

SOLEBURY TOWNSHIP, PENNSYLVANIA
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Solebury Township
Solebury, Pennsylvania

Report on The Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Solebury Township (the "Township"), as of and for the year ended December 31, 2025, 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 present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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.

Responsibilities of Management for the Financial Statements

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

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



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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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Adoption of Governmental Accounting Standards Boards Statements

The Township adopted the provision of Governmental Accounting Standards Board's Statement No. 102, *Certain Risk Disclosures*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in employer's net pension liability (asset) and related ratios, schedules of employers contributions, investment returns, and budgetary comparison information, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining nonmajor fund financial statements and budget to actual schedules for major and nonmajor funds ("supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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 supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Jamison, PA
June 25, 2026

Zelenkofske Axelrod LLC

Zelenkofske Axelrod LLC

**SOLEBURY TOWNSHIP, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025
(Unaudited)**

This discussion and analysis of Solebury Township's financial performance provides an overview of the Township's financial activities for the fiscal year ended December 31, 2025. Please read it in conjunction with the Township's financial statements that begin on page 13.

FINANCIAL HIGHLIGHTS

- Solebury Township had a fiscally sound year in 2025. Strong collections from Real Estate Transfer Tax, Real Estate Tax, and Earned Income Tax, together with continued grant funding and stable investment earnings, enabled the Township to increase its net position by \$5.2 million. Township Administration continued to carefully monitor expenditures and strategically manage resources while investing in major community projects, infrastructure improvements, and land preservation initiatives.
- Interest and other income remained strong in 2025, generating approximately \$674,000. Although interest earnings declined slightly from the record levels experienced in 2024, the Township continued to benefit from prudent cash management practices and a favorable investment environment. These earnings provided additional support for operational and capital needs while contributing to the Township's overall financial stability.
- Moody's continued to rate the Township Aa1, reflecting the Township's strong financial position, healthy reserves, disciplined budgeting practices, and manageable debt profile.
- The Township continued to modernize its technological infrastructure during 2025 through ongoing investments in software, hardware, cybersecurity measures, and operational efficiencies. These efforts enhance service delivery, improve data security, and position the Township to meet evolving operational needs.
- The Township continued advancing its sustainability and community improvement initiatives in 2025. Investments in park facilities, land preservation, green infrastructure, and energy-efficiency projects demonstrate the Township's ongoing commitment to environmental stewardship, quality-of-life improvements, and the goals established through its sustainability planning efforts.

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 presentation of its financial statements.

Report Components

This annual report consists of five parts as follows:

Government-Wide Financial Statements: Government-wide financial statements (starting on page 13) are designed to provide readers with a broad overview of Solebury Township's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the Township's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the Township is improving or deteriorating.

The statement of activities presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses

**SOLEBURY TOWNSHIP, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025
(Unaudited)**

are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused leave time).

Fund Financial Statements: Fund financial statements (starting on page 15) focus on the individual parts of the Township government. Governmental fund financial statements are presented on the modified accrual basis of accounting and provide information about the Township's most significant (major) funds. These statements demonstrate how these services were financed in the short term as well as what remains for future spending. Fiduciary fund financial statements are presented on the accrual basis.

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 explanations and detail.

Required Supplementary Information: The Management's Discussion and Analysis and the information concerning the Township's schedules of changes in pension liabilities and employer contributions and investment returns, and the General Fund Budgetary Comparison Schedules (found on pages 48 through 54) represent financial information required by GASB. Such information provides additional data that supplements the entity-wide and fund financial statements and notes (referred to as the basic financial statements).

Other Supplementary Information: This part of the annual report (starting on page 55) includes optional financial information such as fund budgetary comparison schedules and combining statements for nonmajor funds (which are shown in the fund financial statements in a single column). This other supplemental financial information is provided to address certain specific needs of various users of the Township's annual report.

Basis of Accounting

Government-Wide Financial Statements

Government-wide financial statements are highly aggregated financial statements that present financial information for all assets (including infrastructure capital assets), deferred outflows of resources, liabilities, deferred inflows of resources, and net position of a primary government, except for fiduciary funds. Government-wide financial statements use the economic resource measurement focus and accrual basis accounting. These financial statements are designed to help users assess the finances of the government in its entirety, including the year's operating results; determine whether the government's overall financial position improved or deteriorated; and evaluate whether the government's current-year revenues were sufficient to pay for current-year services. They also are designed to help users assess the cost of providing services to the citizenry, determine how the government finances its programs – through user fees and other program revenues versus general tax revenues, understand the extent to which the government has invested in capital assets, including roads, bridges, and other infrastructure assets, and make better comparisons between governments.

Fund Financial Statements

The fund financial statements provide a detailed look at the Township's most significant funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Solebury Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Solebury Township can be divided into two categories: Governmental funds and Fiduciary funds.

Reporting the Township's Most Significant Funds

The Fund Financial Statements

The fund financial statements begin on page 15 and provide detailed information about the most significant funds rather than the Township as a whole. Some funds are required to be established by State law. The Board of Supervisors establishes certain other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other monies.

**SOLEBURY TOWNSHIP, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025
(Unaudited)**

Governmental Funds

All of the Township's basic services are reported in Governmental funds, which focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Governmental funds are reported using an accounting method called *modified accrual accounting*. These funds report debt proceeds as other financing sources and the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and liability balances. The Governmental fund statements provide a detailed short-term view of the Township's general government operations and basic services it provides. Governmental fund information helps determine (through a review of changes to fund balance) whether there are more or few financial resources that can be spent in the near future to finance the Township's programs. The Township considers the General, Land Preservation, Debt Service, Capital Projects and Capital Reserve Funds to be its significant or major Governmental funds. All other Governmental funds are aggregated in a single column entitled nonmajor funds.

Fiduciary Funds

The Township currently has two Fiduciary funds: The Police Pension Fund and the Custodial Fund. *Fiduciary funds* are used to account for assets that are held in a trustee or fiduciary capacity and are reported using accrual accounting.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 - Solebury Township's Net Position

	2025	2024
Current and Other Assets	\$ 19,980,376	\$ 24,104,876
Capital Assets	56,757,426	52,981,850
Total Assets	76,737,802	77,086,726
Deferred Outflows from Pension	257,239	394,580
Total Deferred Outflows of Resources	257,239	394,580
Current Liabilities	2,402,247	2,112,312
Noncurrent Liabilities	10,428,983	16,836,010
Total Liabilities	12,831,230	18,948,322
Deferred Inflows from Pension	2,011,442	1,581,482
Total Deferred Inflows of Resources	2,011,442	1,581,482
Net Position		
Net Investment in Capital Assets	49,350,379	41,875,665
Restricted and Assigned	11,110,661	11,972,653
Unrestricted	1,691,329	3,103,184
Total Net Position	\$ 62,152,369	\$ 56,951,502

The Township's net position increased for the fourteenth consecutive year, rising by \$5,200,867 in 2025 to a total of \$62,152,369. This increase reflects strong operating performance, continued growth, in tax revenues, successful grant funding efforts, and significant investments in capital assets and community development projects.

Capital assets increased \$3,775,576 during 2025, driven primarily by park improvements, land preservation activities, and other capital investments. Current and other assets declined as the Township utilized

**SOLEBURY TOWNSHIP, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025
(Unaudited)**

reserves to fund capital projects and debt service obligations. Total liabilities decreased by more than \$6.1 million, largely due to the continued repayment of outstanding debt. The reduction in liabilities, combined with the increase in capital assets, contributed significantly to the Township's improved financial position.

	2025	2024
Revenues:		
Program Revenues		
Charges for Services	\$ 836,713	\$ 868,230
Operating Grants and Contributions	615,438	518,453
Capital Grants and Contributions	508,653	1,149,462
General Revenues:		
Real Estate Taxes	6,324,857	5,970,642
Local Service Taxes	104,993	873,890
Real Estate Transfer taxes	1,012,742	3,803,583
Earned Income taxes	4,708,088	103,826
Interest and Rents	673,818	743,035
Miscellaneous	58,777	31,522
Total Revenues	14,844,079	14,062,643
Expenses:		
General Government	2,391,656	3,332,012
Public Safety	2,893,436	5,312,092
Public Works	1,252,895	1,073,560
Community Development	1,907,883	-
Culture and Recreation	263,412	272,855
Preservation of Natural Resources	831,086	248,878
Interest on Long-Term Debt	102,844	194,421
Total Expenses	9,643,212	10,433,818
Change in Net Position	5,200,867	3,628,825
Net Position - Beginning of Year	56,951,502	53,322,677
Net Position - End of Year	\$ 62,152,369	\$ 56,951,502

The Township's net position increased by approximately \$5.2 million in 2025, exceeding the prior year increase of \$3.6 million. Growth in Real Estate Transfer Tax collections, Earned Income Tax revenues, and grant funding contributed to the increase, while overall expenses declined by approximately \$791,000 compared to 2024. Continued debt reduction, strategic financial planning, and disciplined expenditure management allowed the Township to maintain its strong financial condition while advancing major capital, community development, and preservation initiatives.

The Township continued to maintain its Aa1 bond rating, supporting favorable borrowing costs and demonstrating the strength of its long-term financial management practices.

**SOLEBURY TOWNSHIP, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025
(Unaudited)**

Balance Sheet – Governmental Funds

The Township's total governmental fund balances, resulting from modified accrual basis accounting transactions, decreased from \$20,689,903 in 2024 to \$15,185,463 in 2025. The decrease was primarily attributable to planned expenditures for capital improvements, community development projects, land preservation activities, and debt service obligations.

	<u>2025</u>	<u>2024</u>
Cash and Investments	\$ 16,010,480	\$ 21,773,882
Taxes and other Receivables	1,576,806	1,008,974
Prepaid Items	78,815	21,324
Total Assets	<u>\$ 17,666,101</u>	<u>\$ 22,804,180</u>
Accounts Payable and Accrued Liabilities	\$ 584,431	\$ 495,978
Escrow Liabilities	1,312,711	1,468,567
Unearned Revenues	489,390	119,754
Total Liabilities	<u>2,386,532</u>	<u>2,084,299</u>
Deferred Inflow of Resources	94,106	29,978
Fund Balances:		
Nonspendable	78,815	21,324
Restricted	11,257,411	15,807,731
Unassigned	3,849,237	4,860,848
Total Fund Balances	<u>15,185,463</u>	<u>20,689,903</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 17,666,101</u>	<u>\$ 22,804,180</u>

The Township ended 2025 in a strong financial position with \$17.7 million in total governmental fund assets and \$15.2 million in fund balances. Cash and investments totaled approximately \$16.0 million, while restricted fund balances of \$11.3 million remained available for designated projects and services. Although fund balances declined during the year as resources were utilized for significant capital and preservation initiatives, the Township continues to maintain substantial reserves and financial flexibility to address future operational and capital needs.

**SOLEBURY TOWNSHIP, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025
(Unaudited)**

Change in Fund Balances

For the years ended December 31, 2025, and 2024, the Township's total Governmental fund balances changed as follows:

	<u>2025</u>	<u>2024</u>
Revenues:		
Program Revenues		
Charges for Services	\$ 621,698	\$ 642,018
Intergovernmental	1,124,091	1,667,915
General Revenues:		
Real Estate Taxes	6,260,729	6,006,257
Real Estate Transfer taxes	1,012,742	873,890
Earned Income taxes	4,708,088	3,803,583
Local Service Tax	104,993	103,826
Interest and Rents	673,818	743,035
Licenses and Permits	196,712	200,538
Fines, Forfeits, and Costs	18,303	25,674
Refunds and Miscellaneous	32,564	18,616
Other Financing Sources:		
Transfers In	5,493,424	1,866,500
Proceeds from Sale of Capital Assets	26,213	12,906
Total Revenues and Other Financing Sources	<u>\$ 20,273,375</u>	<u>\$ 15,964,758</u>
Expenditures:		
General Government	2,818,799	3,041,617
Public Safety	4,343,755	4,221,554
Public Works	1,746,815	1,251,159
Community Development	1,907,883	-
Culture and Recreation	263,412	272,855
Preservation of Natural Resources	831,086	248,878
Miscellaneous		
Employee Benefits	454,572	486,294
Pension	444,457	431,692
Insurance	976,012	1,000,570
Other	8,571	38,951
Debt Service	3,320,029	3,322,246
Other Financing Sources:		
Payments made to Escrow Agent	3,169,000	-
Transfers Out	5,493,424	1,866,500
Total Expenditures and other Financing Uses	<u>25,777,815</u>	<u>16,182,316</u>
Change in Fund Balances	(5,504,440)	(217,558)
Fund Balances - Beginning of Year	<u>20,689,903</u>	<u>20,907,461</u>
Fund Balances - End of Year	<u>\$ 15,185,463</u>	<u>\$ 20,689,903</u>

Budget to Actual comparisons for the major funds are noted in these Financial Statements beginning on page 53.

**SOLEBURY TOWNSHIP, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025
(Unaudited)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Table 3 - Capital Assets, Net of Depreciation

	<u>2025</u>	<u>2024</u>
Land, Art, and Land Easements	\$ 39,979,854	\$ 39,171,798
Construction in Process	124,189	-
Land Improvements	1,039	3,126
Park Improvements	7,691,851	4,434,315
Buildings and improvements	4,719,127	4,801,497
Vehicles and Equipment	1,464,803	1,568,447
Furniture, Fixtures and Equipment	253,043	280,093
Infrastructure	<u>2,523,520</u>	<u>2,722,574</u>
Total	<u>\$ 56,757,426</u>	<u>\$ 52,981,850</u>

Capital assets increased by approximately \$3.8 million during 2025. The increase was driven primarily by investments in park improvements, land preservation activities, and other capital projects undertaken during the year. These investments reflect the Township's continued commitment to preserving community assets, enhancing recreational opportunities, and maintaining critical infrastructure.

Capital Debt

At December 31, 2025, and 2024, the Township had \$9,577,000 and \$15,803,000, respectively, in long-term debt outstanding. Principal and interest payments in 2025 were \$3,057,000 and \$263,029 as well as \$3,169,000 in payments to a bond escrow agent, and in 2024 were \$2,985,000 and \$337,246, respectively. With the exception of the General Obligation Bonds Series 2017A and Series 2019, and General Obligation Note Series 2021B, all debt is voter approved for the acquisition of open space and land conservation easements. Non-voter approved debt was used for Township capital construction projects and infrastructure improvements.

Table 4 - Outstanding Debt

	<u>2025</u>	<u>2024</u>
General Obligation Bonds	\$ 6,050,000	\$ 8,665,000
Direct Placement Notes	<u>3,527,000</u>	<u>7,138,000</u>
Total General obligation Notes and Bonds	<u>\$ 9,577,000</u>	<u>\$ 15,803,000</u>

The Township continued its long-term debt repayment strategy during 2025, significantly reducing outstanding debt obligations by making advance payments on General Obligation Bond 2020 and Note 2021A. Continued principal payments strengthened the Township's financial position and reduced future debt service requirements. Additional information regarding the Township's long-term debt can be found in Note 5 to the financial statements.

**SOLEBURY TOWNSHIP, PENNSYLVANIA
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025
(Unaudited)**

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

Economic conditions continue to present challenges for local governments, including inflationary pressures, rising operating costs, and uncertainty regarding future economic growth. Despite these challenges, the Township experienced strong real estate transfer tax activity and stable tax revenues during 2025. The Township continues to utilize a conservative budgeting approach, relying on historical revenue trends, prudent expenditure planning, and the maintenance of adequate reserves to preserve long-term financial stability.

The 2026 budget continues to support key Township initiatives, including the Roads & Bridges Program, the Sustainability Fund, and the Land Preservation Program. The Township remains committed to maintaining and improving infrastructure while expanding recreational opportunities for residents, highlighted by the acquisition of Lake Solebury, the former New Hope Crushed Stone quarry, and design work and future construction on Solebury Green as well as utilizing the Capital Projects Fund for the provision of maintenance of aging facilities and outlining the future improvement projects such as traffic improvements and park development. In 2024, the Township commenced an update to the Comprehensive Plan and the Park, Recreation, Open Space & Greenways Plan. Both plan updates will be completed during 2026. These plans will guide future priorities and budgets.

The proposed 2026 budget maintains the current tax millage, ensuring continued support for the health, safety, and well-being of Township residents. The tax millage is allocated as follows:

- General Fund 8.45
- Fire Fund 2.5
- Debt Service Fund 13.129
- Library Fund 0.541
- EMS Fund 1.2902

Total Proposed Millage 25.9102 (Unchanged from 2025)

In preparing the budget, staff sought to balance immediate operational needs with long-term capital and infrastructure priorities. While economic conditions remain uncertain, budgeted revenues were projected using historical performance, current development activity, and revenue trends experienced during 2025. Key factors that could affect Township finances over the next five years include: (1) the pace of tax revenue growth; (2) management of debt service obligations and future capital financing needs; and (3) fluctuations in real estate transfer tax revenues resulting from changing market conditions.

Township Departments support the community, and boards and committees of the Township, which include the Planning Commission, the Environmental Advisory Council (EAC), Historical and Architectural Review Board (HARB), the Farm Committee, the Human Relations Commission, the Zoning Hearing Board, the Land Preservation Committee, the Park and Recreation Board and the Board of Supervisors. As mentioned previously, the Comprehensive Plan Committee and the Park, Recreation & Open Space committees became operational in 2024, and will be active through 2026. Each of the Township Departments generate core expenses, which are required for effectual Township operations. These expenses are mainly captured in the **General Fund** but are also recorded in the Parks & Recreation Fund, Liquid Fuels Fund and the Roads & Bridges Fund. Each of these departments generate core expenses, which are required for the smooth Township operations.

**SOLEBURY TOWNSHIP, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025
(Unaudited)**

The projected expenditures in the proposed 2026 budget are designed to maintain or increase the level of service provided to the residents and businesses of the Township. Those services include but are not limited to: public safety / police services, maintenance of roads and bridges, maintenance and improvements to park and recreation assets, park programming, planning and code enforcement, zoning and emergency management services.

Lastly, there are several large projects on the horizon over the next five years. The staff has attempted to lay out the projects in an effort to identify future funding needs. These needs will require strategic planning, continued efforts to secure grants and potentially the deferral of some projects until current debt is paid off in 2030.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

The report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Christopher Garges, Township Manager, 3092 Sugas Road, P.O. Box 139, Solebury, PA 18963 or 215-297-5656.

**SOLEBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF NET POSITION
DECEMBER 31, 2025**

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 12,819,314
Cash and Cash Equivalents - Restricted	1,032,204
Investments	2,158,962
Accounts Receivable	561,969
Taxes Receivable	1,014,837
Prepaid Expenses	78,815
Net Pension Asset	2,314,275
Capital Assets - Not Being Depreciated	
Land	3,344,871
Artwork	42,000
Conservation Easements	36,592,983
Other Capital Assets - Net of Depreciation:	16,777,572
Total Assets	76,737,802
Deferred Outflows of Resources	
Related to Pension	257,239
Total Deferred Outflows of Resources	257,239
Liabilities	
Accounts Payable	584,431
Accrued Interest Payable	15,715
Unearned Revenue	489,390
Escrow Liability	1,312,711
Noncurrent Liabilities	
Due Within One Year	3,283,228
Due Beyond One Year	7,145,755
Total Liabilities	12,831,230
Deferred Inflows of Resources	
Related to Pension	2,011,442
Total Deferred Inflows of Resources	2,011,442
Net Position	
Net Investment in Capital Assets	49,350,379
Restricted for:	
Net Pension Asset	2,314,275
Debt Service	55,993
Fire Protection	5,362
Ambulance	5,337
Highway Aid	779,651
Land Preservation	258,570
Capital Reserve	3,454,888
Natural Resources	285,338
Parks and Recreation	70,359
Roads and Bridges	407,436
Capital Equipment Reserve	459,872
Capital Projects	1,820,838
Parks and Recreation Capital	362,967
Sustainability	712,351
Fire Capital	117,424
Unrestricted	1,691,329
Total Net Position	\$ 62,152,369

The accompanying notes are an integral part of the financial statements

**SOLEBURY TOWNSHIP, PENNSYLVANIA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Land Preservation	Debt Service	Capital Reserve	Capital Projects		
<u>Assets</u>							
Cash and Cash Equivalents	\$ 1,860,805	\$ 2,722,448	\$ 30,539	\$ 3,454,888	\$ 1,901,419	\$ 2,849,215	\$ 12,819,314
Cash and Cash Equivalents - Restricted	1,032,204	-	-	-	-	-	1,032,204
Accounts Receivable	499,033	-	47,910	-	-	15,026	561,969
Taxes Receivable	924,281.00	-	25,671	-	-	64,885	1,014,837
Investments	1,619,689	-	-	-	-	539,273	2,158,962
Prepaid Expenses	78,815	-	-	-	-	-	78,815
Total Assets	\$ 6,014,827	\$ 2,722,448	\$ 104,120	\$ 3,454,888	\$ 1,901,419	\$ 3,468,399	\$ 17,666,101
<u>Liabilities and Fund Balances</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 146,425	\$ 2,853	\$ -	\$ -	\$ 80,581	\$ 245,430	\$ 475,289
Accrued Liabilities	105,626	-	-	-	-	3,516	109,142
Escrow Liabilities	1,312,711	-	-	-	-	-	1,312,711
Unearned Revenues	489,390	-	-	-	-	-	489,390
Total Liabilities	2,054,152	2,853	-	-	80,581	248,946	2,386,532
<u>Deferred Inflow of Resources</u>							
Unavailable Revenue - Property Taxes	31,015	-	48,127	-	-	14,964	94,106
Total Deferred Inflow of Resources	31,015	-	48,127	-	-	14,964	94,106
<u>Fund Balances</u>							
Non-Spendable	78,815	-	-	-	-	-	78,815
Restricted for:							
Land Preservation	-	2,719,595	-	-	-	-	2,719,595
Debt Service	-	-	55,993	-	-	-	55,993
Fire Protection	-	-	-	-	-	5,362	5,362
Ambulance	-	-	-	-	-	5,337	5,337
Highway Aid	-	-	-	-	-	779,651	779,651
Natural Resources	-	-	-	-	-	285,338	285,338
Parks and Recreation	-	-	-	-	-	70,359	70,359
Capital Reserve	-	-	-	3,454,888	-	-	3,454,888
Roads and Bridges	-	-	-	-	-	407,436	407,436
Capital Equipment Reserve	-	-	-	-	-	459,872	459,872
Capital Projects	-	-	-	-	1,820,838	-	1,820,838
Parks and Recreation Capital	-	-	-	-	-	362,967	362,967
Sustainability	-	-	-	-	-	712,351	712,351
Fire Capital	-	-	-	-	-	117,424	117,424
Unassigned	3,850,845	-	-	-	-	(1,608)	3,849,237
Total Fund Balances	3,929,660	2,719,595	55,993	3,454,888	1,820,838	3,204,489	15,185,463
Total Liabilities and Fund Balances	\$ 6,014,827	\$ 2,722,448	\$ 104,120	\$ 3,454,888	\$ 1,901,419	\$ 3,468,399	\$ 17,666,101

The accompanying notes are an integral part of the financial statements

**SOLEBURY TOWNSHIP, PENNSYLVANIA
RECONCILIATION OF TOTAL GOVERNMENT FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2025**

Fund Balances - Total Governmental Funds	\$	15,185,463
Amounts reported for governmental activities in the statement of net position are different because:		
Net Pension Asset and Deferrals are not financial resources and, therefore are not reported in the governmental funds		560,072
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		56,757,426
Other Long-Term Assets (Receivables) are not Available to Pay for Current-Period Expenditures and, therefore, are Unavailable in the Funds		94,106
Long term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Compensated Absences		(560,911)
Accrued Interest		(15,715)
General Obligation Bonds and Note Payable		(9,577,000)
Bond Premium		(291,072)
		(10,524,703)
Net Position of Governmental Activities	\$	62,152,369

The accompanying notes are an integral part of the financial statements

SOLEBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Land Preservation	Debt Service	Capital Reserve	Capital Projects		
Revenues							
Real Estate Taxes	\$ 2,040,694	\$ -	\$ 3,176,327	\$ -	\$ -	\$ 1,043,708	\$ 6,260,729
Real Estate Transfer Taxes	1,012,742	-	-	-	-	-	1,012,742
Earned Income Taxes	4,708,088	-	-	-	-	-	4,708,088
Local Service Taxes	104,993	-	-	-	-	-	104,993
Licenses, Fees, and Permits	184,212	-	-	-	-	12,500	196,712
Fines, Forfeits, and Costs	18,303	-	-	-	-	-	18,303
Interest and Rents	434,229	199,670	-	-	-	39,919	673,818
Intergovernmental	615,438	-	-	-	-	508,653	1,124,091
Charges for Services	542,076	-	-	-	-	79,622	621,698
Refunds and Miscellaneous	25,666	15	-	-	-	6,883	32,564
Total Revenues	9,686,441	199,685	3,176,327	-	-	1,691,285	14,753,738
Expenditures							
General Government	1,378,276	126,312	3,855	-	377,327	933,029	2,818,799
Public Safety	3,449,798	-	-	-	-	893,957	4,343,755
Public Works	842,384	-	-	-	-	904,431	1,746,815
Community Development	1,907,883	-	-	-	-	-	1,907,883
Culture and Recreation	-	-	-	-	-	263,412	263,412
Preservation of Natural Resources	-	808,056	-	-	-	23,030	831,086
Miscellaneous:							
Employee Benefits	454,572	-	-	-	-	-	454,572
Pension	444,457	-	-	-	-	-	444,457
Insurance	976,012	-	-	-	-	-	976,012
Other	8,571	-	-	-	-	-	8,571
Debt Service:							
Principal	-	-	3,057,000	-	-	-	3,057,000
Interest	-	-	263,029	-	-	-	263,029
Total Expenditures	9,461,953	934,368	3,323,884	-	377,327	3,017,859	17,115,391
Excess (Deficit) of Revenues Over Expenditures	224,488	(734,683)	(147,557)	-	(377,327)	(1,326,574)	(2,361,653)
Other Financing Sources (Uses)							
Payments made to Escrow Agent	-	-	(3,169,000)	-	-	-	(3,169,000)
Proceeds from Capital Asset Sale	-	-	-	-	-	26,213	26,213
Transfers In	200,000	-	3,226,000	50,000	1,175,000	842,424	5,493,424
Transfers Out	(1,375,000)	(3,326,000)	-	(675,000)	-	(117,424)	(5,493,424)
Total Other Financing Sources (Uses)	(1,175,000)	(3,326,000)	57,000	(625,000)	1,175,000	751,213	(3,142,787)
Net Change in Fund Balances	(950,512)	(4,060,683)	(90,557)	(625,000)	797,673	(575,361)	(5,504,440)
Net Position - beginning	4,880,172	6,780,278	146,550	4,079,888	1,023,165	3,779,850	20,689,903
Fund Balances - End of Year	\$ 3,929,660	\$ 2,719,595	\$ 55,993	\$ 3,454,888	\$ 1,820,838	\$ 3,204,489	\$ 15,185,463

The accompanying notes are an integral part of the financial statements

**SOLEBURY TOWNSHIP, PENNSYLVANIA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

Net Change in Fund Balances - Total Governmental Funds \$ (5,504,440)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense

Expenditures less disposals for general capital assets, infrastructure, and other related capital assets adjustments	4,847,315
Current year depreciation	(1,071,739)

The Net Effect of Revenues in the Statement of Activities that do not Provide Current Financial Resources are not Reported in the Fund Financial Statements	64,128
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The change in Net Pension Asset and Deferrals are reported in the Statement of Activities but are not reported in the Governmental Funds.	446,278
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The governmental funds report debt proceeds as financing sources, while repayment of debt principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. The net effect of these differences in the treatment of long-term debt is as follows:

Debt Service:	
Principal Payments	6,226,000
Change in Bond Premium	147,887
Change in Accrued Interest	12,298
Change in Compensated Absences	33,140
Change in Net Position of Governmental Activities	\$ 5,200,867

The accompanying notes are an integral part of the financial statements

SOLEBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2025

	Component Unit Police Pension Trust	Custodial Funds
Assets		
Cash and Cash Equivalents	\$ 79,258	\$ -
Investments	12,035,119	-
	\$ 12,114,377	\$ -
Net Position		
Restricted for:		
Pensions	\$ 12,114,377	\$ -
	\$ 12,114,377	\$ -

The accompanying notes are an integral part of the financial statements

SOLEBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2025

	Component Unit Police Pension Trust	Custodial Funds
Additions		
Contributions:		
Township and State Aid	\$ 368,647	\$ -
Members	103,041	-
Donations	-	10,561
	471,688	10,561
Total Contributions	471,688	10,561
Investment Earnings:		
Net Depreciation in Fair Value of Investments	1,310,976	-
Total Additions (Reductions), Net	1,310,976	-
Deductions		
Benefits	373,722	-
Administration and Other	64,038	14,001
Total Deductions	437,760	14,001
Change in Net Position	1,344,904	(3,440)
Net Position Held in Trust for Pension Benefits		
Net Position - Beginning of Year	10,769,473	3,440
Net Position - End of Year	\$ 12,114,377	\$ -

The accompanying notes are an integral part of the financial statements

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Solebury Township (the Township), located in Bucks County, Pennsylvania, is classified as a "Township of the Second Class" under the laws of the Commonwealth of Pennsylvania. The major services provided by the Township include public safety, roads, fire protection, parks and recreation, and general administration.

The Township is governed by an elected five-member Board of Supervisors. The daily operations of the Township are administered by the Township Manager.

The financial statements of the Township have been prepared in accordance with accounting standards generally accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant government accounting policies are described below.

Reporting Entity

The basic financial statements include all funds, organizations, agencies, boards, commissions, and authorities for which the Township is financially accountable. The Township has also considered all other potential organizations for which the nature and significance of their relationships with the Township are such that exclusion would cause the Township's financial statements to be misleading or incomplete. GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization's governing body and 1) the ability of the Township to impose its will on that organization or 2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the Township. The Police Pension Plan is a Fiduciary component unit and is reported as a fiduciary fund and does not issue separate financial statements.

Government-Wide and Fund Financial Statements

Government-wide financial statements are highly aggregated financial statements that present financial information for all assets (including infrastructure capital assets), deferred outflows of resources, all liabilities, deferred inflows of resources, and net position as a primary government, except for fiduciary funds. Government-wide financial statements use the economic resource measurement focus and accrual basis of accounting. These financial statements are designed to help users assess the finances of the government in its entirety, including the year's operating results; determine whether the government's overall financial position improved or deteriorated; and evaluate whether the government's current-year revenues were sufficient to pay for current-year services. They also are designed to help users assess the cost of providing services to its citizenry; determine how the government finances its programs – through user fees and other program revenues versus general tax revenues; understand the extent to which the government has invested in capital assets, including roads, bridges, and other infrastructure assets; and make better comparisons between governments.

Separate fund financial statements are provided for the Township's Governmental funds and Fiduciary funds, as applicable. The focus of fund financial statements is on major funds. Major individual Governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

The accounts of the Township are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance/net positions, revenues, and expenditures, as appropriate. The Township has the following funds:

Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed.

The Township reports the following major Governmental funds:

- **General Fund** – Accounts for all activities except those legally or administratively required to be accounted for in other funds. For external financial reporting purposes, the Township includes the Operating Reserve Fund in the General Fund.
- **Land Preservation Fund** – A capital projects fund established to account for the Township's Land Preservation Program funded through general obligation electoral debt approved by the voters.
- **Debt Service Fund** – Accounts for revenues from a share of the Township's real estate taxes which are used to retire debt principal and interest.
- **Capital Reserve Fund** – Accounts for major capital improvements and/or construction of Township facilities, which is funded primarily by interfund transactions from the General Fund.
- **Capital Projects Fund** – Accounts for the construction of major capital projects, funded by both interfund transfers from the Capital Reserve Fund and capital grants.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The funds included in this category are:

- **Component Unit Trust Fund** – Accounts for Township and employee pension plan contributions and provide for the payment of retirement benefits.
- **Custodial Funds** – Accounts for funds held by the Township on behalf of youth sports organizations. These funds are custodial in nature.

Fiduciary Component Unit

The Township's Employee Police Pension Plan was established to provide retirement, disability and death benefits, and health insurance benefits to eligible retirees of the Township. The Plan is included in the financial reporting entity as fiduciary component units because the Plan is (1) considered to be a separate legal entity, (2) a Pension Board comprised of one elected supervisor and two appointed community members function as the governing board of the plans, and (3) the plan imposes a financial burden on the Township as it is legally obligated to make contributions to the Plan.

SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Real estate taxes are recognized as revenues in the year for which they are levied. Earned income taxes are recognized when the underlying exchange transaction occurs or when resources are received, whichever is first. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are prepared using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Those revenues susceptible to accrual are real estate taxes, earned income taxes, interest, intergovernmental, charges for services, and certain miscellaneous revenues. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due or matured. Assets exclude capital and certain other long-term assets, and liabilities exclude unmatured debt, compensated absences, and accrued interest payable.

The Fiduciary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Investments

Investments consist of money market funds, certificates of deposit whose original maturity exceeds three months, exchange traded funds (ETF), mutual funds, and government bonds with various interest rates. Certificates of deposit are stated at fair value. The ETFs are valued based on published market prices from national security exchanges. The ETFs are traded on the American Stock Exchanges, the Chicago Board Options Exchanges, and the New York Stock Exchange. All investments are carried at fair value, in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No.72, *Fair Value Measurement and Application*.

Receivables

Receivables are reduced, when necessary, by an estimated allowance that is expected to be uncollectible.

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets include land, art, conservation easements, construction in progress, buildings and improvements, machinery and equipment, vehicles, furniture, and infrastructure, and are reported in the governmental activities column in the government-wide financial statements. Purchases of capital assets are recognized as expenditures in Governmental funds statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$10,000 and an initial useful life of one year or greater. Such assets are recorded at cost. Capital assets, except for intangible assets, acquired through contributions from developers are recorded at acquisition value at the date of donation.

In order to preserve open space, the Township purchases conservation easements. A conservation easement restricts the use of land from development in perpetuity and is thus considered an intangible asset of the Township. The Township records conservation easements at cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are completely constructed.

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives for each capital asset type are as follows:

Buildings and Improvements	20 to 50 Years
Park and Land Improvements	20 to 50 Years
Machinery/Vehicles/Furniture/Equipment	5 to 15 Years
Infrastructure	20 Years

Escrow Liabilities

Escrow liabilities are deposits held in escrow by the Township for developers and others. These monies are held by the Township and used to pay legal, engineering, and other consulting fees incurred on behalf of a specific developer or resident project. Any unused deposits are returned to the developer or resident upon completion of the project.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. In the Governmental fund financial statements, the face amount of debt issued is reported as another financing source and is not considered a fund liability, and repayments of debt are considered debt service expenditures.

Deferred Outflows/Inflows of Resources

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

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

Deferred outflows/inflows related to pensions are described further in Note 8 and Note 9. The components of deferred outflows of resources include differences between expected and actual experience, change in assumptions, and difference between projected and actual investment earnings.

In addition to liabilities, the statement of net position and balance sheet – governmental funds report deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township has one line item that qualifies for reporting in this category on the statement of net position; pensions. The components of deferred inflows of resources include differences between expected and actual experience and net difference between projected and actual earnings on pension plan investments. The Township has one item that qualifies for reporting in this category on the balance sheet – governmental funds: unavailable revenues related to property taxes.

Real Estate Taxes

Real estate taxes are levied March 1 and are due June 30 of each year. A 2% discount is provided for taxes paid prior to May 1. A 10% penalty is applied to taxes paid after June 30. Unpaid taxes are liened with County of Bucks by January 31 of the subsequent year.

Earned Income Taxes

The Township recognizes assets resulting from earned income taxes (derived tax revenues) when the underlying exchange transaction occurs. In the Governmental fund financial statements, under the modified accrual basis of accounting, revenue is recorded when the underlying exchange occurs and when the resources are available.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position amounts are considered unrestricted. Restricted resources are used first to fund appropriations. The Township first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance

The Township follows GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. This statement provides defined fund balance categories to make the nature and extent of the constraints placed upon a government's fund balance more transparent. Fund balances of the government funds are classified as follows:

Nonspendable – Amounts that cannot be spent because of their form or because they are legally or contractually required to be maintained intact.

SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Township Board of Supervisors. The Board of Supervisors is the highest decision-making authority of the Township. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Supervisors.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned – Residual net resources. Only the General Fund can report a negative unassigned fund balance.

The Township Supervisors passed a resolution authorizing the Township Finance Director to assign fund balances by their intended use. When expenditures are incurred for purposes for which committed, assigned, or unassigned amounts are available, it is the Township's policy to use committed first, then assigned, and then finally unassigned.

The Township does not have any assigned balances as of December 31, 2025.

Compensated Absences

The Township reports a liability for all types of compensated absences attributable to services already rendered, including vacation and accumulating sick leave, in the government-wide financial statements. The liability is calculated based on pay rates in effect as of the financial statement date and includes salary-related payments. Sick leave is included in the liability if it is accumulating and more likely than not to be used for time off or paid upon separation.

In the governmental fund financial statements, liabilities for compensated absences are recognized only to the extent they are due and payable as of year-end.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

Adoption of Governmental Accounting Standards Boards Statements

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The adoption of this statement had no effect on previously reported amounts.

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pending Changes in Accounting Principles

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The Township is required to adopt Statement No. 103 for its fiscal year 2026 financial statements.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The Township is required to adopt Statement No. 104 for its fiscal year 2026 statements.

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. The Township is required to adopt Statement No. 105 for its fiscal year 2026 statements.

The Township has not yet completed the various analysis required to estimate the financial statement impact of these new pronouncements.

NOTE 2 DEPOSITS AND INVESTMENTS

Legal and Contractual Restrictions

Under Pennsylvania law, the Township is permitted to invest Township funds in U.S. Treasury bills, short-term obligations of the U.S. Government and its agencies, and shares of an investment company as defined, provided that the only investments of that company are in authorized investments for Township funds. The Township may also place deposits that are insured by the Federal Deposit Insurance Corporation (FDIC) and deposits that are collateralized on an individual or on a pooled basis in accordance with Act No. 72 of the Commonwealth of Pennsylvania, August 6, 1971.

The law provides that the Township's Pension Trust Funds may be invested in any form or type of investment, financial instrument, or financial transaction if determined by the Township to be prudent.

The deposits and investments of the Police Pension Trust Fund are maintained separately from other Township funds and are managed by a Trustee in the name of the Township.

Custodial Credit Risk – Deposits

At December 31, 2025, the book balance of the Township's deposits with banks was \$13,930,776. The bank balances were \$13,942,544. Of the bank balances, \$250,000 was covered by federal depository related insurance, \$13,613,286 was collateralized in accordance with the Commonwealth of Pennsylvania Act 72 of 1971, and \$79,258 was uninsured. Under Act 72, a depository holding public funds in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) must pledge assets to secure 100% of the Township's deposits. The pledged assets must be at least equal to the total amounts of such assets required to secure all of the public deposits at the depository and may be on a pooled basis. All such pledged assets are held by the pledging financial institution's trust department or agent and not in the Township's name. The Township Finance Department is responsible for monitoring compliance with the collateralization and reporting requirements of Act 72.

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

As of December 31, 2025, the Township's bank balances and certificates of deposit were exposed to custodial credit risk as follows:

Insured by FDIC	\$	250,000
Uninsured		79,258
Uninsured and Collateral Held by the Pledging Bank's Trust Department not in the Government's Name		13,613,286
Total	\$	13,942,544

Investments

The Township categorizes its fair value measurements within the fair value hierarchy established by U.S. generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available.

As of December 31, 2025, the Township had the following recurring fair value measurements using quoted market prices for Level 1 inputs and using current sale prices or sale prices of comparable securities for Level 2 inputs for investments and cash equivalents:

Investments held as of December 31, 2025, are as follows:

Investment and Cash Equivalent Type	<u>Valuation Inputs Level</u>	<u>Fair Value</u>
Governmental Funds:		
Certificates of Deposit	Level 2	\$ 546,921
Money Market Funds	Level 1	1,612,041
Total Governmental Funds		2,158,962
Police Pension Trust Fund:		
Money Market Funds (1)	N/A	\$ 79,258
ETF's - Equity Funds	Level 1	8,283,637
Negotiable Certificates of Deposit	Level 2	2,055,844
Government Bonds	Level 2	1,695,638
Total Police Pension Trust Fund		12,114,377
Combined Total		\$ 14,273,339

(1) Included with Cash and Cash Equivalents

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Township may not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Township has purchased from

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

brokers negotiable certificates of deposit, in which the Township receives pass-through depository insurance up to \$250,000 at each financial institution. The remaining balance of the negotiable certificates of deposit are exposed to custodial credit risk.

Interest Rate Risk – Investments

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Township limits its interest rate risk by maintaining certain balances in liquid investments, which include money funds. The average maturities of the Township's Government Bonds are as follows:

	<u>Average Maturities (in Years)</u>					<u>Total</u>
	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>11-20</u>	<u>More than 20</u>	
Government Bonds	\$ -	\$ 404,819	\$ 1,290,819	\$ -	\$ -	\$ 1,695,638
	<u>\$ -</u>	<u>\$ 404,819</u>	<u>\$ 1,290,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,695,638</u>

The maturities of the Township's certificates of deposits are as follows:

	<u>Maturity Year</u>					<u>Total</u>
	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030-2034</u>	
Certificates of Deposit	\$ 942,134	\$ 456,102	\$ 460,377	\$ 331,542	\$ 412,610	\$ 2,602,765
	<u>\$ 942,134</u>	<u>\$ 456,102</u>	<u>\$ 460,377</u>	<u>\$ 331,542</u>	<u>\$ 412,610</u>	<u>\$ 2,602,765</u>

Credit Risk – Investments

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Township does not have a formal investment policy for credit risk. The Township's investments were given the following credit ratings:

The Township's investments in negotiable certificates of deposit, money market funds and ETF's were not rated.

The Township's investments in Government Bonds were rated AAA by Moody's.

Concentration of Credit Risk

The Township does not have a formal investment policy for concentration of credit risk. At December 31, 2025, the Township had no investments exceeding 5% of the Township's total investments of the Governmental and Fiduciary funds.

SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

NOTE 3 CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,344,871	\$ -	\$ -	\$ 3,344,871
Art	42,000	-	-	42,000
Easements	35,784,927	808,056	-	36,592,983
Construction in Progress	-	124,189	-	124,189
Total Capital Assets, Not Being Depreciated	<u>39,171,798</u>	<u>932,245</u>	<u>-</u>	<u>40,104,043</u>
Capital Assets, Depreciated:				
Fixtures	351,717	15,455	-	367,172
Land Improvements	38,601	-	-	38,601
Park Improvements	5,797,354	3,442,750	-	9,240,104
Buildings / PW Buildings	9,648,773	217,561	-	9,866,334
Furniture & Office Equipment	308,476	-	-	308,476
Vehicles & Equipment	3,084,436	222,227	(34,832)	3,271,831
Infrastructure	6,424,598	17,077	-	6,441,675
Total Capital Assets, Being Depreciated	<u>25,653,955</u>	<u>3,915,070</u>	<u>(34,832)</u>	<u>29,534,193</u>
Accumulated Depreciation for:				
Fixtures	151,360	23,300	-	174,660
Land Improvements	35,475	2,087	-	37,562
Park Improvements	1,363,039	185,214	-	1,548,253
Buildings / PW Buildings	4,847,276	299,931	-	5,147,207
Furniture & Office Equipment	228,740	19,205	-	247,945
Vehicles & Equipment	1,515,989	325,871	(34,832)	1,807,028
Infrastructure	3,702,024	216,131	-	3,918,155
Total Accumulated Depreciation	<u>11,843,903</u>	<u>1,071,739</u>	<u>(34,832)</u>	<u>12,880,810</u>
Total Capital Assets, Being Depreciated, Net	<u>13,810,052</u>	<u>2,843,331</u>	<u>-</u>	<u>16,653,383</u>
Governmental Activities Capital Assets, Net	<u>\$ 52,981,850</u>	<u>\$ 3,775,576</u>	<u>\$ -</u>	<u>\$ 56,757,426</u>

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

Governmental Activities	
General Government	\$ 211,152
Public Safety	735,897
Public Works	124,690
Total Depreciation Expense	<u>\$ 1,071,739</u>

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025**

NOTE 4 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a schedule of transfers as included in the basic financial statements of the Township:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 200,000	\$ 1,375,000
Land Preservation Fund	-	3,326,000
Capital Reserve Fund	50,000	675,000
Debt Service Fund	3,226,000	-
Capital Projects Fund	1,175,000	-
Nonmajor Governmental Funds	-	-
Park and Recreation Fund	225,000	-
Roads and Bridges Fund	150,000	-
Fire Fund	-	117,424
Fire Capital Fund	117,424	-
Capital Equipment Fund	350,000	-
Total	<u>\$ 5,493,424</u>	<u>\$ 5,493,424</u>

Transfers are used to (1) move revenues from the fund required to be collected by statute or budget to the fund required by statute or budget to expend them, or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. There were no Interfund receivables and payables as of December 31, 2025.

NOTE 5 LONG-TERM DEBT

The following is a summary of changes in long-term debt:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Direct Borrowing Notes Payable:					
Series 2011 - 2.95% (DVRFA Note)	\$ 921,000	\$ -	\$ (454,000)	\$ 467,000	\$ 467,000
Series 2021A - 1.25% (Capital Projects)	5,060,000	-	(2,000,000)	3,060,000	1,000
Series 2021A - 0.79% (Refunding 2012A, 2012B, 2017 Note)	1,157,000	-	(1,157,000)	-	-
Total Notes Payable	<u>7,138,000</u>	<u>-</u>	<u>(3,611,000)</u>	<u>3,527,000</u>	<u>468,000</u>
Unamortized Premium	438,959	-	(147,887)	291,072	-
General Obligation Bonds Payable:					
Series 2017A - 0.87% - 2.00% (Bond)	380,000	-	(380,000)	-	-
Series 2019A - 2.0% - 5.0% (New Money)	1,135,000	-	(375,000)	760,000	760,000
Series 2019B - 2.0% - 5.0% (Red Bond)	2,320,000	-	(685,000)	1,635,000	315,000
Series 2020 - 1.1% - 3.00% (Bond)	4,830,000	-	(1,175,000)	3,655,000	1,600,000
Total Bonds Payable	<u>8,665,000</u>	<u>-</u>	<u>(2,615,000)</u>	<u>6,050,000</u>	<u>2,675,000</u>
Compensated Absences	594,051	-	(33,140)	560,911	140,228
Governmental Activity Long-Term Debt	<u>\$ 16,836,010</u>	<u>\$ -</u>	<u>\$ (6,407,027)</u>	<u>\$ 10,428,983</u>	<u>\$ 3,283,228</u>

In December 2025, the Township used unspent proceeds from its Series of 2020 General Obligation Bonds and Series A of 2021 General Obligation Note to partially defease those respective obligations, as federal tax law requires that proceeds of tax-exempt borrowings be spent within three years of issuance and any remaining proceeds are subject to yield restriction and potential arbitrage rebate liability payable to the IRS. The proceeds were irrevocably placed with an escrow agent to retire \$1,170,000 of outstanding principal on the Series of 2020 Bonds

SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

and \$1,999,000 of outstanding principal on the Series A of 2021 Note, effective December 15, 2025. As a result, \$3,169,000 of debt principal and approximately \$3,290,706 of total future debt service requirements have been removed from the Township's obligations. The defeased debt is no longer reported as a liability in the Township's financial statements.

During 2021, the Township issued \$5,063,000 of electoral General Obligation Note, Series 2021A, for the purpose of new funds to finance various land preservation projects. The Series 2021A Note has a maturity of June 2029 with interest being paid semi-annually, June 1 and December 1. The interest rate on the Series 2021A Note is 1.25%. Upon the occurrence of an event of default as defined in the Series 2021A Note, interest shall be due and payable by the Township on the outstanding principal amount at the default interest rate as defined. As of December 31, 2021, the Township had received \$60,000 of available proceeds to finance the related issuance costs. The remaining proceeds of \$5,003,000 were received in 2022.

During 2021, the Township issued \$4,078,000 of a non-electoral General Obligation Note, Series 2021B, for the purpose of advance refunding the Series 2012 Bonds and the Series of 2017 Note. The Series 2021B Note has a maturity of June 2025 with interest being paid semi-annually, June 1 and December 1. The interest rate on the Series 2021B Note is 0.79%. Upon the occurrence of an event of default as defined in the Series 2021B Note, interest shall be due and payable by the Township on the outstanding principal amount at the default interest rate as defined. The refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$133,310. The refunding resulted in a deferred gain of \$29,882.

During 2020, the Township issued \$4,850,000 of electoral General Obligation Bonds, Series 2020, for the purpose of new funds to finance various capital projects. The 2020 Bonds have a maturity of April 2028 with interest being paid annually, April 1 and October 1. The interest rates of the Bonds range between 1% and 3%.

During 2019, the Township issued \$7,400,000 of non-electoral General Obligation Bonds, Series 2019A and B, for the purpose of refunding the Township's General Obligation Bonds, Series 2015A, B and C, to pay the costs of issuing the bonds and new funds to finance various capital projects. These Bonds were issued to refund the outstanding principal maturities of General Obligation Note 2015A of \$357,000, General Obligation Note 2015B of \$2,769,000 and General Obligation Note 2015C of \$3,278,000, respectively. The refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$205,278. The 2019 Bonds have varying maturities from April 2020 to April 2030 with interest being paid annually, April 1 and October 1. The interest rates of the Bonds range between 2% and 5%. The Township had incurred \$27,856 of deferred charges on refundings.

During 2017, the Township issued \$6,125,000 of non-electoral General Obligation Bonds, Series 2017A, for the purpose of refunding the Township's General Obligation Bonds, Series 2014A and B, and to pay the costs of issuing the note. The Series 2017A Note was issued at a lower fixed interest rate, continuing the Township's efforts to reduce interest payments. The Bonds have varying maturities from December 1, 2017 to June 2025 with interest being paid semiannually, June 1 and December 1. The interest rates of the Bonds range between 2% and 5%. The Township had \$64,602 of deferred charges on refundings. The refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$214,800. The Township also issued a \$1,060,000 non-electoral General Obligation Note, Series 2017 for the purpose of providing funds to finance various capital projects. The Township drew down \$500,000 on the Series 2017 Note

SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

during 2017. The remaining balance was drawn down during 2018. The Series 2017 Note has a fixed interest rate of 2.1% through 2025. Upon the occurrence of an event of default as defined in the General Obligation Note, interest shall be due and payable by the Township on the outstanding principal amount at the default interest rate as defined.

During 2012, the Township incurred \$845,000 of non-electoral debt and \$4,380,000 of electoral debt through the issuance of General Obligation Bond Series 2012A and B, respectively. The Bond was issued to refund the principal maturities of the 2012 Note (issued January 2012), and the 2003 A and 2003 B General Obligation Notes in the Mounts of \$850,000, \$1,437,000, and \$3,239,000, respectively. The Bond proceeds also funded the issuance costs of \$100,366.

The Bonds have varying maturities through December 2025 with interest being paid semiannually, June 1 and December 1. The interest 2003 A and B Notes, a termination payment was made and is included as a deferred outflow on the statement of net position and is amortized over the life of the debt. The refunding of the 2003 Series A and B Notes and the 2012 Note resulted in an aggregate increase in debt service, however the Township's exposure to variable interest rate was eliminated.

During 2011, the Township incurred \$5,345,000 of electoral debt through the issuance of General Obligation Note, Series 2011. The Note is included in the Interest Rate Management Plan and the Delaware Valley Regional Finance Authority. The Note was issued to refund the principal maturities of the 2006 General Obligation Bonds in the amount of \$5,291,167 and to fund issuance costs of \$50,633. The Township utilized the option to fix an annual interest rate. The interest rate has been fixed at 2.95% through April 25, 2026. The note has varying maturities from April 25, 2012 through April 25, 2026 with interest payable monthly. Upon the occurrence of an event of default as defined in the Note, the Township would be required to pay unfunded debt as defined in the note, which could include termination charges (see below).

Interest Rate Management Plan

The Series 2011 Note was issued to Delaware Valley Regional Finance Authority (the DVRFA). In order to provide funds for loans, (the Loan Program) the DVRFA has issued Local Government Revenue Bonds (the DVRFA Bonds). The DVRFA has entered into an interest rate swap agreement (the DVRFA Swap Agreement), with Merrill Lynch Capital Services, Inc. (MLCS), secured by guaranty of Merrill Lynch & Co. (Merrill Lynch), in order to reduce the costs of participants in the Loan Program and to enhance the ability of participants to manage their interest rate risks. The DVRFA Swap Agreement is a "Qualified Interest Rate Management Agreement" as such term is defined in the Pennsylvania *Local Government Unit Debt Act*. All of the transactions under the MLCS Swap Agreement were novated during 2009 to Bank of America, N.A. (BANA), which acquired Merrill Lynch. The payment of debt service of the DVRFA Bonds is secured by municipal bond insurance policies issued by Ambac Assurance Corporation (Ambac).

Under the terms of the loan agreements, the interest payments due from the Township are calculated to fund:

- 1) the debt service payments on the DVRFA Bonds.
- 2) the net payments due under the DVRFA Swap Agreement, and
- 3) all other costs and expenses necessary for the operation of the Loan Program, amounts required to maintain the liquidity of the Loan Program, and any termination payment (the Termination Payment) due under the DVRFA Swap Agreement.

SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

Interest Rate Risk – The Township had the option under the loan agreements to pay a variable rate of interest or a fixed rate. The Township elected a fixed rate, and the rate, with terms and conditions selected by the Township, was set based upon the fixed rate swap market at that time with a new confirm executed by DVRFA with BANA under the DVRFA Swap Agreement.

Since the Township is not considered to be a signatory on the current interest rate swap agreements between DVRFA and Bank of America, management has concluded that the Township would not be required to report the transaction in accordance with Governmental Accounting Standards Board (GASB) No. 53 *Accounting and Financial Reporting for Derivative*

Instruments. Therefore, the fair value of the interest rate swap agreements is not recorded on the statement of net position. In addition, no evaluation has been made to whether the interest rate swaps are effective cash flow hedges.

Basis Risk – The Series 2011 Note does not entail a basis risk.

Credit Risk – Rating downgrades by Moody's and Standard & Poor's (S&P) can precipitate collateralization requirements under the DVRFA Swap Agreement. The failure to post collateral when it is required constitutes an event of default under the DVRFA Swap Agreement and may result in termination.

- If the long-term, unsecured, senior debt ratings of BANA are reduced below "A2" by Moody's or "A" by S&P and if DVRFA would receive a payment from BANA upon termination, BANA is required to post collateral equal to the market value of each of the swap agreements executed with DVRFA. BANA's current ratings are "Aa3/A+" by Moody's and S&P, respectively, with stable outlooks.

Ratings downgrades of BANA below investment grade may result in termination. If the long-term, unsecured, senior debt ratings of BANA are downgraded below "Baa3" by Moody's and "BBB-" by S&P and (II) DVRFA has defaulted or DVRFA does not have published ratings of at least "Baa3" by Moody's and "BBB-" by S&P, BANA may terminate the DVRFA Swap Agreements.

Termination Risk – The Township is obligated to pay a Termination Payment associated with the portion of the DVRFA Swap Agreement allocable to the applicable note. A Termination Payment may incurred due to the termination of all or a portion of the DVRFA Swap Agreement with the mutual consent of DVRFA, BANA, Ambac, and the Township. These termination payments could be triggered in the event of (i) a payment default by the Township under the Loan Agreement, (ii) a payment default by DVRFA, BANA, or Ambac under the DVRFA Swap Agreement, (iii) the occurrence of events that may precipitate a payment default by DVRFA, BANA, or Ambac, or (iv) the downgrading of the claims paying ability of Ambac or long-term, unsecured, senior debt rating of DVRFA or BANA. In all instances of termination except a payment default on the note converted to a fixed rate, DVRFA would seek to replace the DVRFA Swap Agreement with similar terms and conditions.

The amount of the Termination Payment is determined by the market value of the DVRFA Swap Agreement; therefore, the cost or income from the Termination Payment. DVRFA may not be able to secure the replacement interest rate swap if the swap market is not functioning normally or if DVRFA does not have access to the swap market.

The estimated Termination Payment (i.e., the market value) for the DVRFA Swap Agreement allocable to the Township's 2011 Note as of December 31, 2025, is shown in the table below.

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025**

In the event of a Termination Payment, DVRFA would assess the net loss, if any, to the Township. Any net gain on the Termination Payment allocable to variable rate Notes (as shown in the table) would be retained by DVRFA.

Description	Date of Issue	Maturity Date	Principal Outstanding	Type of Note	Gain (Loss) (1)
2011 Notes	15-Nov-11	25-Apr-26	\$ 467,000	Fixed	\$ 13,501

(1) Based on Fair Value Estimates as of December 31, 2025

The Series 2011 Note, the 2019B Bond, 2019B Bond, 2020 Bond, 2021A Note and the 2021B Note were approved by voters and issued by the Township for the purpose of providing funds to acquire open space, agricultural and conservation easements, land for recreation, and other capital projects.

Electoral debt outstanding as of December 31, 2025, totaled \$6,050,000.

The following is a schedule of aggregate principal and interest payments on all long-term debt (excluding compensated absences), for each of the next five years and each five-year period thereafter:

Year Ended December 31,	Bonds			Direct Borrowing Notes		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 2,675,000	\$ 94,250	\$ 2,769,250	\$ 468,000	\$ 42,836	\$ 510,836
2027	2,375,000	43,750	2,418,750	1,000	38,231	39,231
2028	325,000	16,750	341,750	2,594,000	22,012	2,616,012
2029	335,000	10,150	345,150	464,000	2,900	466,900
2030	340,000	3,400	343,400	-	-	-
Total	\$ 6,050,000	\$ 168,300	\$ 6,218,300	\$ 3,527,000	\$ 105,979	\$ 3,632,979

NOTE 6 COMPENSATED ABSENCES

The Township provides employees with vacation, personal, and sick leave benefits in accordance with its personnel policies. Upon separation from service, full-time non-uniform employees are compensated for all unused vacation and personal days, and for one-half of unused sick days, up to a maximum of 120 days. Police are compensated for all unused vacation and personal days, and for seventy five percent of unused sick days, up to a maximum of 120 days.

In accordance with GASB Statement No. 101, a liability is recognized in the government-wide financial statements for all compensated absences attributable to services already rendered, to the extent it is more likely than not that the leave will be used for time off or paid upon separation. This includes earned but unused vacation, personal, and sick leave that meets the eligibility and likelihood criteria.

At December 31, 2025, the Township's total compensated absences liability was \$560,911. The liability was calculated based on employees' accumulated leave balances and their current pay rates as of year-end, and includes applicable salary-related benefits (e.g., FICA, retirement contributions). Compensated absences expected to be liquidated with expendable available financial resources are recognized in the governmental funds when due and payable. The liability is expected to be liquidated primarily by the General Fund.

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025**

NOTE 7 PENSION ASSETS, LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

The Township sponsors two defined benefit pension plans for its employees, the Police Pension Plan and the Non-Uniform Pennsylvania Municipal Retirement System (PMRS) Plan. Required disclosures regarding these plans are presented in Notes 8 and 9.

For the year ended December 31, 2025, the Township recognized pension expense of \$120,469 for the Police Pension Plan and pension expense of (\$187,380) for the Non-Uniform PMRS Plan, respectively. The Township recognized a net pension asset of \$1,832,320 for the Police Pension Plan and a net pension asset of \$481,955 for the Non-Uniform Pennsylvania Municipal Retirement System (PMRS) Plan. The Police Pension Plan net pension asset was measured as of December 31, 2025. The Non-Uniform Pennsylvania Municipal Retirement System (PMRS) Plan's net pension asset was measured as of December 31, 2024.

At December 31, 2025, the Township reported deferred outflows of resources and deferred inflows of resources related to its pension plans from the following sources:

	Police Pension Plan		Non-Uniform PMRS Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 56	\$ 1,013,755	\$ -	\$ -
Changes in Assumptions	170,055	1,602	-	-
Net Difference Between Projected and Actual Investment Earnings	-	996,085	76,128	-
Contributions Subsequent to the Measurement Date	-	-	11,000	-
	\$ 170,111	\$ 2,011,442	\$ 87,128	\$ -

The deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date of \$11,000 that will be recognized as an addition of the net pension asset in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amount	Police	Non-Uniform
2026	\$ (236,917)	\$ (264,105)	\$ 27,188
2027	(458,079)	(572,473)	114,394
2028	(482,776)	(425,341)	(57,435)
2029	(284,797)	(276,778)	(8,019)
2030	(144,006)	(144,006)	-
Thereafter	(158,628)	(158,628)	-
Total	\$ (1,765,203)	\$ (1,841,331)	\$ 76,128

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025**

NOTE 8 DEFINED BENEFIT POLICE PENSION PLAN

Plan Description

The Township sponsors a defined benefit pension plan, the Police Pension Plan. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Plan provisions are established by Township Ordinance with the authority for Township contributions required by Pennsylvania Act 205 (the Act).

The Township provides pension benefits for members of the police force through a self-administered trust fund – the Police Pension Plan, a single-employer plan accounted for as a pension trust fund of the Township. The plan does not issue a standalone financial report.

Members of the Police Pension Plan may opt to enter the Deferred Retirement Option Plan (DROP) upon attaining age 55 and completion of 25 years of service. Under the DROP, members may accumulate their monthly retirement benefit in an interest-bearing account held by the Plan for up to four years and continue to be employed by the Township. At the end of the DROP period, a lump sum of the accumulated monthly retirement benefit, plus interest, is distributed and the normal monthly retirement benefit distributions commence.

The following table provides information concerning types of covered employees and benefit provisions for the Township’s Police Pension Plan:

Covered Employees	Police
	All Regular Full-Time Sworn Police Officers
Number of Covered Active Employees	17
Number of Persons Receiving Benefits	
Retired Employees and Beneficiaries	8
Terminated Employees Vested but not Receiving Benefits	1
Current Annual Covered Payroll	\$1,880,066
Normal Retirement Date	After 55th Birthday and 25 Years of Service or if Hired prior to December 21, 1965, after 60th Birthday and 20 years of Service.
Retirement Benefit	A Monthly Benefit Equal to 50% of the Final Monthly Average Salary Plus an Additional \$100 per month up to a Maximum of \$500 per month, if Retiring with 25 or More Years of Service.
Early Retirement Date	Participants who Terminate with at Least 20 Years of Service Are Eligible to Retire Before Normal Retirement Date.

The benefit provisions of the Township’s Police Plan established by Township ordinances are in compliance with collective bargaining agreements.

Summary of Significant Accounting Policies

Financial information on the Township’s Police Pension Plan is presented on the accrual basis of accounting as a fiduciary fund of the Township. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when paid as required by the Act. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Plan investments are reported at fair value as reported by the investment managers.

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025**

NOTE 8 DEFINED BENEFIT POLICE PENSION PLAN (CONTINUED)

Contributions and Funding Policy

Pennsylvania Act 205 of 1984 (as amended) requires that annual contributions be based upon the Minimum Municipal Obligation (MMO), which is based on the Plan's biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses, and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds, which must be used for pension funding. Any financial requirement established by the MMO which exceeds state and member contributions must be funded by the employer.

Employees are required to contribute a percentage of covered payroll (5% for Police). This contribution is governed by the Plan's governing ordinances and collective bargaining. Administrative costs, which may include but are not limited to investment management fees and actuarial service, are charged to the Plan and funded through the MMO and/or plan earnings.

Contributions to the Police Pension Plan for 2025 totaled \$368,647 from the Township, \$103,041 from employees.

Plan Administration

Management of the Police Pension Plan is overseen by a Pension Committee under Section 19 of the Plan Document. Per the Plan Document, the Police Pension Fund Board is comprised of 3 members appointed by Board of Supervisors. The Police Pension Fund Board has the discretion and authority to interpret the Plan and to determine the eligibility and benefits of Participants and beneficiaries pursuant to the provisions of the Plan. On all such matters, the decision of a majority of the members of the Police Pension Fund Board shall govern and be binding upon the employer, participants, and beneficiaries. The Police Pension Fund Board need not call or hold any meeting for the purpose of rendering decisions, but such decisions may be evidenced by a written document signed by the members.

Investment Policy

The Police Pension Fund Board is responsible for administering the investment policies of the Plan and providing oversight for the management of the Plan's assets. The investment strategy of the Plan is to emphasize total return (defined as the aggregate return from capital appreciation and dividend and interest income). The investment policy requires that all Plan assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Plan, with minimal impact on market price. The following was the Plan's adopted asset allocation policy as of December 31, 2025:

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Target</u>
Equities	25%	65%	60%
Fixed Income	30%	45%	35%
Cash Equivalents	0%	30%	5%

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025**

NOTE 8 DEFINED BENEFIT POLICE PENSION PLAN (CONTINUED)

Net Pension Liability

The net pension liability of the plan as of the measurement date of December 31, 2025, was as follows:

Total Pension (Asset)/Liability	\$ 10,282,057
Plan Fiduciary Net Position	12,114,377
Net Pension (Asset)/Liability	<u>\$ (1,832,320)</u>
Plan Fiduciary Net Position as a % of Total Pension (Asset)/Liability	<u>117.82%</u>

The Plan's Total Pension Liability as of December 31, 2025, was projected from January 1, 2025. Method and assumptions used to determine the Total Pension Liability were as follows:

	Police
Valuation Date	1/1/2025
Actuarial Cose Method	Entry Age Normal
Amortization Method	Level Dollar Open
Asset Valuation Method	Adjusted Market Value
Remaining Amortization Period	N/A
Actuarial Assumptions	
Investment Rate of Return	5.65%
Projected Salary Increases	4.00%
Inflation Rate Included	2.50%

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

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025**

NOTE 8 DEFINED BENEFIT POLICE PENSION PLAN (CONTINUED)

A schedule of changes in the net pension liability for the year ended December 31, 2025, was as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at 12/31/24	\$ 9,780,482	\$ 10,769,473	\$ (988,991)
Changes for the Year			
Service Cost	501,694	-	501,694
Interest Cost	533,032	-	533,032
Changes of Assumptions	-	-	-
Change of Benefit Terms	-	-	-
Difference between expected and actual experience	(159,429)	-	(159,429)
Township & State Contributions	-	368,647	(368,647)
Employee Contributions	-	103,041	(103,041)
Net Investment Income	-	1,310,976	(1,310,976)
Benefit payments	(373,722)	(373,722)	-
Administrative expense	-	(64,038)	64,038
Other changes	-	-	-
Net Changes	<u>501,575</u>	<u>1,344,904</u>	<u>(843,329)</u>
Balances at 12/31/25	<u>\$ 10,282,057</u>	<u>\$ 12,114,377</u>	<u>\$ (1,832,320)</u>

Discount Rate

The discount rate used to measure the total pension liability was 5.65% which includes an adjusted rate of inflation. The projection of cash flow to determine the discount rate assumed the contributions will be made at contractually required rates specified under Act 205. Act 205 requires full funding of the entry age normal cost plus Plan expenses in addition to amortization of the unfunded liability to ultimately achieve a 100% funded status. Based on those assumptions, the pension plan's fiduciary net position was projected to be sufficient to make all projected future benefit payment of current plan members. Therefore, the long-term expected rate of return on the pension plan investment was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability calculated using the discount rate of 5.65%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.65%), or 1-percentage-point higher (6.65%) than the current rate:

	Current		
	<u>1% Decrease (4.65%)</u>	<u>Discount Rate (5.65%)</u>	<u>1% Increase (6.65%)</u>
Net Pension Liability (Asset)	\$ (362,652)	\$ (1,832,320)	\$ (3,036,571)
<i>*Per GASB 68 Report</i>			

Rate of Return on Investments

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, for plan year 2025 was 11.7%. The money-weighted rate of return expresses investment performance, net of expenses, adjusted for the change amounts actually invested.

**SOLEBURY TOWNSHIP, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2025**

NOTE 9 NON-UNIFORMED DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description:

The Township, through provisions of Ordinance No. 1991-3, adopted pursuant to Act 15, as amended by the January 2013 agreement between the Township and the Pennsylvania Municipal Retirement System (PMRS) provides employee pension benefits to non-uniformed employees through participation in the PMRS. The PMRS was created by the Pennsylvania General Assembly in 1974 with the passage of the Pennsylvania Municipal Retirement Law 1974, P.L. 34, No. 15. PMRS administers pension plans on a contracted basis for any municipality or institution supported and maintained by a Pennsylvania municipality. This agent multiple-employer public employee retirement system maintains each municipality's account separately with that municipality's contributions and related employee contributions, and earnings segregated into separate accounts. PMRS issues a separate Annual Comprehensive Financial Report, which can be obtained by contacting the PMRS accounting office at P.O. Box 1165, Harrisburg, PA 17108-1165.

Membership for full-time employees of the Municipality is mandatory. Membership for part-time employees, seasonal employees, and temporary employees is prohibited, as is membership for individuals paid only on a fee basis. Benefits vest upon the completion of twelve years of credited service. A member shall be eligible for a retirement benefit upon attainment of retirement age, which shall be sixty-five (65) years of age; or fifty-five (55) years of age, provided the Member has completed twenty-five (25) years of credited service.

Benefits Provided:

The normal form of payment of retirement benefits is a monthly annuity comprised of the sum of the following annuities:

- (a) An annuity calculated by multiplying the Member's Final Salary by all years of Credited Service and multiplied by the benefit accrual rate of two percent (2.00%)
- (b) An annuity equal to a single life annuity starting on the effective date of retirement with a present value equal to the member contributions and regular interest on the optional member contributions.

A retiree may elect to receive a reduced amount of benefit and provide a death benefit in the form of annuity or lump sum to the designated beneficiary. The plan also provides death and disability benefits for an active employee.

An annual excess interest benefit shall be equal to a single life annuity starting on the effective date of retirement with a present value equal to the member's excess investment account.

The plan does not allow for any cost-of-living adjustments to an employee's retirement allowance subsequent to the employee's retirement date.

Employees Covered by Benefit Terms:

Number of Covered Active Employees	2
Number of Persons Receiving Benefits	
Retired Employees and Beneficiaries	12
Terminated Employees Vested but not Receiving	1
	15
	15

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025**

NOTE 9 NON-UNIFORMED DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions:

The PMRS Board will actuarially determine the normal cost of the benefits provided under the contract and any liability associated with the actuarial experience of such benefits which shall be contributed annually by the Township. The PMRS Board shall determine and the Township shall be charged an additional amount to be contributed annually toward a reserve account for any disability benefit which may be payable under the contract. The amounts so determined shall be computed in accordance with the Municipal Pension Plan Funding Standard and Recovery Act, 53 P.S. §895.101 et seq., and the PMRL. Members shall contribute four percent of their compensation to fund the annuity. Members may optionally contribute an additional percentage of their compensation to fund the annuity. The total of the mandatory and optional contributions shall not exceed fifteen percent of the member's compensation. The state contributions to the plan were recognized as revenue and expense in the fund level financial statements in the period contributed. In 2024 the Township contributed \$11,000 to the plan.

Net Pension Liability

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

Actuarial assumptions:

The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions:

Investment rate of return	5.25%, net of pension plan investment expense, including inflation
Projected salary increases	Age/Merit Scale including inflation ranging of 2.20%
Inflation	2.20%

Mortality rates Pre-Retirement for the December 31, 2024, valuation was based on the PUB-2010 General Employees male table and PUB-2010 General Employees female table. Mortality rates Post-Retirement were based on the RP-2006 annuitant male table and RP-2006 annuitant female table.

The actuarial assumptions used in the December 31, 2024 valuation were based on the PMRS Experience Study for the period covering January 1, 2014 through December 31, 2018 issued by the actuary in September 2020 as well as subsequent Board approved assumption changes.

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025**

NOTE 9 NON-UNIFORMED DEFINED BENEFIT PENSION PLAN (CONTINUED)

The PMRS system’s long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future nominal rates of return (net of investment expenses) are developed for each asset class. These returns are combined to produce the System’s Long-Term Expected Real Rate of Return by calculating the weighted average return for each asset class using each respective target asset allocation percentage and multiplying by the expected future nominal rate of return, while also factoring in covariance across asset classes, then deducting expected inflation (2.2%). Best estimates of geometric real rates of return for each utilized asset class are included in the pension plan’s target asset allocation as of December 31, 2024, and summarized in the table below:

Asset Class	Target Allocation	Nominal Rate of Return	Long-Term Expected Real Rate of Return
Domestic Equities (large-capitalized firms)	24.5%	7.39%	4.89%
Domestic Equities (small-capitalized firms)	8.0%	8.30%	5.80%
International Equities (international developed markets)	14.5%	8.03%	5.53%
International Equities (emerging markets)	3.0%	8.39%	5.89%
Global Equities	5.0%	6.44%	3.94%
Real Estate	10.0%	6.38%	3.88%
Timber	5.0%	5.57%	3.07%
Fixed Income (Core Investment Grade)	24.0%	5.01%	2.51%
Fixed Income (Opportunistic Credit)	5.0%	6.85%	4.35%
Cash	1%	3.11%	0.61%
	<u>100%</u>		

Based on the aforementioned methodology, the PMRS Board established the System’s Long-Term Expected Rate of Return at 7.29%.

In addition to determining the System’s Long-Term Expected Rate of Return, the PMRS Board, under the laws of the Commonwealth of Pennsylvania (Act 15 of 1974), is obligated to develop and apply the Regular Interest Rate to each of the individual participating municipalities’ actuarial asset accounts held by PMRS. The rationale for the difference between the System’s Long-Term Expected Rate of Return and the individual participating municipalities’ Regular Interest Rate is described in the following section “Discount Rate.” As of December 31, 2024, this rate is equal to 5.50%.

Discount rate

While it is often common practice to establish an actuarial Discount Rate that is equal to the Long-Term Expected Rate of Return, PMRS is required by law (Act 15 of 1974) to establish a Discount Rate equal to the Regular Interest Rate. The PMRS Board establishes the Regular Interest Rate/Discount Rate on the basis of expected stable and consistent earnings on investments to be applied to the accounts of the individual participating municipalities and includes the accounts of plan participants, municipalities, and plan retirees each year. As a starting point, the Board considers the following five quantitative factors in reviewing the Regular Interest Rate/Discount Rate:

- 1.) Retiree Plan liability as a percentage of total Plan liability,
- 2.) Active Plan participant liability as a percentage of total Plan liability,
- 3.) Annuity purchase rate Pension Benefit Guarantee Corporation (PBGC) annuity rates have been used as a proxy for this purchase rate,
- 4.) PMRS System Long-Term Expected Rate of Return, and
- 5.) PMRS investment expenses

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025**

NOTE 9 NON-UNIFORMED DEFINED BENEFIT PENSION PLAN (CONTINUED)

The Board then considers the Regular Interest Rate/Discount Rate derived from the above formula against a variety of qualitative factors such as the desire to minimize Regular Interest Rate/Discount Rate volatility, probability of achieving the Regular Interest Rate, varying levels of asset allocation and liquidity, trending of annuity rates, total PMRS actuarial and market value funding ratios, feedback from existing PMRS municipalities, and recommendations from the System's investment and actuarial consultants. The Regular Interest Rate/Discount Rate adopted by the Board and Used to measure the individual participating municipalities; total pension liability was 5.50% as of December 31, 2024.

The Regular Interest Rate / Discount Rate will likely be less than the System Long-Term Expected Rate of Return. Should the System experience a prolonged period of investment returns in excess of the Regular Interest Rate/Discount Rate, the Board is authorized to allocate any applicable portion of such excess in accordance with Board policies in the form of Excess Interest as provided for in the law.

The projection of cash flows for each underlying municipal plan, used to determine if any adjustment to the Regular Interest Rate/Discount Rate was required ("depletion testing"), used the following assumptions: 1.) member contributions will be made at the current contribution rate 2.) participating plan sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate, and 3.) the System's Long-Term Expected Rate of Return will be used in the depletion testing of projected cash flows. Based on those assumptions, the PMRS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at 12/31/24 (based on 12/31/23 measurement date)	\$ 4,474,061	\$ 4,785,766	\$ (311,705)
Changes for the Year			
Service Cost	20,934	-	20,934
Interest	227,104	-	227,104
Changes in benefit terms	-	-	-
Changes in assumptions	(90,466)	-	(90,466)
Differences between expected and actual experience	(62,848)	-	(62,848)
Contributions - employer	-	2,864	(2,864)
Contributions - PMRS assessment	-	-	-
Contributions - employee	-	4,530	(4,530)
PMRS investment income	-	230,430	(230,430)
Market value investment income	-	40,091	(40,091)
Transfers	-	-	-
Benefit payments	(342,790)	(342,790)	-
PMRS administrative expense	-	(320)	320
Additional administrative expense	-	(12,621)	12,621
Net Changes	<u>(248,066)</u>	<u>(77,816)</u>	<u>(170,250)</u>
Balance at 12/31/25 (based on 12/31/24 measurement date)	<u>\$ 4,225,995</u>	<u>\$ 4,707,950</u>	<u>\$ (481,955)</u>

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025**

NOTE 9 NON-UNIFORMED DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the pension liability to changes in the discount rate:

The following presents the net pension liability of the Township, calculated using the discount rate of 5.50%, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.50%) or 1-percentage-point higher (6.50%) than the current rate:

	PMRS Non-Uniform Defined Benefit Plan		
	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
Net Pension Liability (Asset)	\$ (99,710)	\$ (481,955)	\$ (813,678)

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PMRS financial report.

NOTE 10 CASH BALANCE RETIREMENT PLAN

The Township provides pension benefits for all new eligible full-time non-uniformed employees hired on or after January 1, 2011, the effective date of the cash balance pension plan. Non-uniformed employees are eligible to be enrolled in the plan on the date of which the employee completes 90 days of eligible service. Each participant may contribute to the plan by payroll deduction in amounts up to 17.50% of compensation and a minimum of 5%.

Existing employees hired prior to the adoption of the cash balance pension plan are covered under the Township's Non-Uniformed Defined Benefit Pension Plan.

Employees are eligible and the vesting service is based on the Elapsed Time Method. Plan entry date is the employee's employment commencement date. Eligible employees are (1) full-time employees not subject to a collective bargaining agreement scheduled to perform at least 35 hours of service per week or (2) full-time employees subject to a collective bargaining agreement authorized with the Township scheduled to perform at least 40 hours of service per week.

Total contributions to the cash balance plan were \$66,365 for the year ended December 31, 2025.

NOTE 11 DEFERRED COMPENSATION PLANS

The Township offers certain employees the option to participate in deferred compensation plans created in accordance with the Internal Revenue Code Section 457. The Plans permit the employees to voluntarily defer a percentage of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Township contributes 5%-10% of the employee's base salary. The Township contributed \$30,827 for the year ended December 31, 2025.

SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust by a third party for the exclusive benefit of participants and their beneficiaries. The deferred compensation plan assets are managed by outside Trustees under various investment options. As a result, the deferred compensation plans are not considered to be fiduciary activities of the Township and are excluded from the accompanying financial statements.

NOTE 12 RISK MANAGEMENT

The Township is exposed to various risks of loss to torts; theft of, damage to and destruction of assets; errors and omissions by elected officials, employees, and volunteers; personal injury and illness; and natural disasters. The Township carries various types of commercial insurance to manage certain risks of loss, and as a method of financing certain other risks, the Township joined the Delaware Valley Workers' Compensation Trust (D VWCT) and the Delaware Valley Insurance Trust (DVIT).

D VWCT is a regional municipal risk retention pool formed under the authority granted by the Commonwealth of Pennsylvania, Department of Labor and Industry, Bureau of Workers' Compensation. The Trust provides a method of financing an employer's medical and indemnity obligations due to municipal employees under the Pennsylvania Worker's Compensation Act. The purpose and intent of the Trust is to reduce both the frequency and severity of work-related injury and occupational disease claims. The Trust is funded by its member municipalities by annual contributions, which are assessed at the beginning of each year.

DVIT is a regional municipal risk sharing pool providing general liability, automobile, public officials' liability, police professional liability, property and equipment, and crime coverages to local governments in the Commonwealth of Pennsylvania. DVIT was formed under the authority granted by the Pennsylvania Intergovernmental Cooperation Law and the Pennsylvania Political Subdivision Tort Claim Act. The Trust is funded by annual member contributions determined by the trust's actuary in amounts necessary to pay expected losses, administrative expenses, and a recommended risk margin or surplus. DVIT is a member of an excess risk-sharing pool and has three layers of excess coverage which allows the pool to provide a \$10,000,000 per claim liability coverage limit.

There were no significant reductions in coverage during the year ended December 31, 2025, and settlements have not exceeded coverage in the past three years.

NOTE 13 CONTINGENCIES

In the normal course of business, there are various claims and suits pending against the Township. In the opinion of management and counsel, the amount of such losses that might result from these claims and suits, if any, would not materially affect the financial condition of the Township.

The use of grant monies is subject to compliance audits by governmental agencies. Management of the Township believes the Township is in compliance with substantially all of the significant requirements of such grants.

SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2025

NOTE 14 SUBSEQUENT EVENTS

In preparing the financial statements, the Township evaluated events and transactions for potential recognition or disclosure through June 25, 2026, the date the financial statements were available to be issued, in accordance with GASB Statement No. 102, *Certain Risk Disclosures*.

Management evaluated whether any events occurring after year-end presented significant risks that (1) existed at the date of the financial statements or (2) arose after year-end but before the financial statements were available to be issued. Management has determined that no events occurring subsequent to December 31, 2025, required adjustment of, or disclosure in, the financial statements, and no significant risks were identified that met the criteria for disclosure under GASB 102.

REQUIRED SUPPLEMENTARY INFORMATION

SOLEBURY TOWNSHIP, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION -
POLICE PENSION PLAN - SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
DECEMBER 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ 501,694	\$ 502,795	\$ 483,457	\$ 454,139	\$ 436,672	\$ 338,553	\$ 326,502	\$ 305,091	\$ 293,357	\$ 295,026
Interest	533,032	504,332	465,626	491,155	456,413	448,000	417,915	341,909	317,450	345,166
Changes of Benefit Terms	-	-	-	-	-	-	-	-	(160,595)	-
Differences Between Actual and Expected Experience, if any Assumptions Changes	(159,429)	-	(1,116,013)	-	(304,397)	1,010	398,169	-	(122,553)	(598,822)
Benefit Payments, Including Refunds of Employee Contributions	(373,722)	(305,748)	(222,304)	(338,460)	(219,362)	(235,118)	(250,874)	(203,145)	(203,145)	(271,707)
Net change in Total Pension Liability	501,575	701,379	(389,234)	606,834	752,491	524,791	1,340,305	443,855	141,782	(230,337)
Total Pension Liability - Beginning	9,780,482	9,079,103	9,468,337	8,861,503	8,109,012	7,584,221	6,243,916	5,800,061	5,658,279	5,888,616
Total Pension Liability - Ending (a)	\$ 10,282,057	\$ 9,780,482	\$ 9,079,103	\$ 9,468,337	\$ 8,861,503	\$ 8,109,012	\$ 7,584,221	\$ 6,243,916	\$ 5,800,061	\$ 5,658,279
Plan Fiduciary Net Position										
Contributions - Employer and State Aid	368,647	367,215	415,409	409,058	296,140	312,139	228,402	265,684	461,859	382,265
Contributions - Member	103,041	106,386	99,384	92,741	93,068	80,785	80,027	108,073	71,909	67,592
Net Investment Income (Loss)	1,310,976	1,271,579	1,185,932	(1,050,245)	1,021,104	876,934	1,125,626	(281,368)	627,570	366,526
Benefit Payments	(373,722)	(305,748)	(222,304)	(338,420)	(219,362)	(235,118)	(250,874)	(203,145)	(203,145)	(271,707)
Administrative Expense	(64,038)	(57,778)	(51,832)	(48,426)	(56,131)	(37,451)	(43,823)	(36,708)	(38,730)	(30,886)
Net Change in Plan Fiduciary Position	1,344,904	1,381,654	1,426,589	(935,292)	1,134,819	997,289	1,139,358	(147,464)	919,463	513,790
Plan Fiduciary Net Position - Beginning	10,769,473	9,387,819	7,961,230	8,896,522	7,761,703	6,764,414	5,625,056	5,772,520	4,853,057	4,339,267
Plan Fiduciary Net Position - Ending (b)	\$ 12,114,377	\$ 10,769,473	\$ 9,387,819	\$ 7,961,230	\$ 8,896,522	\$ 7,761,703	\$ 6,764,414	\$ 5,625,056	\$ 5,772,520	\$ 4,853,057
Net Pension Liability (a) - (b)	\$ (1,832,320)	\$ (988,991)	\$ (308,716)	\$ 1,507,107	\$ (35,019)	\$ 347,309	\$ 819,807	\$ 618,860	\$ 27,541	\$ 805,222
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	117.82%	110.11%	103.40%	84.08%	100.40%	95.72%	89.19%	90.09%	99.53%	85.77%
Covered Payroll	\$ 1,880,066	\$ 1,962,100	\$ 1,986,607	\$ 1,825,022	\$ 1,797,209	\$ 1,742,326	\$ 1,532,092	\$ 1,372,697	\$ 1,438,190	\$ 1,351,832
Net Pension Liability as a Percentage of Covered Payroll	-97.46%	-50.40%	-15.54%	82.58%	-1.95%	19.93%	53.51%	45.08%	1.91%	59.57%

SOLEBURY TOWNSHIP, PENNSYLVANIA
 REQUIRED SUPPLEMENTARY INFORMATION
 POLICE PENSION PLAN - SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
 DECEMBER 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 368,647	\$ 367,215	\$ 415,409	\$ 409,058	\$ 296,140	\$ 283,739	\$ 228,402	\$ 241,531	\$ 385,120	\$ 382,265
Contribution in Relation to the Actuarially Determined Contribution	368,647	367,215	415,409	409,058	296,140	312,139	228,402	265,684	461,859	382,265
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (28,400)	\$ -	\$ (24,153)	\$ (76,739)	\$ -
Covered Employee Payroll	\$ 1,880,066	\$ 1,962,100	\$ 1,986,607	\$ 1,825,022	\$ 1,797,209	\$ 1,742,326	\$ 1,532,092	\$ 1,372,697	\$ 1,438,190	\$ 1,351,832
Contributions as a Percentage of Covered Employee Payroll	19.61%	18.72%	20.91%	22.41%	16.48%	17.92%	14.91%	19.35%	32.11%	28.28%

Notes to Schedule:

Valuation Date:

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

Methods and assumptions used to determine contribution rates:

Actuarial Valuation Date	1/1/2025
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Open
Amortization Period	N/A
Asset Valuation Method	Adjusted Market Value
Inflation	2.50%
Salary Increases	4.00% average annual increase
Investment Rate of Return	5.65%
Retirement Age	Normal Retirement Age or at attained age plus one year, if later
Mortality	Pub-2010 Safety Amount- Weighted Mortality Tables, projected from 2010 with Mortality Improvement Scale MP-2021.

SOLEBURY TOWNSHIP, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
POLICE PENSION PLAN - SCHEDULE OF INVESTMENT RETURNS
DECEMBER 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual Money-weighted Rate of Return, Net of Investment Expense	11.70%	13.00%	13.67%	-11.26%	12.60%	12.50%	19.59%	-5.38%	11.80%	8.10%

SOLEBURY TOWNSHIP, PENNSYLVANIA
NON-UNIFORM PENSION PLAN - SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
DECEMBER 31, 2025

	Measurement Year Ended									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 20,934	\$ 21,676	\$ 52,659	\$ 67,667	\$ 89,717	\$ 81,222	\$ 80,038	\$ 107,713	\$ 111,765	\$ 111,033
Interest	227,104	231,891	226,948	226,408	212,007	207,163	194,370	188,989	192,424	182,888
Differences Between Actual and Expected Experience, if any	(62,848)	-	162,200	-	7,313	-	175,534	-	(175,672)	(18,223)
Assumptions Changes	(90,466)	-	-	-	216,121	-	-	-	78,677	29,214
Benefit Payments, Including Refunds of Employee Contributions	<u>(342,790)</u>	<u>(345,195)</u>	<u>(288,876)</u>	<u>(249,197)</u>	<u>(208,899)</u>	<u>(200,438)</u>	<u>(214,276)</u>	<u>(120,003)</u>	<u>(84,335)</u>	<u>(214,883)</u>
Net change in Total Pension Liability	(248,066)	(91,628)	152,931	44,878	316,259	87,947	235,666	176,699	122,859	90,029
Total Pension Liability - Beginning	4,474,061	4,565,689	4,412,758	4,367,880	4,051,621	3,963,674	3,728,008	3,551,309	3,428,450	3,338,421
Total Pension Liability - Ending (a)	<u>\$ 4,225,995</u>	<u>\$ 4,474,061</u>	<u>\$ 4,565,689</u>	<u>\$ 4,412,758</u>	<u>\$ 4,367,880</u>	<u>\$ 4,051,621</u>	<u>\$ 3,963,674</u>	<u>\$ 3,728,008</u>	<u>\$ 3,551,309</u>	<u>\$ 3,428,450</u>
Plan Fiduciary Net Position										
Contributions - Employer and State Aid	2,864	26,729	23,689	42,586	21,182	21,074	43,462	55,140	72,235	73,287
Contributions - Member	4,530	4,690	9,615	12,356	16,069	14,548	15,120	20,348	21,521	22,190
Net Investment Income (Loss)	270,521	481,546	(624,277)	669,412	662,504	832,967	(225,956)	626,281	355,609	(69,789)
Benefit Payments	(342,790)	(345,195)	(288,876)	(249,197)	(208,899)	(200,438)	(214,276)	(120,003)	(84,335)	(214,883)
Administrative Expense	<u>(12,941)</u>	<u>(13,453)</u>	<u>(12,729)</u>	<u>(13,539)</u>	<u>(10,172)</u>	<u>(7,789)</u>	<u>(9,002)</u>	<u>(9,733)</u>	<u>(10,094)</u>	<u>(9,050)</u>
Net Change in Plan Fiduciary Position	(77,816)	154,317	(892,578)	461,618	480,684	660,362	(390,652)	572,033	354,936	(198,245)
Plan Fiduciary Net Position - Beginning	4,785,766	4,631,449	5,524,027	5,062,409	4,581,725	3,921,363	4,312,015	3,739,982	3,385,046	3,583,291
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,707,950</u>	<u>\$ 4,785,766</u>	<u>\$ 4,631,449</u>	<u>\$ 5,062,409</u>	<u>\$ 5,062,409</u>	<u>\$ 4,581,725</u>	<u>\$ 3,921,363</u>	<u>\$ 4,312,015</u>	<u>\$ 3,739,982</u>	<u>\$ 3,385,046</u>
Net Pension Liability (Asset) (a) - (b)	<u>\$ (481,955)</u>	<u>\$ (311,705)</u>	<u>\$ (65,760)</u>	<u>\$ (1,111,269)</u>	<u>\$ (694,529)</u>	<u>\$ (530,104)</u>	<u>\$ 42,311</u>	<u>\$ (584,007)</u>	<u>\$ (188,673)</u>	<u>\$ 43,404</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	111.40%	106.97%	101.44%	125.18%	115.90%	113.08%	98.93%	115.67%	105.31%	98.73%
Covered Employee Payroll	\$ 150,985	\$ 156,334	\$ 320,510	\$ 411,857	\$ 535,631	\$ 484,910	\$ 503,998	\$ 678,266	\$ 717,379	\$ 733,513
Net Pension Liability as a Percentage of Covered Payroll	-319.21%	-199.38%	-20.52%	-269.82%	-129.67%	-109.32%	8.40%	-86.10%	-26.30%	5.92%

SOLEBURY TOWNSHIP, PENNSYLVANIA
 REQUIRED SUPPLEMENTARY INFORMATION
 NON-UNIFORM PENSION PLAN - SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
 DECEMBER 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 11,000	\$ 2,864	\$ 26,729	\$ 23,689	\$ 42,586	\$ 21,182	\$ 21,074	\$ 43,462	\$ 55,140	\$ 72,235
Contribution in Relation to the Actuarially Determined Contribution	11,000	2,864	26,729	23,689	42,586	21,182	21,074	43,462	55,140	72,235
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 155,437	\$ 150,985	\$ 156,334	\$ 320,510	\$ 411,857	\$ 535,631	\$ 484,910	\$ 503,998	\$ 678,266	\$ 717,379
Contributions as a Percentage of Covered Payroll	7.08%	1.90%	17.10%	7.39%	10.34%	3.95%	4.35%	8.62%	8.13%	10.07%

Notes to Schedule:

Valuation Date:

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

Methods and assumptions used to determine contribution rates:

Actuarial Valuation Date	1/1/2021
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar
Amortization Period	Level Dollar based on amortization periods in Act 205
Asset Valuation Method	Based on the municipal reserves
Inflation	2.20%
Salary Increases	Age-related scale with merit and inflation component
Investment Rate of Return	5.50%
Retirement Age	Normal retirement age
Pre-Retirement Mortality	PUB-2010 for males and females
Healthy Post-Retirement Mortality	RP-2006 for males and females
Mortality Improvement	Mortality Improvement Scale PM-2018

**SOLEBURY TOWNSHIP, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		Pos (Neg)
Revenues				
Real Estate Taxes	\$ 2,090,634	\$ 2,090,634	\$ 2,040,694	\$ (49,940)
Real Estate Transfer Taxes	700,000	950,000	1,012,742	62,742
Earned Income Taxes	3,650,000	3,950,000	4,708,088	758,088
Local Service Tax	90,000	110,000	104,993	(5,007)
Licenses, Fees, and Permits	205,000	205,000	184,212	(20,788)
Fines, Forfeits, and Costs	25,100	25,100	18,303	(6,797)
Interest and Rents	355,000	355,000	434,229	79,229
Intergovernmental	437,800	582,191	615,438	33,247
Charges for Services	367,600	548,100	542,076	(6,024)
Refunds and Miscellaneous	12,200	12,200	25,666	13,466
Total Revenues	<u>7,933,334</u>	<u>8,828,225</u>	<u>9,686,441</u>	<u>858,216</u>
Expenditures				
General Government	1,140,477	1,313,977	1,378,276	(64,299)
Public Safety	3,336,870	3,581,281	3,449,798	131,483
Public Works	880,175	930,183	842,384	87,799
Community Development	-	1,900,946	1,907,883	(6,937)
Employee Benefits	493,100	505,500	454,572	50,928
Pension	443,647	443,647	444,457	(810)
Insurance	1,069,775	1,069,775	976,012	93,763
Other	10,500	10,500	8,571	1,929
Total Expenditures	<u>7,374,544</u>	<u>9,755,809</u>	<u>9,461,953</u>	<u>293,856</u>
Excess (Deficit) of Revenues Over Expenditures	<u>558,790</u>	<u>(927,584)</u>	<u>224,488</u>	<u>564,360</u>
Other Financing Sources (Uses)				
Transfers In	150,000	150,000	200,000	(50,000)
Transfers Out	<u>(525,000)</u>	<u>(525,000)</u>	<u>(1,375,000)</u>	<u>(850,000)</u>
Total Other Financing Sources (Uses)	<u>(375,000)</u>	<u>(375,000)</u>	<u>(1,175,000)</u>	<u>(900,000)</u>
Net Change in Fund Balances	183,790	(1,302,584)	(950,512)	(335,640)
Fund Balances - Beginning of Year	<u>4,563,626</u>	<u>4,563,626</u>	<u>4,880,172</u>	<u>(316,546)</u>
Fund Balances - End of Year	<u>\$ 4,747,416</u>	<u>\$ 3,261,042</u>	<u>\$ 3,929,660</u>	<u>\$ (652,186)</u>

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISONS
DECEMBER 31, 2025**

NOTE 1 BUDGETARY DATA

The Township utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- A. Thirty days prior to the final Supervisor's meeting in December, a proposed operating budget for the fiscal year commencing the following January 1 is submitted. The operating budget includes proposed expenses and the means of financing them.
- B. The proposed operating budget is advertised in the newspaper at least 30 days prior to the final budget hearing.
- C. At the last Board of Supervisors' meeting in December, the budget is adopted by resolution.
- D. Within 30 days of adoption, the approved budget is advertised in the newspaper as being approved and available for inspection.
- E. Budgetary data are included in the Township management information system and are employed as a management control during the year.
- F. Legal budgetary control is maintained by the Township Manager with the assistance of the Treasurer at the Fund level. Budget transfers must be approved by the Board of Supervisors.

NOTE 2 BASIS OF ACCOUNTING

The budget is prepared on the same modified accrual basis of accounting as applied to the Governmental funds in the basic financial statements. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

OTHER SUPPLEMENTARY INFORMATION

SOLEBURY TOWNSHIP, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
WITH LEGALLY ADOPTED BUDGET - MAJOR DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Pos (Neg)
Revenues				
Real Estate Taxes	\$ 3,225,582	\$ 3,225,582	\$ 3,176,327	\$ (49,255)
Total Revenues	<u>3,225,582</u>	<u>3,225,582</u>	<u>3,176,327</u>	<u>(49,255)</u>
Expenditures				
General Government	15,000	15,000	3,855	(11,145)
Debt Service:				
Principal	3,057,000	6,228,000	3,057,000	(3,171,000)
Interest	257,776	261,957	263,029	1,072
Total Expenditures	<u>3,329,776</u>	<u>6,504,957</u>	<u>3,323,884</u>	<u>(3,169,928)</u>
Excess (Deficit) of Revenues Over Expenditures	(104,194)	(3,279,375)	(147,557)	(3,219,183)
Other Financing Sources (Uses)				
Transfers In	-	3,223,435	3,226,000	2,565
Payments made to Escrow Agent	-	-	(3,169,000)	(3,169,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,223,435</u>	<u>57,000</u>	<u>(3,166,435)</u>
Net Change in Fund Balances	<u>\$ (104,194)</u>	<u>\$ (55,940)</u>	<u>(90,557)</u>	<u>\$ (6,385,618)</u>
Fund Balance - Beginning of Year			<u>146,550</u>	
Fund Balance - End of Year			<u>\$ 55,993</u>	

SOLEBURY TOWNSHIP, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MAJOR CAPITAL PROJECT FUND
WITH LEGALLY ADOPTED BUDGET - LAND PRESERVATION FUND
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Pos (Neg)
Revenues				
Interest and Rents	\$ 125,000	\$ 175,000	\$ 199,670	\$ 24,670
Refunds and Miscellaneous	100	100	15	(85)
Total Revenues	<u>125,100</u>	<u>175,100</u>	<u>199,685</u>	<u>24,585</u>
Expenditures				
General Government	73,000	141,344	126,312	15,032
Preservation of Natural Resources	1,390,000	1,390,000	808,056	581,944
Total Expenditures	<u>1,463,000</u>	<u>1,531,344</u>	<u>934,368</u>	<u>596,976</u>
Excess (Deficit) of Revenues Over Expenditures	(1,337,900)	(1,356,244)	(734,683)	621,561
Other Financing Sources (Uses)				
Transfers Out	(100,000)	(3,323,435)	(3,326,000)	(2,565)
Total Other Financing Sources (Uses)	(100,000)	(3,323,435)	(3,326,000)	(2,565)
Net Change in Fund Balances	<u>\$ (1,437,900)</u>	<u>\$ (4,679,679)</u>	<u>(4,060,683)</u>	<u>\$ 618,996</u>
Fund Balance - Beginning of Year			<u>6,780,278</u>	
Fund Balance - End of Year			<u>\$ 2,719,595</u>	

SOLEBURY TOWNSHIP, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MAJOR CAPITAL PROJECT FUND
WITH LEGALLY ADOPTED BUDGET - CAPITAL RESERVE FUND
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Pos (Neg)
Other Financing Sources (Uses)				
Transfers In	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Transfers Out	(675,000)	(675,000)	(675,000)	-
Total Other Financing Sources (Uses)	(625,000)	(625,000)	(625,000)	-
Net Change in Fund Balances	<u>\$ (625,000)</u>	<u>\$ (625,000)</u>	<u>(625,000)</u>	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>4,079,888</u>	
Fund Balance - End of Year			<u>\$ 3,454,888</u>	

SOLEBURY TOWNSHIP, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MAJOR CAPITAL PROJECT FUND
WITH LEGALLY ADOPTED BUDGET - CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2025

	Budget		Actual	Variance with Final Budget
	Original	Final		Pos (Neg)
Revenue				
Intergovernmental	\$ 551,497	\$ 551,497	\$ -	\$ (551,497)
Total Revenues	551,497	551,497	-	(551,497)
Expenditures				
General Government	1,386,000	1,091,000	377,327	713,673
Total Expenditures	1,386,000	1,091,000	377,327	713,673
Excess (Deficit) of Revenues Over Expenditures	(834,503)	(539,503)	(377,327)	162,176
Other Financing Sources (Uses)				
Transfers In (Out)	675,000	675,000	1,175,000	500,000
Total Other Financing Sources (Uses)	675,000	675,000	1,175,000	500,000
Net Change in Fund Balances	<u>\$ (159,503)</u>	<u>\$ 135,497</u>	<u>797,673</u>	<u>\$ 662,176</u>
Fund Balance - Beginning of Year			<u>1,023,165</u>	
Fund Balance - End of Year			<u>\$ 1,820,838</u>	

**SOLEBURY TOWNSHIP, PENNSYLVANIA
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

The Township's nonmajor funds are as follows:

Special Revenue Funds

Account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the Township.

- Fire Protection Tax Fund — Accounts for revenues from a share of the Township's real estate taxes, which are used to fund fire protection needs.
- Natural Resources Fund - Special revenue fund that accounts for preservation and maintenance of natural resources in the Township which is funded primarily by interfund transfers from the General Fund.
- Park and Recreation Fund — Accounts for operations of the Township's recreational programs and events, which are funded in part by user fees and supplemented by an annual Interfund transfers from the General Fund.
- Highway Aid Fund — Accounts for revenues from the distribution of a portion of the state gasoline tax, which are used to fund allowable highway-related expenditures.
- Ambulance Fund — Accounts for revenues from a share of the Township's real estate taxes, which are used to fund local ambulance needs.
- Library Fund — Accounts for revenues from a share of the Township's real estate taxes, which are used to fund library needs.

Capital Project Funds

Account for financial resources intended to be used for the acquisition, construction, or reconstruction of Township assets and facilities.

- Park and Recreation Capital Fund — Accounts for capital improvements to the Township's park and recreation facilities, which are funded primarily by fees in lieu of land dedication from developers.
- Road and Bridges Fund Capital Fund — Accounts for capital construction and maintenance of the Township's roads and bridges, which is funded primarily by interfund transfers from the General Fund, proceeds from general obligation notes, and fees in lieu of improvements from developers.
- Capital Equipment Reserve Fund — Accounts for the continued updating and replacement of Township equipment, which is funded primarily by interfund transfers from the General Fund,
- Sustainability Fund — Accounts for continued capital improvements related to sustaining the local environment, funded by both interfund transfers and capital grants.
- Fire Capital Fund – Accounts for revenues from a share of the Township's real estate taxes, which are used to fund capital equipment needs for the Township's fire companies.

**SOLEBURY TOWNSHIP, PENNSYLVANIA
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025**

	Nonmajor Special Revenue Funds						Capital Projects				Total Nonmajor Funds	
	Fire Protection Tax	Natural Resources	Park and Recreation	Highway Aid	Ambulance	Library	Sustainability	Parks and Recreation Capital	Roads and Bridges	Capital Equipment Reserve		Fire Capital
Assets												
Cash	\$ 10,312	\$ 285,338	\$ 98,986	\$ 240,378	\$ 75,912	\$ 343	\$ 721,009	\$ 346,166	\$ 483,560	\$ 469,787	\$ 117,424	\$ 2,849,215
Investments	-	-	-	539,273	-	-	-	-	-	-	-	539,273
Taxes Receivable	4,637	-	-	-	2,406	1,041	40,000	16,801	-	-	-	64,885
Accounts Receivable	6,736	-	-	-	4,471	1,952	-	-	-	-	1,867	15,026
Prepaid Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 21,685	\$ 285,338	\$ 98,986	\$ 779,651	\$ 82,789	\$ 3,336	\$ 761,009	\$ 362,967	\$ 483,560	\$ 469,787	\$ 119,291	\$ 3,468,399
Liabilities, Deferred Inflows of Resources, and Fund Balance												
Liabilities												
Accounts Payable	\$ 9,620	\$ -	\$ 25,111	\$ -	\$ 73,000	\$ 3,002	\$ 48,658	\$ -	\$ 76,124	\$ 9,915	\$ -	\$ 245,430
Accrued Liabilities	-	-	3,516	-	-	-	-	-	-	-	-	3,516
Total Liabilities	9,620	-	28,627	-	73,000	3,002	48,658	-	76,124	9,915	-	248,946
Deferred Inflow of Resources:												
Unavailable Revenue - Property Taxes	6,703	-	-	-	4,452	1,942	-	-	-	-	1,867	14,964
Total Deferred Inflow of Resources	6,703	-	-	-	4,452	1,942	-	-	-	-	1,867	14,964
Fund Balances												
Restricted	5,362	285,338	70,359	779,651	5,337	-	712,351	362,967	407,436	459,872	117,424	3,206,097
Unassigned	-	-	-	-	-	(1,608)	-	-	-	-	-	(1,608)
Total Fund Balances	5,362	285,338	70,359	779,651	5,337	(1,608)	712,351	362,967	407,436	459,872	117,424	3,204,489
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 21,685	\$ 285,338	\$ 98,986	\$ 779,651	\$ 82,789	\$ 3,336	\$ 761,009	\$ 362,967	\$ 483,560	\$ 469,787	\$ 119,291	\$ 3,468,399

SOLEBURY TOWNSHIP, PENNSYLVANIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2025

	Nonmajor Special Revenue Funds						Capital Projects					Total Nonmajor Funds
	Fire Protection Tax	Natural Resources	Park and Recreation	Highway Aid	Ambulance	Library	Sustainability	Parks and Recreation Capital	Roads and Bridges	Capital Equipment Reserve	Fire Capital	
Revenues												
Real Estate Taxes	\$ 602,090	\$ -	\$ -	\$ -	\$ 310,849	\$ 130,769	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,043,708
Licenses, Fees, and Permits	-	12,500	-	-	-	-	-	-	-	-	-	12,500
Interest and Rents	-	-	3,542	36,377	-	-	-	-	-	-	-	39,919
Intergovernmental	-	-	-	371,552	-	-	86,476	-	50,625	-	-	508,653
Charges for Services	-	-	79,622	-	-	-	-	-	-	-	-	79,622
Refunds and Miscellaneous	-	-	-	883	-	-	-	6,000	-	-	-	6,883
Total Revenues	602,090	12,500	83,164	408,812	310,849	130,769	86,476	6,000	-	50,625	-	1,691,285
Expenditures												
General Government	-	-	177,496	-	309,000	132,500	256,301	-	34,440	23,292	-	933,029
Public Safety	485,954	5,165	-	-	-	-	166,487	-	-	236,351	-	893,957
Public Works	-	-	-	424,059	-	-	-	-	287,419	192,953	-	904,431
Culture and Recreation	-	-	185,565	-	-	-	-	77,847	-	-	-	263,412
Preservation of Natural Resources	-	23,030	-	-	-	-	-	-	-	-	-	23,030
Total Expenditures	485,954	28,195	363,061	424,059	309,000	132,500	422,788	77,847	321,859	452,596	-	3,017,859
Excess (Deficit) of Revenues Over Expenditures	116,136	(15,695)	(279,897)	(15,247)	1,849	(1,731)	(336,312)	(71,847)	(321,859)	(401,971)	-	(1,326,574)
Other Financing Sources (Uses)												
Proceed from sale of capital assets	-	-	-	-	-	-	-	-	-	26,213	-	26,213
Transfers In	-	-	225,000	-	-	-	-	-	150,000	350,000	117,424	842,424
Transfers Out	(117,424)	-	-	-	-	-	-	-	-	-	-	(117,424)
Total Other Financing Sources (Uses)	(117,424)	-	225,000	-	-	-	-	-	150,000	376,213	117,424	751,213
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,288)	(15,695)	(54,897)	(15,247)	1,849	(1,731)	(336,312)	(71,847)	(171,859)	(25,758)	117,424	(575,361)
Fund Balances - Beginning of Year	6,650	301,033	125,256	794,898	3,488	123	1,048,663	434,814	579,295	485,630	-	3,779,850
Fund Balances - End of Year	\$ 5,362	\$ 285,338	\$ 70,359	\$ 779,651	\$ 5,337	\$ (1,608)	\$ 712,351	\$ 362,967	\$ 407,436	\$ 459,872	\$ 117,424	\$ 3,204,489

SOLEBURY TOWNSHIP, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - MODIFIED ACCRUAL BASIS - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025

	Natural Resources			Park and Recreation		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues						
Fines, Forfeits, and Costs	\$ 5,000	\$ 12,500	\$ 7,500	\$ -	\$ -	\$ -
Interest and Rents	-	-	-	3,800	3,542	(258)
Charges for Services	-	-	-	52,522	79,622	27,100
Total Revenues	<u>5,000</u>	<u>12,500</u>	<u>7,500</u>	<u>56,322</u>	<u>83,164</u>	<u>26,842</u>
Expenditures						
General Government	-	-	-	177,000	177,496	496
Public Safety	24,500	5,165	(19,335)	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	186,700	185,565	(1,135)
Preservation of Natural Resources	45,000	23,030	(21,970)	-	-	-
Total Expenditures	<u>69,500</u>	<u>28,195</u>	<u>41,305</u>	<u>363,700</u>	<u>363,061</u>	<u>639</u>
Excess (Deficit) of Revenues Over Expenditures	(64,500)	(15,695)	48,805	(307,378)	(279,897)	27,481
Other Financing Sources (Uses)						
Transfers In (Out)	-	-	-	225,000	225,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,000</u>	<u>225,000</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (64,500)</u>	<u>(15,695)</u>	<u>\$ 48,805</u>	<u>\$ (82,378)</u>	<u>(54,897)</u>	<u>\$ 27,481</u>
Fund Balances - Beginning of Year		<u>301,033</u>			<u>125,256</u>	
Fund Balances - End of Year		<u>\$ 285,338</u>			<u>\$ 70,359</u>	

SOLEBURY TOWNSHIP, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - MODIFIED ACCRUAL BASIS - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Highway Aid			Roads and Bridges		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues						
Interest and Rents	\$ 35,000	\$ 36,377	\$ 1,377	\$ -	\$ -	\$ -
Intergovernmental	371,552	371,552	-	-	-	-
Refunds and Miscellaneous	-	883	883	500	-	(500)
Total Revenues	406,552	408,812	2,260	500	-	(500)
Expenditures						
General Government	-	-	-	42,100	34,440	(7,660)
Public Works	443,000	424,059	(18,941)	265,500	287,419	21,919
Total Expenditures	443,000	424,059	(18,941)	307,600	321,859	14,259
Excess (Deficit) of Revenues Over Expenditures	(36,448)	(15,247)	(16,681)	(307,100)	(321,859)	13,759
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	150,000	150,000
Total Other Financing Sources (Uses)	-	-	-	-	150,000	150,000
Net Change in Fund Balances	\$ (36,448)	(15,247)	\$ (16,681)	\$ (307,100)	(171,859)	\$ 163,759
Fund Balances - Beginning of Year		794,898			579,295	
Fund Balances - End of Year		\$ 779,651			\$ 407,436	

SOLEBURY TOWNSHIP, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - MODIFIED ACCRUAL BASIS - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Capital Equipment Reserve		
	Budget	Actual	Variance
Revenues			
Intergovernmental	\$ (45,000)	\$ 50,625	\$ 95,625
Total Revenues	<u>(45,000)</u>	<u>50,625</u>	<u>95,625</u>
Expenditures			
General Government	85,000	23,292	61,708
Public Safety	232,000	236,351	(4,351)
Public Works	335,000	192,953	142,047
Total Expenditures	<u>652,000</u>	<u>452,596</u>	<u>199,404</u>
Excess (Deficit) of Revenues Over Expenditures	(697,000)	(401,971)	295,029
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	18,500	26,213	7,713
Transfers In (Out)	200,000	350,000	(150,000)
Total Other Financing Sources (Uses)	<u>218,500</u>	<u>376,213</u>	<u>(142,287)</u>
Net Change in Fund Balances	<u>\$ (478,500)</u>	<u>(25,758)</u>	<u>\$ 152,742</u>
Fund Balances - Beginning of Year		<u>485,630</u>	
Fund Balances - End of Year		<u>\$ 459,872</u>	

SOLEBURY TOWNSHIP, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - MODIFIED ACCRUAL BASIS - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Fire Protection Tax			Parks and Recreation Capital		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues						
Real Estate Taxes	\$ 611,569	\$ 602,090	\$ (9,479)	\$ -	\$ -	\$ -
Refunds and Miscellaneous	-	-	-	4,000	6,000	2,000
Total Revenues	<u>611,569</u>	<u>602,090</u>	<u>(9,479)</u>	<u>4,000</u>	<u>6,000</u>	<u>2,000</u>
Expenditures						
Public Safety	491,701	485,954	5,747	-	-	-
Culture and Recreation	-	-	-	85,000	77,847	7,153
Total Expenditures	<u>491,701</u>	<u>485,954</u>	<u>5,747</u>	<u>85,000</u>	<u>77,847</u>	<u>7,153</u>
Excess (Deficit) of Revenues Over Expenditures	119,868	116,136	(3,732)	(81,000)	(71,847)	9,153
Other Financing Sources (Uses)						
Transfers In (Out)	-	(117,424)	(117,424)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(117,424)</u>	<u>(117,424)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 119,868</u>	<u>(1,288)</u>	<u>\$ (121,156)</u>	<u>\$ (81,000)</u>	<u>(71,847)</u>	<u>\$ 9,153</u>
Fund Balances - Beginning of Year		<u>6,650</u>			<u>434,814</u>	
Fund Balances - End of Year		<u>\$ 5,362</u>			<u>\$ 362,967</u>	

SOLEBURY TOWNSHIP, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - MODIFIED ACCRUAL BASIS - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Library Fund			Ambulance Fund		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues						
Real Estate Taxes	\$ 132,787	\$ 130,769	\$ (2,018)	\$ 315,064	\$ 310,849	\$ (4,215)
Total Revenues	<u>132,787</u>	<u>130,769</u>	<u>(2,018)</u>	<u>315,064</u>	<u>310,849</u>	<u>(4,215)</u>
Expenditures						
General Government	132,500	132,500	-	309,600	309,000	600
Total Expenditures	<u>132,500</u>	<u>132,500</u>	<u>-</u>	<u>309,600</u>	<u>309,000</u>	<u>(600)</u>
Excess (Deficit) of Revenues Over Expenditures	287	(1,731)	(2,018)	5,464	1,849	(4,815)
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 287</u>	<u>(1,731)</u>	<u>\$ (2,018)</u>	<u>\$ 5,464</u>	<u>1,849</u>	<u>\$ (4,815)</u>
Fund Balances - Beginning of Year		<u>123</u>			<u>3,488</u>	
Fund Balances - End of Year		<u>\$ (1,608)</u>			<u>\$ 5,337</u>	

SOLEBURY TOWNSHIP, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - MODIFIED ACCRUAL BASIS - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Fire Capital Fund			Sustainability Fund		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 86,476	\$ 86,476
Total Revenues	-	-	-	-	86,476	86,476
Expenditures						
General Government	-	-	-	335,000	256,301	78,699
Public Safety	-	-	-	198,500	166,487	32,013
Total Expenditures	-	-	-	533,500	422,788	110,712
Excess (Deficit) of Revenues Over Expenditures	-	-	-	(533,500)	(336,312)	197,188
Other Financing Sources (Uses)						
Transfers In	-	117,424	117,424	-	-	-
Total Other Financing Sources (Uses)	-	117,424	117,424	-	-	-
Net Change in Fund Balances	<u>\$ -</u>	<u>117,424</u>	<u>\$ 117,424</u>	<u>\$ (533,500)</u>	<u>(336,312)</u>	<u>\$ 197,188</u>
Fund Balance - Beginning of Year		-			1,048,663	
Fund Balance - End of Year		<u>\$ 117,424</u>			<u>\$ 712,351</u>	