

Lower Milford Township

Lehigh County

Pennsylvania

MUNICIPAL ANNUAL AUDIT

AND FINANCIAL REPORT

2025



INDEPENDENT AUDITORS' REPORT

Lower Milford Township Supervisors
President Judge of the Court of Common Pleas
Secretary of Community & Economic Development

Opinion

We have audited the accompanying Annual Audit and Financial Report (DCED-CLGS-30) of Lower Milford Township, as of and for the year ended December 31, 2025, which collectively includes the Balance Sheet as of December 31, 2025, Statement of Revenues and Expenditures, Debt Statement and Statement of Capital Expenditures and Employee Compensation (Regulatory Basis) for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of Lower Milford Township, as of December 31, 2025, and the regulatory basis results of its operations for the year then ended, in accordance with the financial reporting provisions described in the instructions provided by Pennsylvania department of Community and Economic Development (DCED).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lower Milford 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 unmodified audit opinion.

Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting as prescribed by the financial reporting provisions of the Department of Community and Economic Development of Pennsylvania, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the Annual Audit and Financial Report (DCED-CLGS-30) in accordance with the financial reporting provision of the Department of Community and Economic Development of Pennsylvania. Management is also responsible 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 error of fraud.

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 Lower Milford Township's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

- 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 Lower Milford 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 Lower Milford 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.

Restriction on Use

This report is intended solely for the information and use of the Township Council, management of Lower Milford Township and for filing with State and County agencies and should not be used by anyone other than these specified parties.

MVA Audit PLLC

March 15, 2026

Quakertown, Pennsylvania

**2025 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

390335 LOWER MILFORD TWP, LEHIGH COUNTY



BALANCE SHEET

DCED-CLGS-30 (09-09)

LOWER MILFORD TWP, LEHIGH County
BALANCE SHEET
 December 31, 2025

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Assets and Other Debits											
100-120	Cash and Investments	1,989,449	430,328	775,410		91,974		36,742			3,323,903
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds			185,000							185,000
131-139, 150-159	Other Current Assets										
160-169	Fixed Assets					1,308,784					1,308,784
180-189	Other Debits										
Total Assets and Other Debits		1,989,449	430,328	960,410		1,400,758		36,742			4,817,687

Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings										
200-209, 231-239	All Other Current Liabilities							36,742			36,742
230.00	Due To Other Funds	135,000				50,000					185,000

LOWER MILFORD TWP, LEHIGH County

BALANCE SHEET

December 31, 2025

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities										
240-259	Current Portion of Long-Term Debt and Other Credits										
Total Liabilities and Other Credits		135,000				50,000		36,742			221,742
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets					1,350,758					1,350,758
270-289	Fund Balance / Retained Earnings on 12/31	1,854,449	430,328	960,410							3,245,187
291-299	Other Equity										
Total Fund and Account Group Equity		1,854,449	430,328	960,410		1,350,758					4,595,945
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											4,817,687

LOWER MILFORD TWP, LEHIGH County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Taxes

301.00	Real Estate Taxes	264,588	126,201					390,789
305.00	Occupation Taxes (levied under municipal code)							
308.00	Residence Taxes (levied by cities of the 3rd Class)							
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)							
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	108,988						108,988
310.20	Earned Income Taxes / Wage Taxes	935,302						935,302
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	19,671						19,671
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		1,328,549	126,201					1,454,750

Licenses and Permits

320-322	All Other Licenses and Permits	46,315						46,315
321.80	Cable Television Franchise Fees							
Total Licenses and Permits		46,315						46,315

Fines and Forfeits

330-332	Fines and Forfeits	103						103
Total Fines and Forfeits		103						103

LOWER MILFORD TWP, LEHIGH County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Interest, Rents and Royalties								
341.00	Interest Earnings	85,676	23,165	29,156		2,515		140,512
342.00	Rents and Royalties							
Total Interest, Rents and Royalties		85,676	23,165	29,156		2,515		140,512

Federal								
351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants							
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements							
353.00	Federal Payments in Lieu of Taxes							
Total Federal								

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101							
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	1,218						1,218
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		227,472					227,472
355.04	Alcoholic Beverage Licenses	200						200
355.05	General Municipal Pension System State Aid	25,516						25,516
355.07	Foreign Fire Insurance Tax Distribution		34,832					34,832
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution							

LOWER MILFORD TWP, LEHIGH County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

State								
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
Total State		26,934	262,304					289,238

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	1,436						1,436
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units		1,436						1,436

Charges for Service								
361.00	General Government	50,616						50,616
362.00	Public Safety	36,665						36,665
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	150						150
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				88,476			88,476
364.30	Solid Waste Collection and Disposal Charge (trash)							
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	6,840						6,840
368.00	Airports							

LOWER MILFORD TWP, LEHIGH County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service	1,748						1,748
Total Charges for Service		96,019			88,476			184,495

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors							
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues	6,216						6,216
Total Unclassified Operating Revenues		6,216						6,216

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	5,110						5,110
392.00	Interfund Operating Transfers			200,000				200,000
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

LOWER MILFORD TWP, LEHIGH County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	45,183						45,183
Total Other Financing Sources		50,293		200,000				250,293

TOTAL REVENUES

1,641,541	411,670	229,156		90,991			2,373,358
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	7,767						7,767
401.00	Executive (Manager or Mayor)	38,422						38,422
402.00	Auditing Services / Financial Administration	95,529						95,529
403.00	Tax Collection	18,742						18,742
404.00	Solicitor / Legal Services	119,113						119,113
405.00	Secretary / Clerk							
406.00	Other General Government Administration	121,148						121,148
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	51,399						51,399
409.00	General Government Buildings and Plant	56,494						56,494
Total General Government		508,614						508,614

Public Safety

410.00	Police							
411.00	Fire		195,209					195,209
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	25,620						25,620

LOWER MILFORD TWP, LEHIGH County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Safety								
414.00	Planning and Zoning	126,700						126,700
415.00	Emergency Management and Communications	852						852
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety							
Total Public Safety		153,172	195,209					348,381

Health and Human Services								
420.00-425.00	Health and Human Services	600						600
Total Health and Human Services		600						600

Public Works - Sanitation								
426.00	Recycling Collection and Disposal	40,000						40,000
427.00	Solid Waste Collection and Disposal (garbage)							
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				77,812			77,812
Total Public Works - Sanitation		40,000			77,812			117,812

Public Works - Highways and Streets								
430.00	General Services - Administration	96,808						96,808
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		55,937					55,937
433.00	Traffic Control Devices	7,476						7,476
434.00	Street Lighting							

LOWER MILFORD TWP, LEHIGH County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Works - Highways and Streets								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains	4,493						4,493
437.00	Repairs of Tools and Machinery	62,647						62,647
438.00	Maintenance and Repairs of Roads and Bridges	436,472	167,495	169,619				773,586
439.00	Highway Construction and Rebuilding Projects							
Total Public Works - Highways and Streets		607,896	223,432	169,619				1,000,947

Other Public Works Enterprises								
440.00	Airports							
441.00	Cemeteries							
442.00	Electric System							
443.00	Gas System							
444.00	Markets							
445.00	Parking							
446.00	Storm Water and Flood Control							
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises								

Culture and Recreation								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	5,250						5,250

LOWER MILFORD TWP, LEHIGH County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries	20,000						20,000
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation	6,083						6,083
Total Culture and Recreation		31,333						31,333

Community Development								
461.00	Conservation of Natural Resources	6,167						6,167
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development		6,167						6,167

Debt Service								
471.00	Debt Principal (short-term and long-term)				27,274			27,274
472.00	Debt Interest (short-term and long-term)				1,867			1,867
475.00	Fiscal Agent Fees							
Total Debt Service					29,141			29,141

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation							
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions							

LOWER MILFORD TWP, LEHIGH County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Employer Paid Benefits and Withholding Items								
484.00	Worker Compensation Insurance							
487.00	Other Group Insurance Benefits							
Total Employer Paid Benefits and Withholding Items								

Insurance								
486.00	Insurance, Casualty, and Surety	43,070						43,070
Total Insurance		43,070						43,070

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures	8,493						8,493
Total Unclassified Operating Expenditures		8,493						8,493

Other Financing Uses								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	200,000						200,000
493.00	All Other Financing Uses							
Total Other Financing Uses		200,000						200,000

TOTAL EXPENDITURES	1,599,345	418,641	169,619		106,953			2,294,558
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	42,196	-6,971	59,537		-15,962			78,800
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LOWER MILFORD TWP

December 31, 2025

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
PennVest - Sewer Loan	Note	2010	2031	497,773	199,198		27,274		171,924		171,924
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	171,924
Capitalized lease obligations	0
Net debt	171,924

LOWER MILFORD TWP, LEHIGH County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2025

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire	115,622		115,622
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways	77,650	169,619	247,269
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	193,272	169,619	362,891

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)

459,556

Independent Public Accountant/Certified Public Accountant Submission Page
Opinion page was provided in lieu of signature page.

SIGNATURE AND VERIFICATION

Signed: Todd Joseph CPA Appointed Auditor/CPA

December 31, 2025

NOTES / COMMENTS

Lower Milford
Concise Financial Statements
2025

Fund Balance & Retained Earnings on 1/1 \$ 4,518,144

Revenues & Inflows

General Fund	\$ 1,640,542
Special Revenue Funds	411,670
Capital Projects Funds	229,156
Debt Service	-
Enterprise & Proprietary Funds	90,991
Trust & Pension	-
	<hr/>
	2,372,359

Expenditures, Expenses & Outflows

General Fund	1,599,345
Special Revenue Funds	418,642
Capital Projects Funds	169,619
Debt Service	-
Enterprise & Proprietary Funds	106,954
Trust & Pension	-
	<hr/>
	2,294,559

Fund Balance & Retained Earnings on 12/31 \$ 4,595,944

Assessed Valuation in total	\$ 482,947,500
General Purpose Millage	0.67756
Indebtedness	\$ 171,924
Infrastructure & Fixed Assets	\$ -