
ASSETS	
Current assets	
Cash and cash equivalents	\$ 193,832
Investments	<u>102,655</u>
Total current assets	<u>296,487</u>
Noncurrent assets	
Capital assets, net of accumulated depreciation	<u>184</u>
Total assets	<u><u>\$ 296,671</u></u>
NET POSITION	
Net investment in capital assets	184
Unrestricted	<u>296,487</u>
Total net position	<u><u>\$ 296,671</u></u>

RYE TOWNSHIP
Statement of Revenues, Expenses, and Changes in Fund Net Position - Modified Cash
Basis - Proprietary Fund
Year Ended December 31, 2023

	Solid Waste Fund
OPERATING REVENUES	
Charges for services	\$ 214,550
OPERATING EXPENSES	
Salaries and wages	15,352
Payroll taxes and benefits	10,577
Tipping fees	245
Collection fees	5,434
Other supplies and expense	9,266
Contracted services	193,276
Depreciation expense	48
Total operating expenses	<u>234,198</u>
Operating income (loss)	<u>(19,648)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	2,135
Intergovernmental revenue	<u>1,897</u>
Total nonoperating revenues	<u>4,032</u>
Net income (loss) before transfers	(15,616)
Transfers, net	<u>15,843</u>
Change in net position	227
Total net position - beginning	<u>296,444</u>
Total net position - ending	<u>\$ 296,671</u>

RYE TOWNSHIP**Statement of Cash Flows - Modified Cash Basis - Proprietary Fund****Year Ended December 31, 2023**

	Solid Waste Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 214,550
Payments to suppliers	(208,221)
Payments to and on behalf of employees	<u>(25,929)</u>
Net cash provided (used) by operating activities	<u>(19,600)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer from other funds	16,093
Transfer to other funds	(250)
Intergovernmental grants received	<u>1,897</u>
Net cash provided (used) by non-capital financing activities	<u>17,740</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(2,127)
Interest	<u>2,135</u>
Net cash provided (used) by investing activities	<u>8</u>
Net (decrease) in cash and cash equivalents	(1,852)
Cash and cash equivalents - beginning of the year	<u>195,684</u>
Cash and cash equivalents - end of the year	<u>\$ 193,832</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities	
Operating income (loss)	\$ (19,648)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation expense	<u>48</u>
Net cash provided (used) by operating activities	<u>\$ (19,600)</u>

RYE TOWNSHIP
Notes to Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

General

Rye Township (“the Township”) was founded through legislation in 1766 and operates under an elected three-member Board of Supervisors. The Township provides services to its residents in many areas, including various general government services and community enrichment programs.

Reporting Entity

The Governmental Accounting Standards Board (GASB) Statement defines the criteria used to determine the composition of the reporting entity. This standard requires that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) organizations that are fiscally dependent on the primary government and a financial benefit or burden exists, and (4) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on these criteria there are no agencies or entities which are considered component units of the Township.

Basis of Accounting

The government-wide and the fund financial statements are presented using a modified cash basis of accounting which is a basis of accounting other than generally accepted accounting principles (“GAAP”) as established by GASB. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions with the exception of recording capital assets and a provision for depreciation expense in the government-wide statements and proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Basis of Presentation

Government - Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements as governmental and proprietary.

Governmental funds

Governmental funds are those through which most governmental functions of the Township are financed. The Township reports the following major governmental funds:

General Fund – The General Fund is the principal operating fund of the Township. It is utilized to account for all financial transactions not accounted for, or required to be accounted for, in another fund. This is a budgeted fund, and any unassigned fund balances are considered as resources available for use.

Capital Reserve Fund – The Capital Reserve Fund is used to account for funds set aside for future capital purchases.

Special Revenue Fund – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Highway Aid Fund - is presented as a major special revenue fund, and accounts for the proceeds and disposition of state liquid fuels entitlements that are legally restricted to expenditures for specific purposes, primarily building and maintaining local roads and bridges.

Proprietary funds

Proprietary funds are used to account for the financing of services to the general public where all or most of the costs involved are paid from user charges for the services.

Solid Waste Fund – The Solid Waste Fund accounts for revenue received from residents for solid waste pick-up and related expenses.

Cash and Cash Equivalents

Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less.

RYE TOWNSHIP
Notes to Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments consist primarily of certificates of deposit with maturities greater than three months and are reported at cost basis.

Statement of Cash Flows

For purposes of the statement of cash flows presented for proprietary funds, the Township considers all highly liquid debt investments, including restricted assets, with maturities of three months or less when purchased to be cash equivalents.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not capitalized in the governmental fund financial statements. Capital assets utilized by the proprietary fund are reported both in the business-type activity column of the government-wide statement of net position and in the respective fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The Township maintains a capitalization threshold of \$ 500. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and property	10 - 40 years
Machinery and equipment	5 - 12 years
Infrastructure	30 years

Net Position

Net position is comprised of the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position is classified in the following components:

Net Investment in Capital Assets - This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, accounts payable or other borrowings that are attributable to the acquisition, construction or improvement of those capital assets.

Restricted Net Position - This category of net position has constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

RYE TOWNSHIP
Notes to Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

As of December 31, 2023, restricted net position in governmental activities consists of the following:

Restricted for Elaine Pierson memorial fund	\$	12,065
Restricted for road projects/equipment		192,961
Restricted for American Rescue Plan Act		<u>260,658</u>
Total restricted net position	\$	<u>465,684</u>

Unrestricted Net Position- This component consists of all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance – Governmental Funds

Governmental funds classify fund balance based on the relative strength of the spending constraints placed on the purpose for which resources can be used. The classifications are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. This classification includes items such as prepaid amounts, inventories, and long-term amount of loans and notes receivable. This also includes the corpus (or principal) of permanent funds.

Restricted: This classification includes amounts where the constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, change or mandate payment and includes a legally enforceable requirement on the use of these funds.

Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Township’s highest level of decision-making authority. This formal action is in the form of a resolution which is made by the Board of Supervisors. Once an amount is committed, it cannot be used for any other purpose unless changed by the same type of formal action used to initially constrain the funds.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance – Governmental Funds (Continued)

Assigned: This classification includes spendable amounts that are reported in governmental funds other than *in the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose. The intent of an assigned fund balance should be expressed by either the Board of Supervisors, or a subordinate high-level body, such as the secretary/treasurer that is authorized to assign amounts to be used for specific purposes. The Board of Supervisors has the authority to make assignments of fund balance. Thus, these assignments can only be made or changed with formal action by the Board of Supervisors. The assignment of fund balance cannot result in a negative unassigned fund balance.

Unassigned: This classification represents the portion of a spendable fund balance that has not been categorized as restricted, committed, or assigned. The general fund is the only fund which would include a positive unassigned fund balance as all other fund types must categorize amounts within the other classifications. A negative unassigned fund balance may occur in any fund when there is an over expenditure of restricted or committed fund balance. In this case, any assigned fund balance (and unassigned fund balance in the general fund) would be eliminated prior to reporting a negative unassigned fund balance.

Policy Regarding Order of Spending

It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, unassigned fund balance is depleted first, followed by assigned fund balance, and finally committed fund balance.

Interfund Activity

Advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Advances between funds which are not expected to be repaid are accounted for as transfers. Interfund balances and transactions are eliminated in the government-wide financial statements.

Exchange transactions, if any, between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and are shown separately in proprietary funds.

Budget

Rye Township annually adopts calendar year budgets for its general fund, highway aid fund, and solid waste fund. As changes are made to the budget during the fiscal year, amendments are proposed and approved by the Board of Supervisors. All annual appropriations lapse at year end and must be re-appropriated.

RYE TOWNSHIP
Notes to Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Revenues

In the Statement of Activities, modified cash basis revenues that are derived directly from each activity or from parties outside the Township’s taxpayers are reported as program revenues. The Township has the following program revenues in each activity:

General Government	Licenses and permits
Public Safety	Fines and penalty revenue and fire relief funds
Highways	Commercial vehicle and gasoline excise tax shared by the State and other grants
Culture and Recreation	Rental income

All other governmental revenues are reported as general revenues. All taxes are classified as general revenues even if restricted for a specific purpose.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting used by the Township requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense). Accordingly, actual results could differ from those estimates.

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Commonwealth of Pennsylvania’s “Second Class Township Code” and Act 10 of 2016 define allowable investments for Township funds as follows:

- United States Treasury Bills
- Short-term obligations of the United States Government and federal agencies.
- Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, to the extent that the accounts are so insured and, for any amounts above the insured maximum, if approved collateral therefore is pledged by the depository.
- Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth or any political subdivision of the Commonwealth or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

RYE TOWNSHIP
Notes to Financial Statements

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

- Shares of an investment company registered under the Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933, if the only investments at that company are in the authorized investments for Township funds listed in the four (4) categories above.
- Certificates of deposit purchased from institutions insured by the Federal Deposit Insurance Corporation, or the National Credit Union Share Insurance Fund, to the extent that the accounts are so insured. However, for any amounts above the insured maximum, the certificates of deposit shall be secured by a pledge or assignment of assets of the institution, and the collateral may include loans, including interest in pools of loans, secured by first mortgage liens on real property. Certificates of deposit purchased from commercial banks shall be limited to an amount equal to twenty percent of a bank’s total capital and surplus. Certificates of deposit purchased from savings and loan associations or savings banks shall be limited to an amount equal to twenty percent of an institution’s assets minus liabilities.
- Any investment authorized by 20 Pa. C.S. Ch. 73 (relating to fiduciaries investments). This paragraph is limited to investments for any pension or retirement fund.
- Obligations, participations, or other instruments of any Federal agency, instrumentality, or United States government-sponsored enterprises, if the debt obligations are rated at least “A” or its equivalent by at least two nationally recognized statistical ratings organizations.
- Negotiable certificates of deposit or other evidences of deposit, with a remaining maturity of three years or less.
- Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers’ acceptances, if the bankers’ acceptances do not exceed 180 days maturity.
- Commercial paper issued by corporations or other business entities organized in accordance with federal or state law, with a maturity not to exceed 270 days.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township’s deposits may not be returned to it. The Township does not have a written policy for custodial credit risk. As of December 31, 2023, \$ 930,871 of the Township’s bank balance of \$ 1,882,653 was exposed to custodial credit risk as follows:

Uncollateralized	\$	-
Collateralized with securities held by the pledging financial institution		-
Collateralized with securities held by the pledging bank's trust department, not in the Township's name		930,871
		<u>930,871</u>
	\$	<u>930,871</u>

RYE TOWNSHIP
Notes to Financial Statements

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits (Continued)

All bank deposits are fully insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized under Pennsylvania Act 72. Act 72 of 1971, as amended, is an act standardizing the procedures for pledges of assets to secure deposits of public funds with banking institutions pursuant to other laws; establishing a standard rule for the types, amounts and valuations of assets eligible to be used as collateral for deposits of public funds; permitting assets to be pledged against deposits on a pooled basis and authorizing the appointment of custodians to act as the pledger of the assets.

Based on the standards outlined in Act 72, the various banks utilized by the Township have pledged collateral on a pooled basis on behalf of the Township and all other governmental depositors in the respective financial institutions. The Township has a deposit policy for custodial risk that requires depository institutions to pledge securities as collateral for deposits that exceed depository insurance.

Investments

The Township's investments consist primarily of certificates of deposit at local financial institutions. These are considered deposits and are included above for purposes of this disclosure. The Township also invests in negotiable certificates of deposits.

Interest Rate Risk Negotiable Certificates of Deposit

The Township does not have a formal written policy that limits investments maturities. The following details the investments maturities for the debt securities by the Township.

Investment Type	Fair Value	Investment Maturities (in years)	
		Less than 1	1 - 5
Negotiable certificates of deposits	\$ 686,000	\$ 436,000	\$ 250,000

NOTE 3 PROPERTY TAXES

The Township's property tax is levied in December of the previous year on the assessed value as of January 1 as maintained by the county for all nonexempt real property located in the Township. The tax millage rate assessed for the year ended December 31, 2023 was .90 mills (\$.090 per \$ 100 valuation).

Real estate taxes attach as an enforceable lien on property on January 1 and are levied in December of the previous year. The taxes are collected by an elected tax collector. Taxes paid through March 31 are given a 2% discount. Taxes paid after May 30 are charged a 10% penalty. Delinquent real estate taxes are collected by the county.

Tax Abatements

Pennsylvania Clean and Green Program

Clean and Green is a preferential tax assessment program that bases property taxes on use values rather than fair market values. This ordinarily results in tax savings for landowners.

RYE TOWNSHIP
Notes to Financial Statements

NOTE 3 PROPERTY TAXES (CONTINUED)

Property owners can apply at the Perry County tax assessment office for their property to be included in Pennsylvania’s Clean and Green program. The program was enacted as a tool to encourage protection of the Commonwealth’s valuable farmland, forestland, and open spaces. To be eligible, a property must be at least ten acres in size, and in Agriculture Use, Agriculture Reserve, or Forest Reserve. Agricultural Use applications may be less than 10 acres in size if the property is capable of generating at least \$ 2,000 annually in farm income. A landowner who breaches the covenant is subject to seven years of rollback taxes at 6% interest per year. The rollback tax is the difference between what was paid under Clean and Green versus what would have been paid, if the property had not been enrolled, plus 6% simple interest per year.

For the fiscal year ended December 31, 2023, total Township property taxes of \$ 15,770 were abated under this program.

NOTE 4 CAPITAL ASSETS

Capital asset activity resulting from modified cash basis transactions in 2023 was as follows:

	Balance at January 1, 2023	Additions	Deletions	Balance at December 31, 2023
Governmental Activities				
Capital assets not being depreciated				
Construction in progress	\$ 6,246	\$ 6,246	\$ (12,492)	\$ -
Capital assets being depreciated				
Buildings and property	173,142	-	-	173,142
Machinery and equipment	698,129	12,623	(28,900)	681,852
Infrastructure	1,450,761	12,492	-	1,463,253
Total capital assets being depreciated	<u>2,322,032</u>	<u>25,115</u>	<u>(28,900)</u>	<u>2,318,247</u>
Less accumulated depreciation				
Buildings and property	(113,045)	(4,871)	-	(117,916)
Machinery and equipment	(619,542)	(22,921)	28,900	(613,563)
Infrastructure	(374,451)	(50,037)	-	(424,488)
Total accumulated depreciation	<u>(1,107,038)</u>	<u>(77,829)</u>	<u>28,900</u>	<u>(1,155,967)</u>
Governmental activities capital assets, net	<u>\$ 1,221,240</u>	<u>\$ (46,468)</u>	<u>\$ (12,492)</u>	<u>\$ 1,162,280</u>
Business-Type Activities				
Capital assets at cost				
Machinery and equipment	\$ 6,627	\$ -	\$ -	\$ 6,627
Less accumulated depreciation				
Machinery and equipment	(6,395)	(48)	-	(6,443)
Business-type activities capital assets, net	<u>\$ 232</u>	<u>\$ (48)</u>	<u>\$ -</u>	<u>\$ 184</u>

RYE TOWNSHIP
Notes to Financial Statements

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows in the Statement of Activities:

Governmental Activities:	
General government	\$ 5,184
Highways	72,645
	<u>\$ 77,829</u>
Business-Type Activities:	
Solid waste	<u>\$ 48</u>

NOTE 5 PENSION PLANS

Plan Descriptions

The Township sponsors two defined benefit retirement plans which cover Police and Non-Uniformed Employees. Plan provisions are established by municipal ordinance with the authority for municipal contributions required by Act 205 of the Commonwealth.

The plans participate in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Comprehensive Annual Financial Report. A copy of the most recent Comprehensive Annual Financial Report can be obtained by contacting the PMRS accounting office at (717) 787-2065, or by accessing their website at www.pmr.state.pa.us. These plans are not reported in the Township's financial statements as pension trust funds since the Township is not holding these resources in a trustee capacity.

Separate plan financial statements are produced by PMRS for Rye Township's Police and Non-Uniformed Plans. These financial statements can be obtained by contacting the Rye Township office.

Benefits

For Township employees hired prior to January 1, 2019, the plan provides a defined benefit component and a cash balance component. Township employees hired on or after January 1, 2019, receive only the cash balance component. Benefits vest after seven years of service for non-uniformed employees and police officers for hires prior to January 1, 2014. For employees hired after January 1, 2014, vesting occurs after 10 years of service. Non-uniformed employees are eligible for normal retirement after attaining age sixty-two and seven years of service. Eligibility for normal retirement under the Police Officers' plan is attained at age fifty and completion of seven years of service. The Police Officers' plan also includes a disability benefit and survivor benefits. The Township does not have any active police employees; however, the Township is maintaining the police pension plan for inactive plan members. See table that further describes contributions and benefits.

RYE TOWNSHIP
Notes to Financial Statements

NOTE 5 PENSION PLANS (CONTINUED)

Contributions

The Township is required to contribute at an actuarially determined rate. Act 205 establishes the contribution requirements of the plan members and the Township. There is no maximum amount of funds the Township may contribute to the plan in a given year. Administrative costs, including investment services, custodial trustee and actuarial services are charged to the appropriate plan and funded from investment earnings. Plan members are not required to contribute to the plans.

The non-uniform plan is also eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the Township in accordance with Act 205.

Pension plans for non-uniform employees and police with contributions and benefits varying based on the employee's hire date as summarized below.

Non-Uniform

	Contributions	Benefits
Employees hired on or before December 31, 2013	<p><i>Defined Benefit</i></p> <ul style="list-style-type: none"> • Actuarially determined contribution <p><i>Cash Balance</i></p> <ul style="list-style-type: none"> • Township contributes 3% of employee's compensation • Mandatory employee contribution of 3% of after-tax compensation • Optional employee contributions of up to 20% of after-tax compensation 	<p><i>Defined Benefit</i></p> <ul style="list-style-type: none"> • Member's final salary multiplied by 2% multiplied by years of credited service <p><i>Cash Balance</i></p> <ul style="list-style-type: none"> • 6% of compensation earned by the employee during each cash balance contribution period • Member optional after-tax contributions • Interest credited at a rate of 5.25%
Employees hired from January 1, 2014 through December 31, 2018	<p><i>Defined Benefit</i></p> <ul style="list-style-type: none"> • Actuarially determined contribution <p><i>Cash Balance</i></p> <ul style="list-style-type: none"> • Township contributes 1% of employee's compensation • Optional employee contributions of up to 20% of after-tax compensation 	<p><i>Defined Benefit</i></p> <ul style="list-style-type: none"> • Member's final salary multiplied by 1.5% multiplied by years of credited service <p><i>Cash Balance</i></p> <ul style="list-style-type: none"> • 1% of compensation earned by the employee during each cash balance contribution period • Member optional after-tax contributions • Interest credited at a rate of 5.25%
Employees hired after January 1, 2019	<p><i>Cash Balance</i></p> <ul style="list-style-type: none"> • Township contributes 3% of employee's compensation • Mandatory employee contribution of 3% of after-tax compensation • Optional employee contributions of up to 20% of after-tax compensation 	<p><i>Cash Balance</i></p> <ul style="list-style-type: none"> • 6% of compensation earned by the employee during each cash balance contribution period • Member optional after-tax contributions • Interest credited at a rate of 5.25%

RYE TOWNSHIP
Notes to Financial Statements

NOTE 5 PENSION PLANS (CONTINUED)

Police

	Contributions	Benefits
Members hired prior to January 1, 2000	• Actuarially determined	• Member's final salary multiplied by years of credited service multiplied by the benefit accrual rate of 2.25% • Maximum benefit is 70% of the Member's final salary
Members hired on or after January 1, 2000 through December 31, 2013	• Actuarially determined	• Member's final salary multiplied by years of credited service multiplied by the benefit accrual rate of 2.00% • Maximum benefit is 50% of the Member's final salary
Members hired after January 1, 2014	• Actuarially determined	• Member's final salary multiplied by years of credited service multiplied by the benefit accrual rate of 1.50% • Maximum benefit is 50% of the Member's final salary

The Township's annual pension cost and contributions for each plan are as follows:

	Non-Uniform	Police
Contribution rates (% of covered salary, including administrative costs):		
Defined Benefit	Actuarially determined	None
Cash Balance		
Employer	1%-3%	None
Employees	0%-3%	None
Required contribution – Defined Benefit	\$ 18,574	\$ -
Required contribution – Defined Contribution	\$ 4,984	\$ -
Contributions made, including state aid	\$ 37,753	\$ -

Plan Membership

Plan membership consisted of the following at December 31, 2023:

	Non-Uniformed	Police
Active Plan Members	3	-
Retirees and beneficiaries currently receiving benefits	2	3
Terminated plan members entitled to but not yet receiving benefits	1	-
	<u>6</u>	<u>3</u>

NOTE 6 RISK MANAGEMENT – INSURANCE

The Township's risk management activities are recorded in the general fund and are related to administering employee life, health, property and liability, worker's compensation and unemployment insurance programs. Significant losses are covered by commercial insurance for all major programs. For these insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

RYE TOWNSHIP
Notes to Financial Statements

NOTE 7 INTERFUND ACTIVITY

Transfers between funds for the year ended December 31, 2023 were as follows:

	Transfers In	Transfers Out
General Fund	\$ 55,806	\$ 53,708
Capital Reserve Fund	37,865	55,806
Solid Waste Fund	15,843	-
Total	<u>\$ 109,514</u>	<u>\$ 109,514</u>

The following transfers were made during the year:

General Fund to Capital Reserve: budgeted transfer for future road projects & equipment.

General Fund to Solid Waste: transfer to cover costs and for solid waste fund's share of benefits.

Budgeted transfer to cover costs	\$ 16,000
Transfer to allocate payroll taxes and benefits	<u>(157)</u>
Total Solid Waste Fund transfers, net	<u>\$ 15,843</u>

Capital Reserve to General Fund: transfer to cover costs of current year projects.

NOTE 8 GOVERNMENTAL FUNDS – FUND BALANCE

The following table provides details of the fund balance classifications which are aggregated on the governmental funds balance sheet:

	General Fund	Capital Reserve Fund	Highway Aid Fund	Governmental Funds
FUND BALANCES				
Restricted for				
Future road projects/equipment	\$ 8,846	\$ 176,671	\$ 7,444	\$ 192,961
Elaine Pierson memorial fund	-	12,065	-	12,065
American Rescue Plan Act (ARPA)	2,871	257,787	-	260,658
	<u>11,717</u>	<u>446,523</u>	<u>7,444</u>	<u>465,684</u>
Committed for				
Comp plan update	-	17,974	-	17,974
Act 537 plan update	20,000	-	-	20,000
Underground storage tanks	-	22,063	-	22,063
Future land purchase	-	187,128	-	187,128
Future road equipment	-	10,000	-	10,000
Future road projects	-	74,346	-	74,346
Future trash expenditures	-	78,077	-	78,077
Future parks and recreation expenditures	-	5,427	-	5,427
Future bridge projects	50,106	58,933	-	109,039
Future capital improvements	20,000	6,017	-	26,017
Future MS4 expenditures	-	38,561	-	38,561
Future office equipment	-	2,040	-	2,040
Future guide rail expenditures	-	22,503	-	22,503
	<u>90,106</u>	<u>523,069</u>	<u>-</u>	<u>613,175</u>
Unassigned	<u>1,173,239</u>	<u>-</u>	<u>-</u>	<u>1,173,239</u>
Total fund balances	<u>\$ 1,275,062</u>	<u>\$ 969,592</u>	<u>\$ 7,444</u>	<u>\$ 2,252,098</u>

RYE TOWNSHIP
Notes to Financial Statements

NOTE 9 CONTINGENCIES

During the course of performing its duties for the general public that it services, the Township may be subject to various threatened lawsuits and claims. There were no claims that management or legal counsel believes would have a material effect on the Township's financial position. Management believes that losses resulting from these matters, if any, would be substantially covered under the Township's professional liability insurance policy and would not have a material effect on the financial position of the Township.

OTHER SUPPLEMENTARY INFORMATION

RYE TOWNSHIP
Budgetary Comparison Schedule - Modified Cash Basis - General Fund
Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Real estate	\$ 169,476	\$ 169,476	\$ 171,117	\$ 1,641
Per capita	8,900	8,900	8,851	(49)
Real estate transfer	37,000	37,000	27,172	(9,828)
Earned income	<u>311,000</u>	<u>311,000</u>	<u>382,066</u>	<u>71,066</u>
Total taxes	<u>526,376</u>	<u>526,376</u>	<u>589,206</u>	<u>62,830</u>
Licenses and permits				
Sewage	6,055	6,055	4,210	(1,845)
Miscellaneous	<u>12,255</u>	<u>12,255</u>	<u>9,713</u>	<u>(2,542)</u>
Total licenses and permits	<u>18,310</u>	<u>18,310</u>	<u>13,923</u>	<u>(4,387)</u>
Fines and penalties				
	<u>3,050</u>	<u>3,050</u>	<u>2,508</u>	<u>(542)</u>
Interest and rents				
	<u>29,502</u>	<u>29,502</u>	<u>42,351</u>	<u>12,849</u>
Intergovernmental				
Game commission	7,888	7,888	7,888	-
Public utility realty tax	560	560	545	(15)
Federal, state and other grants	<u>25,955</u>	<u>25,955</u>	<u>34,999</u>	<u>9,044</u>
Total intergovernmental revenue	<u>34,403</u>	<u>34,403</u>	<u>43,432</u>	<u>9,029</u>
Charges for services				
	<u>3,450</u>	<u>3,450</u>	<u>553</u>	<u>(2,897)</u>
Other revenue				
Miscellaneous revenue and reimbursements	<u>209</u>	<u>209</u>	<u>438</u>	<u>229</u>
Total revenues	<u>\$ 615,300</u>	<u>\$ 615,300</u>	<u>\$ 692,411</u>	<u>\$ 77,111</u>

RYE TOWNSHIP
Budgetary Comparison Schedule - Modified Cash Basis - General Fund (Continued)
Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
General government				
Salaries and wages	\$ 77,335	\$ 77,335	\$ 74,013	\$ 3,322
Advertising and printing	750	750	434	316
Auditing and accounting	13,980	13,980	13,928	52
Building maintenance and supplies	15,500	15,500	10,459	5,041
Legal services	16,800	16,800	9,693	7,107
Engineering	12,000	8,500	3,839	4,661
Payroll taxes	17,100	17,100	13,502	3,598
Non-uniform pension	17,058	17,058	31,269	(14,211)
Property insurance	25,000	25,000	23,347	1,653
Workmen's compensation insurance	13,000	12,000	11,297	703
Group insurance	53,500	58,850	59,244	(394)
Supplies and other expenditures	<u>26,651</u>	<u>31,151</u>	<u>25,498</u>	<u>5,653</u>
Total general government	<u>288,674</u>	<u>294,024</u>	<u>276,523</u>	<u>17,501</u>
Public safety				
Contributions to fire and rescue companies	54,940	54,940	54,194	746
Fire relief pass-through payments	15,355	15,355	15,185	170
Supplies and zoning ordinance update	7,200	7,200	5,320	1,880
Other expenditures	<u>14,100</u>	<u>11,600</u>	<u>7,653</u>	<u>3,947</u>
Total public safety	<u>\$ 91,595</u>	<u>\$ 89,095</u>	<u>\$ 82,352</u>	<u>\$ 6,743</u>

RYE TOWNSHIP
Budgetary Comparison Schedule - Modified Cash Basis - General Fund (Continued)
Year Ended December 31, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original	Final	Actual	
EXPENDITURES - (CONTINUED)				
Highways				
Salaries and wages	\$ 109,480	\$ 107,480	\$ 98,116	\$ 9,364
Fuel	20,000	20,000	6,594	13,406
Supplies	1,500	2,500	3,125	(625)
Snow and ice removal	23,100	20,350	12,512	7,838
Equipment purchases	3,000	3,000	2,080	920
Street signs/traffic signals	8,500	7,600	1,146	6,454
Storm sewers/drains	18,000	4,800	479	4,321
Machine repairs and maintenance	12,200	33,200	34,655	(1,455)
Maintenance - roads and bridges	63,300	57,300	34,320	22,980
Total highways	<u>259,080</u>	<u>256,230</u>	<u>193,027</u>	<u>63,203</u>
Other public works				
Cemeteries	<u>1,440</u>	<u>1,440</u>	<u>1,320</u>	<u>120</u>
Culture and recreation				
Payments and contributions to library	3,561	3,561	3,588	(27)
Contributions to Senior Citizens Center	1,200	1,200	1,200	-
Other culture and recreation	<u>9,450</u>	<u>9,450</u>	<u>3,394</u>	<u>6,056</u>
Total culture and recreation	<u>14,211</u>	<u>14,211</u>	<u>8,182</u>	<u>6,029</u>
Total expenditures	<u>655,000</u>	<u>655,000</u>	<u>561,404</u>	<u>93,596</u>
OTHER FINANCING SOURCES/(USES)				
Transfers in	54,700	54,700	55,806	1,106
Transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(53,708)</u>	<u>(38,708)</u>
Total other financing sources (uses)	<u>39,700</u>	<u>39,700</u>	<u>2,098</u>	<u>(37,602)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	133,105	<u>\$ 133,105</u>
Fund balance - beginning			<u>1,141,957</u>	
Fund balance - ending			<u>\$ 1,275,062</u>	

RYE TOWNSHIP
Budgetary Comparison Schedule - Modified Cash Basis - Highway Aid Fund
Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State grant - liquid fuels tax	\$ 122,000	\$ 122,000	\$ 124,407	\$ 2,407
Interest	<u>1,000</u>	<u>1,000</u>	<u>1,331</u>	<u>331</u>
Total revenues	<u>123,000</u>	<u>123,000</u>	<u>125,738</u>	<u>2,738</u>
EXPENDITURES				
Construction and rebuilding of highways	<u>140,000</u>	<u>140,000</u>	<u>121,746</u>	<u>18,254</u>
Total expenditures	<u>140,000</u>	<u>140,000</u>	<u>121,746</u>	<u>18,254</u>
Net change in fund balance	<u>\$ (17,000)</u>	<u>\$ (17,000)</u>	3,992	<u>\$ 20,992</u>
Fund balance - beginning			<u>3,452</u>	
Fund balance - ending			<u>\$ 7,444</u>	

RYE TOWNSHIP
Budgetary Comparison Schedule - Modified Cash Basis - Solid Waste Fund
Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
OPERATING REVENUES				
Charges for services	\$ 207,200	\$ 207,200	\$ 214,550	\$ 7,350
OPERATING EXPENSES				
Salaries and wages	17,115	17,115	15,352	1,763
Payroll taxes and benefits	9,150	9,150	10,577	(1,427)
Tipping fees	540	540	245	295
Collection fees	6,000	6,000	5,434	566
Other supplies and expenses	12,919	12,919	9,266	3,653
Contracted services	193,276	193,276	193,276	-
Depreciation expense	-	-	48	(48)
Total expenses	<u>239,000</u>	<u>239,000</u>	<u>234,198</u>	<u>4,802</u>
Operating income (loss)	<u>(31,800)</u>	<u>(31,800)</u>	<u>(19,648)</u>	<u>12,152</u>
NONOPERATING REVENUES				
Interest	1,800	1,800	2,135	335
Intergovernmental revenue	-	-	1,897	1,897
Total nonoperating revenues	<u>1,800</u>	<u>1,800</u>	<u>4,032</u>	<u>2,232</u>
Net income (loss) before transfers	<u>(30,000)</u>	<u>(30,000)</u>	<u>(15,616)</u>	<u>14,384</u>
Transfers in	30,000	30,000	16,093	(13,907)
Transfers out	-	-	(250)	(250)
Net transfers	<u>30,000</u>	<u>30,000</u>	<u>15,843</u>	<u>(14,157)</u>
Change in net position	<u>\$ -</u>	<u>\$ -</u>	227	<u>\$ 227</u>
Total net position - beginning			<u>296,444</u>	
Total net position - ending			<u>\$ 296,671</u>	