

**SOLEBURY TOWNSHP, PENNSYLVANIA  
FINANCIAL STATEMENTS AND SUPPLEMENTARY  
INFORMATION  
YEAR ENDED DECEMBER 31, 2023**

**SOLEBURTY TOWNSHIP, PENNSYLVANIA  
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# *Zelenkofske Axlerod LLC*

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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, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2023, 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***

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

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



# *Zelenkofske Axlerod LLC*

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## ***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.

## ***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 and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Zelenkofske Axlerod LLC*

Zelenkofske Axlerod LLC

Jamison, PA  
June 26, 2024

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023  
(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, 2023. Please read it in conjunction with the Township's financial statements that begin on page 14.

**FINANCIAL HIGHLIGHTS**

- Solebury Township had a fiscally sound year. Increased collections from Earned Income Tax and Real Estate Transfer Tax, and a one-time \$1.285 million earned income tax receipt, enabled the Township to end the year with a positive net position. As the effects of the COVID-19 pandemic wane, Earned Income Tax and Real Estate Transfer Tax are returning to pre-pandemic levels. Township Administration continues to take corrective action by eliminating, delaying, or deferring expenses to subsequent years to operate efficiently and within budget.
- Interest income has increased significantly due to the rise in short-term interest rates. As interest rates have climbed, the returns on short-term investments and deposits have improved, resulting in higher earnings from interest for the Township. This increase in interest income has positively impacted the Township's financial position, providing additional funds for operational and capital needs. The strategic management of short-term investments has allowed the Township to capitalize on the favorable interest rate environment, enhancing overall fiscal stability.
- Moody's rated the Township at Aa1 due to its strong financial position which has consistently improved in recent years.
- The Township continued its efforts to apply for available grants to fund various capital items and was awarded the following grants in 2023: 1) \$193,959 Local Share Account to fund the Route 202 & Lower Mountain Road Intersection Improvements; 2) \$464,758 DCED Multimodal Transportation Fund grant to fund the Gateway Trail Extension of Sугan Road to Kitchens Lane; 3) \$2,000 DEP Alternative Fuels Incentive grant for the purchase of an electric vehicle; and 4) \$50,000 DCNR Community Conservation Partnership Program grant for the Park / Rec / Open Space Plan updates.
- The Township has taken significant steps to modernize its technological infrastructure, upgrading both software and hardware systems. This ongoing modernization process is reflected in the increased budget allocations for technological and capital expenses. To enhance security, the Township has also implemented comprehensive measures to combat cybercrime, ensuring that the new systems are protected against potential threats. These efforts aim to improve efficiency, safeguard sensitive information, and provide better services to the community.

**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.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023  
(Unaudited)**

**Report Components**

This annual report consists of five parts as follows:

**Government-Wide Financial Statements:** Government-wide financial statements (starting on page 14) 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 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 16) 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 50 through 56) 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 58) 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.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023  
(Unaudited)**

**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 16 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.

**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, American Rescue Plan Fund, and Capital Reserve Funds to be its significant or major Governmental funds. All other Governmental funds are aggregated in a single column titled 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.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023  
(Unaudited)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Table 1 - Solebury Township's Net Position

	<u>2023</u>	<u>2022</u>
Current and Other Assets	\$ 23,788,475	\$ 20,713,356
Capital Assets	<u>52,380,711</u>	<u>52,862,446</u>
Total Assets	76,169,186	73,575,802
Deferred Charge on Refunding	19,301	23,270
Deferred Outflows from Pension	<u>749,594</u>	<u>1,267,742</u>
Total Deferred Outflows of Resources	768,895	1,291,012
Current Liabilities	2,310,495	1,057,293
Noncurrent Liabilities	<u>19,866,675</u>	<u>24,389,612</u>
Total Liabilities	22,177,170	25,446,905
Deferred Inflows from Pension	<u>1,265,532</u>	<u>1,212,184</u>
Total Deferred Inflows of Resources	1,265,532	1,212,184
Net Position		
Net Investment in Capital Assets	39,678,785	37,062,015
Restricted and Assigned	10,380,479	10,843,008
Unrestricted	<u>3,436,115</u>	<u>302,702</u>
Total Net Position	<u>\$ 53,495,379</u>	<u>\$ 48,207,725</u>

The Township's net position increased for the twelfth consecutive year. The net increase of \$5,287,654 is the result of the Township's investment in capital assets (land preservation easements), the receipt of various grants and the administration efforts to manage expenses coupled with significantly increased real estate transfer and earned income tax revenue in 2023. The Township received approximately \$712,000 in real estate transfer tax revenue, and \$5.4 million in earned income tax revenue (including the one-time \$1.285 million earned income tax receipt). Real Estate Transfer Tax receipts were approximately thirteen (6%) higher than originally budgeted, and Earned Income Tax receipts were approximately fifty-four percent (13%) higher than originally budgeted.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023  
(Unaudited)**

Table 2 - Solebury Township's Change in Net Position

	2023	2022
Revenues:		
Program Revenues		
Charges for Services	\$ 1,717,183	\$ 862,493
Operating Grants and Contributions	374,238	1,382,660
Capital Grants and Contributions	65,498	456,784
General Revenues:		
Real Estate Taxes	6,099,490	5,254,952
Local Service Taxes	98,558	99,381
Real Estate Transfer taxes	712,940	809,026
Earned Income taxes	5,411,965	3,854,969
Interest and Rents	435,859	99,159
Gain on Sale of Assets	-	106,919
Total Revenues	14,915,731	12,926,343
Expenses:		
General Government	2,904,302	3,162,844
Public Safety	3,195,308	2,721,792
Public Works	2,295,620	1,943,030
Culture and Recreation	634,208	445,819
Preservation of Natural Resources	351,461	941,905
Interest on Long-Term Debt	247,178	419,303
Total Expenses	9,628,077	9,634,693
Change in Net Position	5,287,654	3,291,650
Net Position - Beginning of Year	48,207,725	44,916,075
Net Position - End of Year	\$ 53,495,379	\$ 48,207,725

The overall net position of the Township increased \$5.3 million from the prior year due to reasons already discussed. Several aspects of the Township's financial operations positively influenced the total net position:

- Detailed and thorough expense monitoring and five-year budgeting outlooks.
- Increased revenue from earned income tax and interest earnings.
- Continued low cost of debt due to Township's strong bond rating of Aa1.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023  
(Unaudited)**

**Balance Sheet – Governmental Funds**

The Township's total Governmental fund balances, resulting from modified accrual basis of accounting transactions, increased from \$18,590,031 to \$21,080,163 between the fiscal years 2022 and 2023.

	2023	2022
Cash and Investments	\$ 21,906,480	\$ 18,049,042
Taxes and other Receivables	1,335,983	1,536,319
Prepaid Items	171,536	16,726
Total Assets	\$ 23,413,999	\$ 19,602,087
Accounts Payable and Accrued Liabilities	255,644	\$ 315,144
Escrow Liabilities	1,704,363	-
Unearned Revenues	308,236	286,289
Total Liabilities	2,268,243	601,433
Deferred Inflow of Resources	65,593	410,623
Fund Balances:		
Nonspendable	162,386	16,726
Restricted	16,516,537	14,830,762
Unassigned	4,401,240	3,742,543
Total Fund Balances	21,080,163	18,590,031
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 23,413,999	\$ 19,602,087

The thirteen percent (13%) increase in the Governmental Fund balance is attributable to the bond proceeds for investment in capital assets, increased Earned Income Tax, Interest Income and grant revenue as previously discussed.

**Change in Fund Balances**

For the years ended December 31, 2023 and 2022, the Township's total Governmental fund balances changed as follows:

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023  
(Unaudited)**

	<u>2023</u>	<u>2022</u>
Revenues:		
Program Revenues		
Charges for Services	\$ 10,500	\$ 522,968
Intergovernmental	774,633	1,580,604
General Revenues:		
Real Estate Taxes	6,138,531	5,975,157
Real Estate Transfer taxes	712,940	809,026
Earned Income taxes	5,411,965	3,854,969
Interest and Rents	435,859	99,159
Licenses and Permits	947,776	244,661
Fines, Forfeits, and Costs	25,084	15,656
Refunds and Miscellaneous	384,635	658,334
Other Financing Sources:		
Proceeds from Bond Issuance and Insurance	-	5,173,661
Proceeds from Sale of Capital Assets	14,291	-
Total Revenues and Other Financing Sources	<u>\$ 14,856,214</u>	<u>\$ 18,934,195</u>
Expenditures:		
General Government	1,177,337	1,267,991
Public Safety	3,126,246	3,129,993
Public Works	2,028,705	1,935,196
Culture and Recreation	552,311	432,170
Preservation of Natural Resources	351,461	941,905
Miscellaneous		
Employee Benefits	1,153,878	1,055,614
Pension	529,910	500,077
Insurance	127,462	120,277
Other	6,615	9,683
Debt Service	3,312,157	3,277,859
Other Financing Sources:		
Payments to Redeem Bonds	-	-
Total Expenditures and other Financing Uses	<u>12,366,082</u>	<u>12,670,765</u>
Change in Fund Balances	2,490,132	6,263,430
Fund Balances - Beginning of Year	<u>18,590,031</u>	<u>12,326,601</u>
Fund Balances - End of Year	<u>\$ 21,080,163</u>	<u>\$ 18,590,031</u>

Budget to Actual comparisons for the major funds are noted in these Financial Statements beginning on page 54.

For the year ended December 31, 2023, General Fund revenues exceeded budget by \$930,544, and expenditures were below budget by approximately \$613,545 prior to accounting for inter-fund transfers over and above the budgeted amounts. These additional transfers were completed to build other reserve balances maintained by the Township. The increase in revenue is directly attributable to greater than expected collections in Earned Income Taxes, Interest Income and Public Safety Revenue. The decrease in expenditures is due to the Administration's efforts to minimize expenditure outlays and defer some expenditures to later years. The result of the increased revenue and reduction in expenditures allowed the Administration to continue its efforts to build other reserves by transferring funds over the original budgeted amounts from the General Fund as follows: \$25,000 to the Natural Resource Fund; \$1,785,000 to Capital Reserve Fund; \$100,000 to the Capital Equipment Fund; \$200,000 to the Sustainability Fund; \$100,000 to the Park Capital Fund; \$200,000 to the Capital Projects Fund; \$200,000 to the Parks and Recreation Fund; \$10,000 to the Library Fund; \$325,000 to the Road and Bridge Fund; and \$150,000 to the Operating Reserve Fund. These steps enhanced the Township's financial security and ability to fund future capital expenditures.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023  
(Unaudited)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

Table 3 - Capital Assets, Net of Depreciation

	<u>2023</u>	<u>2022</u>
Land, Art, and Land Easements	\$ 38,953,175	\$ 38,953,175
Land Improvements	5,213	7,300
Park Improvements	4,550,053	4,665,791
Buildings and improvements	5,098,406	5,395,315
Vehicles and Equipment	1,445,444	1,374,133
Furniture, Fixtures and Equipment	297,278	283,938
Infrastructure	<u>2,031,142</u>	<u>2,182,794</u>
Total	<u>\$ 52,380,711</u>	<u>\$ 52,862,446</u>

The change in Capital Assets is primarily due to depreciation expense.

**Capital Debt**

At December 31, 2023 and 2022, the Township had \$18,788,000 and \$21,700,000, respectively, in long-term debt outstanding. Principal and interest payments in 2023 were \$2,912,000 and \$400,157, and in 2022 were \$2,813,000 and \$464,859, 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>2023</u>	<u>2022</u>
General Obligation Bonds	\$ 10,040,000	\$ 11,880,000
Direct Placement Notes	<u>8,748,000</u>	<u>9,820,000</u>
Total General obligation Notes and Bonds	<u>\$ 18,788,000</u>	<u>\$ 21,700,000</u>

The Township continued its debt repayment plan during 2023, reducing outstanding debt. Additional information about the Township's long-term debt can be found in Note 5 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The 2024 Solebury Township Budget calls for the continuation of the Land Preservation, Capital Projects and Roads & Bridges Programs, and the continued support of the Sustainability Fund which will guide the future operational and capital expenditures of the Township (i.e. climate mitigation projects, EV charging stations, renewable energy, etc.). The Township continues to explore and improve upon recreational opportunities for its residents and continues to maintain and improve the Township's infrastructure.

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2023**  
**(Unaudited)**

The 2024 Budget does not require a tax increase, and the real estate tax millage allocation will remain constant to meet expenditure requirements. The total tax millage of 24.8102 mills is allocated as follows: 8.5 mills for the General Fund; .491 mills for the Library Fund; 13.129 mills for the Debt Service Fund; 1.75 mills for the Fire Fund; and .9402 mills for the EMS Fund.

As has been previously discussed, the COVID-19 pandemic had significant effects on global markets, supply chains, businesses, communities, and local governments from its inception right through today. One of the anomalies of the pandemic was increased Real Estate Transfer Tax and Earned Income Tax collections. The Township reached its largest total revenue (in the last five years) in 2021 - \$14,385,460, and now receipts are on the downward cusp of peak collections, returning to pre-pandemic "normalized" levels, while the cost of goods continues to rise. Therefore, the Township continues to employ a conservative budget approach by holding tax revenues consistent with prior years' receipts and modestly increasing overall Township expenses.

There are economic uncertainties due to a significant increase in interest rates to combat rising inflation as well as continued supply chain disruptions and wars in Ukraine and Palestine. The price of goods, materials and services continue to rise, most significantly for vehicles, fuel and asphalt. The current bid for winter maintenance services for 2024 – 2027 seasons, has resulted in a 30 - 35% increase, and the next lawn care bid may result in increased costs. Insurance costs, specifically for property and cyber insurance, have risen sharply due to repetitive losses attributed to climate change weather events and an increase in cyber-attacks. The Township has also felt the effects of an aging municipal complex as several unexpected costly repairs were required in 2023.

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 preparing the budget, the staff attempted to balance the recent figures with immediate needs as well as future needs. The evolution of any economic downturns that could be associated with the challenges listed above create uncertainty, however, the budgeted revenue has been projected based on historical revenue, and adjusted slightly based on trends experienced in the first seven months of 2023. There are three key items that could have major impacts on the Township's budgets over the following five years: 1) sluggish growth of tax revenue; 2) management of debt service; and 3) reduction in real estate transfer tax.

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, Rt. 202 Property Advisory Committee, the Human Relations Commission, the Zoning Hearing Board, the Land Preservation Committee, the Park and Recreation Board and the Board of Supervisors. Each of these departments generate core expenses, which are required for the smooth Township operations. These expenses are mainly captured in the **General Fund**, but also recorded in the Parks & Recreation Fund, Liquid Fuels Fund and the Roads & Bridges Fund.

The projected expenditures in the proposed 2024 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. The 2024 expenditures reflect a \$250,000 reduction in inter-fund transfers from the General Fund balance due additional costs associated with personnel and inflation.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023  
(Unaudited)**

**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 Sagan Road, P.O. Box 139, Solebury, PA 18963 or 215-297-5656.

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

	Governmental Activities
<b>Assets</b>	
Cash and Cash Equivalents	\$ 18,149,638
Investments	3,756,842
Accounts Receivable	543,789
Taxes Receivable	792,194
Prepaid Expenses	171,536
Net Pension Asset	374,476
Capital Assets - Not Being Depreciated	
Land	3,344,871
Artwork	42,000
Conservation Easements	35,566,304
Other Capital Assets - Net of Depreciation:	13,427,536
Total Assets	76,169,186
 <b>Deferred Outflows of Resources</b>	
Deferred Charge on Refunding Related to Pension	19,301 749,594
Total Deferred Outflows of Resources	768,895
 <b>Liabilities</b>	
Accounts Payable	255,644
Accrued Interest Payable	42,252
Unearned Revenue	308,236
Escrow Liability	1,704,363
Noncurrent Liabilities	
Due Within One Year	3,338,028
Due Beyond One Year	16,528,647
Total Liabilities	22,177,170
 <b>Deferred Inflows of Resources</b>	
Related to Pension	1,265,532
Total Deferred Inflows of Resources	1,265,532
 <b>Net Position</b>	
Nonspendable	162,386
Net Investment in Capital Assets	39,678,785
Restricted for:	
Net Pension Asset	374,476
Debt Service	288,983
Fire Protection	3,676
Ambulance	4,972
Highway Aid	750,933
Other	2,562,725
Land Preservation	319,854
Capital Reserve	3,790,888
Natural Resources	345,150
Parks and Recreation	695,295
Sustainability	1,081,141
Unrestricted	3,436,115
Total Net Position	\$ 53,495,379

The accompanying notes are integral part of the financial statements.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities				
General Government	\$ 2,904,302	\$ 1,026,163	\$ -	\$ (1,878,139)
Public Safety	3,195,308	418,056	-	(2,777,252)
Public Works	2,295,620	219,447	373,738	(1,636,937)
Culture and Recreation	634,208	53,502	-	(580,706)
Preservation of Natural Resources	351,461	15	500	(350,946)
Interest on Long Term Debt	247,178	-	-	(247,178)
<b>Total Governmental Activities</b>	<b>9,628,077</b>	<b>1,717,183</b>	<b>374,238</b>	<b>(7,471,158)</b>
General Revenues:				
Real Estate Taxes				6,099,490
Local Service Taxes				98,558
Real Estate Transfer Taxes				712,940
Earned Income Taxes				5,411,965
Interest and Rents				435,859
<b>Total General Revenues and Other Items</b>				<b>12,758,812</b>
Change in Net Position				5,287,654
Net Position - Beginning of Year				48,207,725
Net Position - End of Year				<u>\$ 53,495,379</u>

The accompanying notes are integral part of the financial statements.

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2023**

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Land Preservation	Debt Service	Capital Reserve	ARPA		
<u>Assets</u>							
Cash and Cash Equivalents	\$ 2,374,293	\$ 6,992,774	\$ 266,886	\$ 3,790,888	\$ -	\$ 4,724,797	\$ 18,149,638
Accounts Receivable	327,355	-	34,508	-	-	181,926	543,789
Taxes Receivable	765,946	-	23,044	-	-	3,204	792,194
Investments	3,087,290	-	-	-	-	669,552	3,756,842
Prepaid Expenses	162,386	-	-	-	-	9,150	171,536
<b>Total Assets</b>	<b>\$ 6,717,270</b>	<b>\$ 6,992,774</b>	<b>\$ 324,438</b>	<b>\$ 3,790,888</b>	<b>\$ -</b>	<b>\$ 5,588,629</b>	<b>\$ 23,413,999</b>
<u>Liabilities and Fund Balances</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 107,227	\$ -	\$ 730	\$ -	\$ -	\$ 135,158	\$ 243,115
Accrued Liabilities	11,362	-	-	-	-	1,167	12,529
Escrow Liabilities	1,704,363	-	-	-	-	-	1,704,363
Unearned Revenues	308,236	-	-	\$ -	-	-	308,236
<b>Total Liabilities</b>	<b>2,131,188</b>	<b>-</b>	<b>730</b>	<b>-</b>	<b>-</b>	<b>136,325</b>	<b>2,268,243</b>
<u>Deferred Inflow of Resources</u>							
Unavailable Revenue - Intergovernmental	-	-	-	-	-	-	-
Unavailable Revenue - Property Taxes	22,456	-	34,725	-	-	8,412	65,593
<b>Total Deferred Inflow of Resources</b>	<b>22,456</b>	<b>-</b>	<b>34,725</b>	<b>-</b>	<b>-</b>	<b>8,412</b>	<b>65,593</b>
<u>Fund Balances</u>							
Non-Spendable	162,386	-	-	-	-	-	162,386
<u>Restricted for:</u>							
Land Preservation	-	6,992,774	-	-	-	-	6,992,774
Debt Service	-	-	288,983	-	-	-	288,983
Fire Protection	-	-	-	-	-	3,676	3,676
Ambulance	-	-	-	-	-	4,972	4,972
Highway Aid	-	-	-	-	-	750,933	750,933
Natural Resources	-	-	-	-	-	345,150	345,150
Parks and Recreation	-	-	-	-	-	184,643	184,643
Other	-	-	-	-	-	830	830
Capital Reserve	-	-	-	3,790,888	-	-	3,790,888
Roads and Bridges	-	-	-	-	-	521,422	521,422
Capital Equipment Reserve	-	-	-	-	-	991,665	991,665
Capital Projects	-	-	-	-	-	1,048,808	1,048,808
Parks and Recreation Capital	-	-	-	-	-	510,652	510,652
Sustainability	-	-	-	-	-	1,081,141	1,081,141
Unassigned	4,401,240	-	-	-	-	-	4,401,240
<b>Total Fund Balances</b>	<b>\$ 4,563,626</b>	<b>\$ 6,992,774</b>	<b>\$ 288,983</b>	<b>\$ 3,790,888</b>	<b>\$ -</b>	<b>\$ 5,443,892</b>	<b>\$ 21,080,163</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,717,270</b>	<b>\$ 6,992,774</b>	<b>\$ 324,438</b>	<b>\$ 3,790,888</b>	<b>\$ -</b>	<b>\$ 5,588,629</b>	<b>\$ 23,413,999</b>

The accompanying notes are integral part of the financial statements.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2023**

Fund Balances - Total Governmental Funds	\$ 21,080,163
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	(141,462)
Deferred Outflows of Resources are Recorded as Expenditures in the Fund Statements but Recorded as a Deferred Outflow of Resources and Amortized in the Statement of Net Position Deferred Charge on Refunding	19,301
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	52,380,711
Other Long-Term Assets (Receivables) are not Available to Pay for Current-Period Expenditures and, therefore, are Unavailable in the Funds	65,593
Long term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Compensated Absences	(491,829)
Accrued Interest	(42,252)
General Obligation Bonds and Note Payable	<u>(19,374,846)</u>
Net Position of Governmental Activities	<u>\$ 53,495,379</u>

The accompanying notes are integral part of the financial statements.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2023**

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Land Preservation	Debt Service	Capital Reserve	ARPA		
<b>Revenues</b>							
Real Estate Taxes	\$ 2,067,562	\$ -	\$ 3,197,757	\$ -	\$ -	\$ 774,654	\$ 6,039,973
Real Estate Transfer Taxes	712,940	-	-	-	-	-	712,940
Earned Income Taxes	5,411,965	-	-	-	-	-	5,411,965
Local Service Taxes	98,558	-	-	-	-	-	98,558
Licenses, Fees, and Permits	947,776	-	-	-	-	-	947,776
Fines, Forfeits, and Costs	25,084	-	-	-	-	-	25,084
Interest and Rents	366,059	38,667	-	-	1,538	29,595	435,859
Intergovernmental	73,820	-	-	-	261,077	439,736	774,633
Charges for Services	-	-	-	-	-	10,500	10,500
Refunds and Miscellaneous	151,908	15	1,000	-	-	231,712	384,635
<b>Total Revenues</b>	<b>9,855,672</b>	<b>38,682</b>	<b>3,198,757</b>	<b>-</b>	<b>262,615</b>	<b>1,486,197</b>	<b>14,841,923</b>
<b>Expenditures</b>							
General Government	1,034,276	-	3,394	-	-	139,667	1,177,337
Public Safety	2,281,179	-	-	-	-	845,067	3,126,246
Public Works	1,185,770	-	-	-	-	859,736	2,045,506
Culture and Recreation	-	-	-	-	-	535,510	535,510
Preservation of Natural Resources	-	27,637	-	-	-	323,824	351,461
<b>Miscellaneous:</b>							
Employee Benefits	1,153,878	-	-	-	-	-	1,153,878
Pension	529,910	-	-	-	-	-	529,910
Insurance	127,462	-	-	-	-	-	127,462
Other	6,615	-	-	-	-	-	6,615
<b>Debt Service:</b>							
Principal	-	-	2,912,000	-	-	-	2,912,000
Interest	-	-	400,157	-	-	-	400,157
<b>Total Expenditures</b>	<b>6,319,090</b>	<b>27,637</b>	<b>3,315,551</b>	<b>-</b>	<b>-</b>	<b>2,703,804</b>	<b>12,366,082</b>
Excess (Deficit) of Revenues Over Expenditures	3,536,582	11,045	(116,794)	-	262,615	(1,217,607)	2,475,841
<b>Other Financing Sources (Uses)</b>							
Proceeds from Capital Asset Sale	-	-	-	-	-	14,291	14,291
Transfers In	362,775	-	-	1,785,000	-	1,721,801	3,869,576
Transfers Out	(3,095,000)	(95,000)	-	(395,000)	(267,775)	(16,801)	(3,869,576)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,732,225)</b>	<b>(95,000)</b>	<b>-</b>	<b>1,390,000</b>	<b>(267,775)</b>	<b>1,719,291</b>	<b>14,291</b>
Net Change in Fund Balances	804,357	(83,955)	(116,794)	1,390,000	(5,160)	501,684	2,490,132
Fund Balances - Beginning of Year	3,759,269	7,076,729	405,777	2,400,888	5,160	4,942,208	18,590,031
Fund Balances - End of Year	\$ 4,563,626	\$ 6,992,774	\$ 288,983	\$ 3,790,888	\$ -	\$ 5,443,892	\$ 21,080,163

The accompanying notes are 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, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$ 2,490,132
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>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</p>	
Expenditures less disposals for general capital assets, infrastructure, and other related capital assets adjustments	342,866
Current year depreciation	(824,601)
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	59,517
The change in Net Pension Asset and Deferrals are reported in the Statement of Activities but are not reported in the Governmental Funds.	198,818
<p>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:</p>	
<p>Debt Service:</p>	
Principal Payments	2,912,000
Change in Bond Premium	147,887
Amortization of Premium and Loss on Refunding	(3,969)
Change in Accrued Interest	9,061
Change in Compensated Absences	(44,057)
Change in Net Position of Governmental Activities	\$ 5,287,654

The accompanying notes are integral part of the financial statements.

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS**  
**DECEMBER 31, 2023**

	Component Unit	
	Police Pension Trust	Custodial Funds
<b>Assets</b>		
Cash and Cash Equivalents	\$ 79,413	\$ 1,990
Investments	9,308,406	-
	<u>\$ 9,387,819</u>	<u>\$ 1,990</u>
<b>Total Assets</b>	<u>\$ 9,387,819</u>	<u>\$ 1,990</u>
<b>Net Position</b>		
Restricted for:		
Pensions	\$ 9,387,819	\$ -
<b>Total Net Position</b>	<u>\$ 9,387,819</u>	<u>\$ -</u>

The accompanying notes are integral part of the financial statements.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2023**

	Component Unit	
	Police Pension Trust	Custodial Funds
Additions		
Contributions:		
Township and State Aid	\$ 415,409	\$ -
Members	99,384	-
Donations	-	1,990
Total Contributions	514,793	1,990
Investment Earnings:		
Net Depreciation in Fair Value of Investments	1,185,932	-
Total Additions (Reductions), Net	1,185,932	-
Deductions		
Benefits	222,304	-
Administration and Other	51,832	1,990
Total Deductions	274,136	1,990
Change in Net Position	1,426,589	-
Net Position Held in Trust for Pension Benefits		
Net Position - Beginning of Year	7,961,230	-
Net Position - End of Year	\$ 9,387,819	\$ -

The accompanying notes are integral part of the financial statements.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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, 2023**

**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.
- **ARPA Fund** – Accounts for revenues from a share of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan, to support the Township's response to and recovery from the COVID-19 public health emergency.

**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 Plans were established to provide retirement, disability and death benefits, and health insurance benefits to eligible retirees of the Township. The Plans are included in the financial reporting entity as fiduciary component units because the Plans are (1) considered to be separate legal entities, (2) the Township Board of Supervisors function as the governing board of the plans, and (3) the plans impose a financial burden on the Township as it is legally obligated to make contributions to the Plans.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023**

**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.

**Measurement Focus and Basis of Accounting (Continued)**

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.

**Due to and Due from Other Funds**

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which the transactions are executed. These transactions are eliminated in the Statement of Net Position.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023**

**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.

**Capital Assets (Continued)**

In order to preserve open space, the Township purchases conservation easements. A conservation easement restricts the use of land from development in perpetuity. A conservation easement 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 two line items that qualify for reporting in this category that are reported in the government-wide statement of net position: deferred charge on refunding, and pensions.

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Outflows/Inflows of Resources (Continued)**

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the new refunding debt. Deferred outflows 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 qualify's 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.

**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 lien'd 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. Revenue that is not available as of December 31<sup>st</sup>, is recorded as deferred inflows of resources.

**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.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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, 2023.

**Compensated Absences**

The accumulated vested compensated absences are reported as liabilities in the government-wide financial statements. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is allowed to be paid upon retirement. In the Governmental funds financial statements, compensated absences are not recognized as liabilities but are recognized as expenditures when due to be paid.

**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.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023**

**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, 2023, the book balance of the Township's deposits with banks was \$18,148,388. The bank balances were \$18,263,401. Of the bank balances, 100% was covered by federal depository related insurance or collateralized in accordance with the Commonwealth of Pennsylvania Act 72 of 1971. 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.

As of December 31, 2023, the Township's bank balances and certificates of deposit were exposed to custodial credit risk as follows:

Insured by FDIC	\$	250,000
Collateralized		-
Uninsured and Collateral Held by the Pledging Bank's Trust Department not in the Government's Name		17,934,388
Total	\$	18,184,388

**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.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

As of December 31, 2023, 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, 2023 are as follows:

Investment and Cash Equivalent Type	<u>Valuation Inputs Level</u>	<u>Fair Value</u>
Governmental Funds:		
Certificates of Deposit	Level 2	\$ 511,077
Money Market Funds	Level 1	3,245,765
Total Governmental Funds		<u>3,756,842</u>
Police Pension Trust Fund:		
Money Market Funds (1)	N/A	\$ 79,413
ETF's - Equity Funds	Level 1	5,805,102
Negotiable Certificates of Deposit	Level 2	2,969,915
Government Bonds	Level 2	533,389
Total Police Pension Trust Fund		<u>9,387,819</u>
Combined Total		<u>\$ 13,144,661</u>

(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 brokers negotiable certificates of deposit, in which the Township receives pass-through depository insurance up to \$250,000 at each financial institution. The remaining 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:

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk – Investments (Continued)**

	Average Maturities (in Years)					Total
	Less Than 1	1-5	6-10	11-20	More than 20	
Government						
Bonds	\$ 250,000	\$ 98,603	\$ 184,786	\$ -	\$ -	\$ 533,389
	<u>\$ 250,000</u>	<u>\$ 98,603</u>	<u>\$ 184,786</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 533,389</u>

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

	Maturity Year					Total
	2024	2025	2026	2027	2028-2030	
Certificates of						
Deposit	\$1,197,550	\$ 371,707	\$ 512,658	\$ 439,536	\$ 959,541	\$ 3,480,992
	<u>\$1,197,550</u>	<u>\$ 371,707</u>	<u>\$ 512,658</u>	<u>\$ 439,536</u>	<u>\$ 959,541</u>	<u>\$ 3,480,992</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 and money market funds 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, 2023, the Township had no investments exceeding 5% of the Township's total investments of the Governmental funds.

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2023**

**NOTE 3 CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended December 31, 2023:

	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	<u>35,566,304</u>	<u>-</u>	<u>-</u>	<u>35,566,304</u>
Total Capital Assets, Not Being Depreciated	<u>38,953,175</u>	<u>-</u>	<u>-</u>	<u>38,953,175</u>
Capital Assets, Depreciated:				
Fixtures	299,081	52,636	-	351,717
Land Improvements	38,601	-	-	38,601
Park Improvements	5,797,354	-	-	5,797,354
Buildings / PW Buildings	9,648,773	-	-	9,648,773
Furniture & Office Equipment	283,284	-	-	283,284
Vehicles & Equipment	2,680,147	290,230	72,720	2,897,657
Infrastructure	<u>5,467,379</u>	<u>-</u>	<u>-</u>	<u>5,467,379</u>
Total Capital Assets, Being Depreciated	<u>24,214,619</u>	<u>342,866</u>	<u>72,720</u>	<u>24,484,765</u>
Accumulated Depreciation for:				
Fixtures	101,411	24,624	-	126,035
Land Improvements	31,301	2,087	-	33,388
Park Improvements	1,131,563	115,738	-	1,247,301
Buildings / PW Buildings	4,253,458	296,909	-	4,550,367
Furniture & Office Equipment	197,016	14,672	-	211,688
Vehicles & Equipment	1,306,014	218,919	72,720	1,452,213
Infrastructure	<u>3,284,585</u>	<u>151,652</u>	<u>-</u>	<u>3,436,237</u>
Total Accumulated Depreciation	<u>10,305,348</u>	<u>824,601</u>	<u>72,720</u>	<u>11,057,229</u>
Total Capital Assets, Being Depreciated, Net	<u>13,909,271</u>	<u>(481,735)</u>	<u>-</u>	<u>13,427,536</u>
Governmental Activities Capital Assets, Net	<u>\$ 52,862,446</u>	<u>\$ (481,735)</u>	<u>\$ -</u>	<u>\$ 52,380,711</u>

**NOTE 4 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

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

	Transfers In	Transfers Out
General Fund	\$ 362,775	\$ 3,095,000
Land Preservation Fund	-	95,000
Capital Reserve Fund	1,785,000	395,000
ARPA Fund	-	267,775
Nonmajor Governmental Funds		
Sustainability Fund	725,000	-
Park and Recreation Capital Fund	116,801	-
Natural Resource	45,000	-
Park and Recreation Fund	200,000	16,801
Capital Projects	100,000	-
Library Fund	10,000	-
Roads and Bridges Fund	325,000	-
Capital Equipment Fund	<u>200,000</u>	<u>-</u>
Total	<u>\$ 3,869,576</u>	<u>\$ 3,869,576</u>

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2023**

**NOTE 4 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

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, 2023.

**NOTE 5 LONG-TERM DEBT**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Direct Borrowing Notes Payable:					
Series 2011 - 2.95% (DVRFA Note)	\$ 1,790,000	\$ -	\$ (428,000)	\$ 1,362,000	\$ 441,000
Series 2021A - 1.25% (Capital Projects)	5,061,000	-	(1,000)	5,060,000	1,000
Series 2021B - 0.79% (Refunding 2012A, 2012B, 2017 Note)	2,955,000	-	(636,000)	2,319,000	1,162,000
Notes payable - Artwork	14,000	-	(7,000)	7,000	7,000
Total Notes Payable	<u>9,820,000</u>	<u>-</u>	<u>(1,072,000)</u>	<u>8,748,000</u>	<u>1,611,000</u>
Unamortized Premium	734,733	-	(147,887)	586,846	-
General Obligation Bonds Payable:					
Series 2017A - 0.87% - 2.00% (Bond)	2,140,000	-	(1,220,000)	920,000	540,000
Series 2019A - 2.0% - 5.0% (New Money)	1,315,000	-	-	1,315,000	180,000
Series 2019B - 2.0% - 5.0% (Red Bond)	3,585,000	-	(615,000)	2,970,000	650,000
Series 2020 - 1.1% - 3.00% (Bond)	4,840,000	-	(5,000)	4,835,000	5,000
Total Bonds Payable	<u>11,880,000</u>	<u>-</u>	<u>(1,840,000)</u>	<u>10,040,000</u>	<u>1,375,000</u>
Compensated Absences	447,772	44,057	-	491,829	352,028
Governmental Activity Long-Term Debt	<u>\$ 22,882,505</u>	<u>\$ 44,057</u>	<u>\$ (3,059,887)</u>	<u>\$ 19,866,675</u>	<u>\$ 3,338,028</u>

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.

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2023**

**NOTE 5 LONG-TERM DEBT (CONTINUED)**

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 \$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 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.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023**

**NOTE 5 LONG-TERM DEBT (CONTINUED)**

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.

**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.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023**

**NOTE 5 LONG-TERM DEBT (CONTINUED)**

**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, 2023, is shown in the table below. 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	\$ 1,362,000	Fixed	\$ 58,096

(1) Based on Fair Value Estimates as of December 31, 2023

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023**

**NOTE 5 LONG-TERM DEBT (CONTINUED)**

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, 2023 totaled \$10,040,000.

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
2024	\$ 1,375,000	\$ 228,315	\$ 1,603,315	\$ 1,611,000	\$ 108,510	\$ 1,719,510
2025	1,445,000	171,715	1,616,715	1,612,000	86,061	1,698,061
2026	2,675,000	114,590	2,789,590	468,000	67,823	535,823
2027	3,205,000	55,790	3,260,790	1,000	63,219	64,219
2028-2030	<u>1,340,000</u>	<u>32,170</u>	<u>1,372,170</u>	<u>5,056,000</u>	<u>62,394</u>	<u>5,118,394</u>
Total	<u>\$ 10,040,000</u>	<u>\$ 602,580</u>	<u>\$ 10,642,580</u>	<u>\$ 8,748,000</u>	<u>\$ 388,007</u>	<u>\$ 9,136,007</u>

**NOTE 6 COMPENSATED ABSENCES**

The Township has established policies for paying employees, at the time of termination or retirement, for certain accumulated but unused absences. Upon leaving, an employee will be compensated for unused vacation and personal days, and for one-half of unused sick days, up to 120 days for full-time employees. At December 31, 2023, the Township’s liability for compensated absences was \$491,829. The liability was determined by multiplying the accumulated available sick days, personal days, or vacation days, if applicable, for each employee by the applicable daily rate. Compensated absences will be paid from the general fund.

**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, 2023, the Township recognized pension expense of \$159,749 for the Police Pension Plan and pension expense of \$87,035 for the Non-Uniform PMRS Plan, respectively. The Township recognized a net pension asset of \$308,716 for the Police Pension Plan and a net pension asset of \$65,760 for the Non-Uniform Pennsylvania Municipal Retirement System (PMRS) Plan. The Police Pension Plan net pension liability was measured as of December 31, 2023. The Non-Uniform Pennsylvania Municipal Retirement System (PMRS) Plan’s net pension asset was measured as of December 31, 2022.

At December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to its pension plans from the following sources:

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023**

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

	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	\$ 114,138	\$ 1,255,246	\$ 81,100	\$ -
Changes in Assumptions	386,889	10,286	-	-
Net Difference Between Projected and Actual Investment Earnings	12,970	-	127,768	-
Contributions Subsequent to the Measurement Date	-	-	26,729	-
	<u>\$ 513,997</u>	<u>\$ 1,265,532</u>	<u>\$ 235,597</u>	<u>\$ -</u>

The deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date of \$26,729 that will be recognized as an addition of the net pension asset in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>	<u>Police</u>	<u>NU</u>
2024	(144,901)	(99,973)	(44,928)
2025	33,566	36,218	(2,652)
2026	128,232	43,611	84,621
2027	(92,930)	(264,757)	171,827
2027	(117,627)	(117,627)	-
Thereafter	(349,007)	(349,007)	-
Total	<u>\$ (542,667)</u>	<u>\$ (751,535)</u>	<u>\$ 208,868</u>

**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.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023**

**NOTE 8 DEFINED BENEFIT POLICE PENSION PLAN (CONTINUED)**

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

	Police
Covered Employees	All Regular Full-Time Sworn Police Officers
Number of Covered Active Employees	17
Number of Persons Receiving Benefits	
Retired Employees and Beneficiaries	6
Terminated Employees Vested but not Receiving Benefits	1
Current Annual Covered Payroll	\$1,986,607
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.

**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.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023**

**NOTE 8 DEFINED BENEFIT POLICE PENSION PLAN (CONTINUED)**

**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, 2023:

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

**Net Pension Liability**

The net pension liability of the plan as of the measurement date of December 31, 2023, was as follows:

Total Pension Liability	\$ 9,079,103
Plan Fiduciary Net Position	9,387,819
Net Pension Liability	<u>\$ (308,716)</u>
 Plan Fiduciary Net Position as a % of Total Pension Liability	 <u>103.40%</u>

The Plan’s Total Pension Liability as of December 31, 2023 was calculated based on January 1, 2023 rolled forward to December 31, 2023. Method and assumptions used to determine the Total Pension Liability were as follows:

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2023**

**NOTE 8 DEFINED BENEFIT POLICE PENSION PLAN (CONTINUED)**

	<u>Police</u>
Valuation Date	1/1/2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Open
Asset Valuation Method	Fair Market Value
Remaining Amortization Period	N/A
Actuarial Assumptions	
Long-Term Investment Rate of Return	5.65%
Projected Salary Increases	4.00%
Inflation Rate Included	2.50%
Mortality Rate	Pub-2010 Safety Amount-Weighted Mortality Tables Projected from 2010 with Mortality Improvement Scale MP-2021

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.

A schedule of changes in the net pension liability for the year ended December 31, 2023 was as follows:

	<u>Total Pension</u>	<u>Increase (Decrease)</u>	<u>Net Pension</u>
	<u>Liability</u>	<u>Plan Fiduciary</u>	<u>Liability</u>
		<u>Net Position</u>	
Balances at 12/31/22	\$ 9,468,337	\$ 7,961,230	\$ 1,507,107
Changes for the Year			
Service Cost	483,457	-	483,457
Interest on Total Pension Liability	465,626	-	465,626
Changes in benefits	-	-	-
Difference between expected and actual experience	(1,116,013)	-	(1,116,013)
Changes in assumptions	-	-	-
Township & State Contributions	-	415,409	(415,409)
Employee Contributions	-	99,384	(99,384)
Net investment income	-	1,185,932	(1,185,932)
Benefit payments, including employee refunds	(222,304)	(222,304)	-
Administrative expense	-	(51,832)	51,832
Other changes	-	-	-
Net Changes	<u>(389,234)</u>	<u>1,426,589</u>	<u>(1,815,823)</u>
Balances at 12/31/23	<u>\$ 9,079,103</u>	<u>\$ 9,387,819</u>	<u>\$ (308,716)</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.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023**

**NOTE 8 DEFINED BENEFIT POLICE PENSION PLAN (CONTINUED)**

**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:

	1% Decrease (4.65%)	Current Discount Rate (5.65%)	1% Increase (6.65%)
Net Pension Liability (Asset)	\$ 1,015,879	\$ (308,716)	\$ (1,396,685)
<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 2023 was 13.67%. The money-weighted rate of return expresses investment performance, net of expenses, adjusted for the change amounts actually invested.

**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.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2023**

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

*Benefits Provided (Continued):*

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	3
Number of Persons Receiving Benefits	
Retired Employees and Beneficiaries	12
Terminated Employees Vested but not Receiving	1
	16
	16

*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 2023 the Township contributed \$26,729 to the plan.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023**

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

**Net Pension Liability**

The Township's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022.

*Actuarial assumptions:*

The total pension liability in the December 31, 2022 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 2.8%
Inflation	2.80%

Mortality rates Pre-Retirement for the December 31, 2022 valuation were based on the RP-2000 Non-Annuitant Table projected 15 years with scale AA for males and with a 5 year setback for females. Mortality rates Post-Retirement were based on the RP-2000 Annuitant Table projected 5 years with scale AA for males and projected 10 years with scale AA for females.

The actuarial assumptions used in the December 31, 2022 valuation were based on the PMRS Experience Study for the period covering January 1, 2014 through December 31, 2020 issued by the actuary in September 2020 as well as subsequent Board approved assumption changes.

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 (2.5%). 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, 2022 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%	7.50%	5.00%
Domestic Equities (small capitalized firms)	8.0%	8.20%	5.70%
International Equities (international developed markets)	14.5%	7.60%	5.10%
International Equities (emerging markets)	3.0%	8.01%	5.51%
Global Equities	5.0%	7.03%	4.53%
Real estate	10.0%	7.42%	4.92%
Timber	5.0%	6.50%	4.00%
Fixed Income (Core Investment Grade)	24.0%	4.60%	2.10%
Fixed income (Opportunistic Credit)	5.0%	8.00%	5.50%
Cash	1.0%	2.20%	-0.30%
Total Portfolio	<u>100%</u>		

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023**

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

Based on the aforementioned methodology, the PMRS Board established the System's Long-Term Expected Rate of Return at 7.43%.

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, 2022, this rate is equal to 5.25%.

**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

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 5.25% as of December 31, 2022.

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.

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2023**

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

	<u>Total Pension Liability</u>	<u>Increase (Decrease) Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at 12/31/22 (based on 12/31/21 measurement date)	\$ 4,412,758	\$ 5,524,027	\$ (1,111,269)
Changes for the Year			
Service Cost	52,659	-	52,659
Interest on Total Pension Liability	226,948	-	226,948
Changes in benefits	-	-	-
Difference between expected and actual experience	162,200	-	162,200
Changes in assumptions	-	-	-
Township Contributions	-	23,689	(23,689)
Employee Contributions	-	9,615	(9,615)
Net investment income	-	(624,277)	624,277
Benefit payments, including employee refunds	(288,876)	(288,876)	-
Administrative expense	-	(12,729)	12,729
Other changes	-	-	-
Net Changes	<u>152,931</u>	<u>(892,578)</u>	<u>1,045,509</u>
Balance at 12/31/23 (based on 12/31/22 measurement date)	<u>\$ 4,565,689</u>	<u>\$ 4,631,449</u>	<u>\$ (65,760)</u>

*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 5.25%, 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 (4.25%) or 1-percentage-point higher (6.25%) than the current rate:

	<u>PMRS Non-Uniform Defined Benefit Plan</u>		
	<u>1% Decrease (4.25%)</u>	<u>Discount Rate (5.25%)</u>	<u>1% Increase (6.25%)</u>
Net Pension Liability (Asset)	\$ 353,298	\$ (65,760)	\$ (428,880)

*Pension plan fiduciary net position.*

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

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

For the year ended December 31, 2022, the Township recognized pension expense of \$87,035. At December 31, 2022 the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2023**

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

	Non-Uniform PMRS Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 81,100	\$ -
Changes in Assumptions	-	-
Net Difference Between Projected and Actual Investment Earnings	127,768	-
Contributions Subsequent to the Measurement Date	26,729	-
	\$ 235,597	\$ -

The \$26,729 reported as deferred outflows of resources related to pensions resulting from the Township's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022 financial statements. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31.	
2024	\$ (44,928)
2025	(2,652)
2026	84,621
2027	171,827
2027	-
Thereafter	-
Total	\$ 208,868

**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 data. 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 \$38,842 for the year ended December 31, 2023.

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2023**

**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 \$32,131 for the year ended December 31, 2023.

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, 2023 and settlements have not exceeded coverage in the past three years.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023**

**NOTE 13 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Excess of Expenditures Over Appropriations**

The General Fund transfers exceeded budget in order to build reserves in other funds for future capital expenditures. The overage was funded from excess revenues, transfers from other budgeted expenditures and existing fund balance. Approval of the Township Supervisors was obtained for these additional transfers.

**NOTE 14 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.

**NOTE 15 SUBSEQUENT EVENTS**

The Township's management has evaluated subsequent events to determine if events or transactions occurring through June 26, 2024, the date which the financial statements were available for issuance, require potential adjustment to, or disclosures in, the accompanying financial statements. Based upon the evaluation, the Township's management did not identify any subsequent events other than the event noted above that require adjustment or disclosure in the financial statements.

## 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, 2023**

	Police Measurement Year Ended									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability	\$ 483,457	\$ 454,139	\$ 436,672	\$ 338,553	\$ 326,502	\$ 305,091	\$ 293,357	\$ 295,026	\$ 294,257	\$ 282,939
Service Cost	465,626	491,155	456,413	448,000	417,915	341,909	317,450	345,166	323,953	301,611
Interest	-	-	-	-	-	-	(160,595)	-	-	-
Changes of Benefit Terms	(1,116,013)	-	(304,397)	1,010	398,169	-	(122,553)	(598,822)	(474,839)	-
Differences Between Actual and Expected Experience, if any	-	-	383,165	(27,654)	448,593	-	17,268	-	454,526	-
Assumptions Changes	(222,304)	(338,460)	(219,362)	(235,118)	(250,874)	(203,145)	(203,145)	(271,707)	(216,989)	(207,361)
Benefit Payments, Including Refunds of Employee Contributions	(383,234)	608,834	752,491	524,791	1,340,305	443,855	141,782	(230,337)	380,908	377,189
Net change in Total Pension Liability	9,468,337	8,861,503	8,109,012	7,584,221	6,243,916	5,800,061	5,658,279	5,888,616	5,507,708	5,130,519
Total Pension Liability - Beginning	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	5,507,708
Total Pension Liability - Ending (e)	415,409	409,058	296,140	312,139	228,402	265,684	461,859	382,265	369,529	281,351
Plan Fiduciary Net Position	99,384	92,741	93,068	80,785	80,027	108,073	71,909	67,592	64,902	63,060
Contributions - Employer and State Aid	1,185,932	(1,050,245)	1,021,104	876,934	1,125,626	(281,368)	627,570	366,526	19,684	198,682
Net Investment Income (Loss)	(222,304)	(338,420)	(219,362)	(235,118)	(250,874)	(203,145)	(203,145)	(271,707)	(216,989)	(207,361)
Benefit Payments	(51,832)	(48,426)	(56,131)	(37,451)	(43,823)	(36,709)	(38,730)	(30,886)	(39,629)	(27,088)
Administrative Expense	1,428,588	(935,292)	1,134,819	997,289	1,139,358	(147,464)	919,463	513,790	197,497	308,644
Net Change in Plan Fiduciary Position	7,961,230	8,896,522	7,761,703	6,764,414	5,625,056	5,772,520	4,853,057	4,339,267	4,141,770	3,833,126
Plan Fiduciary Net Position - Beginning	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	4,141,770
Plan Fiduciary Net Position - Ending (b)	\$ (308,716)	\$ 1,507,107	\$ (35,019)	\$ 347,309	\$ 819,807	\$ 618,860	\$ 27,541	\$ 805,222	\$ 1,549,349	\$ 1,365,938
Net Pension Liability (a) - (b)	103.40%	84.08%	100.40%	95.72%	89.19%	90.09%	99.53%	85.77%	73.69%	75.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	\$ 1,986,607	\$ 1,825,022	\$ 1,797,209	\$ 1,742,326	\$ 1,532,092	\$ 1,372,697	\$ 1,438,190	\$ 1,351,832	\$ 1,292,897	\$ 1,247,495
Covered Payroll	-15.54%	82.58%	-1.95%	19.93%	53.51%	45.08%	1.91%	59.57%	119.84%	109.49%
Net Pension Liability as a Percentage of Covered Payroll										

**Notes to Schedule**

Schedules are intended to show information for 10 years. Additional years will be disclosed as they become available in future years.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
REQUIRED SUPPLEMENTARY INFORMATION  
POLICE PENSION PLAN – SCHEDULE OF EMPLOYER’S CONTRIBUTIONS,  
AND INVESTMENT RETURNS  
DECEMBER 31, 2023**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 415,409	\$ 409,058	\$ 296,140	\$ 283,739	\$ 228,402	\$ 241,531	\$ 385,120	\$ 382,265	\$ 245,393	\$ 255,864
Contribution in Relation to the Actuarially Determined Contribution	415,409	409,058	296,140	312,139	228,402	265,684	461,859	382,265	369,529	281,351
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ (28,400)	\$ -	\$ (24,153)	\$ (76,739)	\$ -	\$ (124,136)	\$ (25,487)
Covered Employee Payroll	\$ 1,986,607	\$ 1,825,022	\$ 1,797,209	\$ 1,742,326	\$ 1,532,092	\$ 1,372,697	\$ 1,438,190	\$ 1,351,832	\$ 1,292,897	\$ 1,247,495
Contributions as a Percentage of Covered Employee Payroll	20.91%	22.41%	16.48%	17.92%	14.91%	19.35%	32.11%	28.28%	28.59%	22.55%

**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	1/1/2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Closed
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 Salary Amount- Weighted Mortality Tables, projected from 2010 with Mortality Improvement Scale MP-2021.

**Notes to Schedule**

Schedules are intended to show information for 10 years. Additional years will be disclosed as they become available in future years.

Annual Money-weighted Rate of Return, Net of Investment Expense	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	13.67%	-11.26%	12.60%	12.50%	19.59%	-5.38%	11.80%	8.10%	0.20%	4.80%

**Notes to Schedule**

Schedules are intended to show information for 10 years. Additional years will be disclosed as they become available in future years.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
NON-UNIFORM PENSION PLAN – SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY (ASSET) AND RELATED RATIOS  
DECEMBER 31, 2023**

	Non-Uniform Measurement Year Ended									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Total Pension Liability										
Service Cost	\$ 52,659	\$ 67,667	\$ 89,717	\$ 81,222	\$ 80,038	\$ 107,713	\$ 111,765	\$ 111,033	\$ 119,638	\$
Interest	226,948	226,408	212,007	207,163	194,370	188,989	192,424	182,888	186,433	
Differences Between Actual and Expected Experience, if any	162,200	-	7,313	-	175,534	-	(175,672)	(18,223)	(191,304)	
Assumptions Changes	(288,876)	(249,197)	216,121	-	-	-	78,677	29,214	-	
Benefit Payments, Including Refunds of Employee Contributions	152,931	44,878	316,259	(200,438)	(214,276)	(120,003)	(84,335)	(214,883)	(91,581)	
Net change in Total Pension Liability				87,947	235,666	176,699	122,859	90,029	23,186	
Total Pension Liability - Beginning	4,412,758	4,367,880	4,051,621	3,963,674	3,728,008	3,551,309	3,428,450	3,338,421	3,315,235	
Total Pension Liability - Ending (a)	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	
Plan Fiduciary Net Position										
Contributions - Employer and State Aid	23,689	42,586	21,182	21,074	43,462	55,140	72,235	73,287	77,552	
Contributions - Member	9,615	12,356	16,069	14,548	15,120	20,348	21,521	22,190	22,785	
Net Investment Income (Loss)	(624,277)	669,412	662,504	832,967	(225,956)	626,281	355,609	(69,789)	105,365	
Benefit Payments	(288,876)	(249,197)	(208,899)	(200,438)	(214,276)	(120,003)	(84,335)	(214,883)	(91,581)	
Administrative Expense	(12,729)	(13,539)	(10,172)	(7,789)	(9,002)	(9,733)	(10,094)	(9,050)	(7,812)	
Net Change in Plan Fiduciary Position	(892,578)	461,618	480,684	660,362	(390,652)	572,033	354,936	(198,245)	106,309	
Plan Fiduciary Net Position - Beginning	5,524,027	5,062,409	4,581,725	3,921,363	4,312,015	3,739,982	3,385,046	3,583,291	3,476,982	
Plan Fiduciary Net Position - Ending (b)	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	
Net Pension Liability (Asset) (a) - (b)	\$ (65,760)	\$ (1,111,269)	\$ (694,529)	\$ (530,104)	\$ 42,311	\$ (584,007)	\$ (188,673)	\$ 43,404	\$ (244,870)	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.44%	125.18%	115.90%	113.08%	98.93%	115.67%	105.31%	98.73%	107.33%	
Covered Payroll	\$ 320,510	\$ 411,857	\$ 535,631	\$ 484,910	\$ 503,998	\$ 678,266	\$ 717,379	\$ 733,513	\$ 779,883	
Net Pension Liability as a Percentage of Covered Payroll	-20.52%	-269.82%	-129.67%	-109.32%	8.40%	-86.10%	-26.30%	5.92%	-31.40%	

**Notes to Schedule**  
Schedules are intended to show information for 10 years. Additional years will be disclosed as they become available in future years.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
REQUIRED SUPPLEMENTARY INFORMATION  
NON-UNIFORM PENSION PLAN – SCHEDULE OF EMPLOYER'S CONTRIBUTIONS,  
AND INVESTMENT RETURNS  
DECEMBER 31, 2023**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 26,729	\$ 23,689	\$ 42,586	\$ 21,182	\$ 21,074	\$ 43,462	\$ 55,140	\$ 72,235	\$ 73,287	\$ 76,807
Contribution in Relation to the Actuarially Determined Contribution	26,729	23,689	42,586	21,182	21,074	43,462	55,140	72,235	73,287	77,552
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (745)
Covered Payroll	\$ 929,158	\$ 320,510	\$ 411,857	\$ 535,631	\$ 484,910	\$ 503,988	\$ 676,266	\$ 717,379	\$ 733,513	\$ 779,883
Contributions as a Percentage of Covered Payroll	2.88%	7.39%	10.34%	3.95%	4.35%	8.62%	8.13%	10.07%	9.98%	9.94%

**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 1/1/2022
- Actuarial Cost Method Entry Age Normal
- Amortization Method Level Dollar
- Amortization Period 3 Years
- Asset Valuation Method Based on the municipal reserves
- Inflation 2.80%
- Salary Increases Age-related scale with merit and inflation component
- Investment Rate of Return 5.25%
- Retirement Age Normal retirement age
- Mortality RP-2000 Mortality Table with Scale AA

**Notes to Schedule**

Schedules are intended to show information for 10 years. Additional years will be disclosed as they become available in future years.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE --  
BUDGET AND ACTUAL -- GENERAL FUND  
DECEMBER 31, 2023**

	Budget		Actual	Variance with Final Budget Pos (Neg)
	Original	Final		
Revenues				
Real Estate Taxes	\$ 2,076,288	\$ 2,091,288	\$ 2,067,562	\$ (23,726)
Real Estate Transfer Taxes	675,000	675,000	712,940	37,940
Earned Income Taxes	3,500,000	4,785,085	5,411,965	626,880
Local Service Tax	80,000	90,000	98,558	8,558
Licenses, Fees, and Permits	856,325	856,325	947,776	91,451
Fines, Forfeits, and Costs	21,500	21,500	25,084	3,584
Interest and Rents	65,000	305,000	366,059	61,059
Intergovernmental	68,100	68,100	73,820	5,720
Refunds and Miscellaneous	17,200	32,830	151,908	119,078
<b>Total Revenues</b>	<b>7,359,413</b>	<b>8,925,128</b>	<b>9,855,672</b>	<b>930,544</b>
Expenditures				
General Government	1,092,490	1,144,010	1,034,276	109,734
Public Safety	2,456,350	2,471,350	2,281,179	190,171
Public Works	1,406,925	1,444,575	1,185,770	258,805
Employee Benefits	1,148,900	1,203,900	1,153,878	50,022
Pension	528,425	528,425	529,910	(1,485)
Insurance	122,875	130,375	127,462	2,913
Other	10,000	10,000	6,615	3,385
<b>Total Expenditures</b>	<b>6,765,965</b>	<b>6,932,635</b>	<b>6,319,090</b>	<b>613,545</b>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>593,448</b>	<b>1,992,493</b>	<b>3,536,582</b>	<b>1,544,089</b>
Other Financing Sources (Uses)				
Transfers In	235,562	260,562	362,775	(102,213)
Transfers Out	(755,000)	(2,090,000)	(3,095,000)	(1,005,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(519,438)</b>	<b>(1,829,438)</b>	<b>(2,732,225)</b>	<b>(902,787)</b>
<b>Net Change in Fund Balances</b>	<b>74,010</b>	<b>(97,507)</b>	<b>804,357</b>	<b>641,302</b>
<b>Fund Balances - Beginning of Year</b>	<b>3,759,269</b>	<b>3,759,269</b>	<b>3,759,269</b>	<b>-</b>
<b>Fund Balances - End of Year</b>	<b>\$ 3,833,279</b>	<b>\$ 3,661,762</b>	<b>\$ 4,563,626</b>	<b>\$ (901,864)</b>

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE --**  
**BUDGET AND ACTUAL -- ARPA FUND**  
**DECEMBER 31, 2023**

	Budget		Actual	Variance with Final Budget Pos (Neg)
	Original	Final		
Revenues				
Interest and Rents	500	500	1,538	1,038
Intergovernmental	-	-	261,077	261,077
Total Revenues	<u>500</u>	<u>500</u>	<u>262,615</u>	<u>262,115</u>
Excess (Deficit) of Revenues Over Expenditures	500	500	262,615	262,115
Other Financing Sources (Uses)				
Transfers In (Out)	<u>(265,562)</u>	<u>(265,562)</u>	<u>(267,775)</u>	<u>(2,213)</u>
Total Other Financing Sources (Uses)	<u>(265,562)</u>	<u>(265,562)</u>	<u>(267,775)</u>	<u>(2,213)</u>
Net Change in Fund Balances	<u>(265,062)</u>	<u>(265,062)</u>	<u>(5,160)</u>	<u>259,902</u>
Fund Balance - Beginning of Year			<u>5,160</u>	
Fund Balance - End of Year			<u>-</u>	

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISONS**  
**DECEMBER 31, 2023**

**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 – MAJOR SPECIAL REVENUE FUND  
 WITH LEGALLY ADOPTED BUDGET – DEBT SERVICE FUND  
 YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Pos (Neg)
Revenues				
Real Estate Taxes	\$ 3,225,229	\$ 3,225,229	\$ 3,197,757	\$ (27,472)
Refunds and Miscellaneous	-	-	1,000	1,000
	<u>3,225,229</u>	<u>3,225,229</u>	<u>3,198,757</u>	<u>(26,472)</u>
Expenditures				
Debt Service:				
General Government	5,000	5,000	3,394	(1,606)
Principal	2,905,000	2,905,000	2,912,000	7,000
Interest	410,705	410,705	400,157	(10,548)
	<u>3,320,705</u>	<u>3,320,705</u>	<u>3,315,551</u>	<u>5,154</u>
Excess (Deficit) of Revenues Over Expenditures	(95,476)	(95,476)	(116,794)	(21,318)
Net Change in Fund Balances	<u>\$ (95,476)</u>	<u>\$ (95,476)</u>	<u>(116,794)</u>	<u>\$ (21,318)</u>
Fund Balance - Beginning of Year			<u>405,777</u>	
Fund Balance - End of Year			<u>\$ 288,983</u>	

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
 BUDGET AND ACTUAL – MAJOR SPECIAL REVENUE FUND  
 WITH LEGALLY ADOPTED BUDGET – LAND PRESERVATION FUND  
 YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		Pos (Neg)
Revenues				
Interest and Contributions	\$ 5,000	\$ 5,000	\$ 38,667	\$ 33,667
Refunds and Miscellaneous	100	100	15	(85)
Total Revenues	5,100	5,100	38,682	33,582
Expenditures				
Preservation of Natural Resources	686,000	686,000	27,637	658,363
Total Expenditures	686,000	686,000	27,637	658,363
Excess (Deficit) of Revenues Over Expenditures	(680,900)	(680,900)	11,045	691,945
Other Financing Sources (Uses)				
Transfers In (Out)	(95,000)	(95,000)	(95,000)	-
Total Other Financing Sources (Uses)	(95,000)	(95,000)	(95,000)	-
Net Change in Fund Balances	\$ (775,900)	\$ (775,900)	(83,955)	\$ 691,945
Fund Balance - Beginning of Year			7,076,729	
Fund Balance - End of Year			\$ 6,992,774	

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL – MAJOR SPECIAL REVENUE FUND**  
**WITH LEGALLY ADOPTED BUDGET – CAPITAL RESERVE FUND**  
**YEAR ENDED DECEMBER 31, 2023**

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		<u>Pos (Neg)</u>
Other Financing Sources (Uses) Transfers In (Out)	\$ (295,000)	\$ (295,000)	\$ 1,390,000	\$ 1,685,000
Total Other Financing Sources (Uses)	<u>(295,000)</u>	<u>(295,000)</u>	<u>1,390,000</u>	<u>1,685,000</u>
Net Change in Fund Balances	<u>\$ (295,000)</u>	<u>\$ (295,000)</u>	<u>1,390,000</u>	<u>\$ 1,685,000</u>
Fund Balance - Beginning of Year			<u>2,400,888</u>	
Fund Balance - End of Year			<u>\$ 3,790,888</u>	

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2023**

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 – A 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.
- Capital Projects Fund – Accounts for the construction of major capital projects, funded by both interfund transfers from the Capital Reserve Fund and capital grants.
- Sustainability Fund – Accounts for continued capital improvements related to sustaining the local environment, funded by both interfund transfers and capital grants.

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2023**

	Nonmajor Special Revenue Funds						Capital Projects				Total Nominal Funds	
	Fire Protection Tax	Natural Resources	Park and Recreation	Highway Aid	Ambulance	Library	Sustainability	Parks and Recreation Capital	Roads and Bridges	Capital Equipment Reserve		Capital Projects
<b>Assets</b>												
Cash	\$ 11,455	\$ 344,650	\$ 179,672	\$ 83,196	\$ 56,305	\$ 6,959	\$ 1,129,084	\$ 510,652	\$ 525,519	\$ 818,713	\$ 1,058,592	\$ 4,724,797
Investments	-	-	-	669,552	-	-	-	-	-	-	-	669,552
Taxes Receivable	692	-	-	-	1,650	862	-	-	-	-	-	3,204
Accounts Receivable	4,661	500	-	-	2,506	1,307	-	-	-	172,952	-	181,926
Prepaid Expenses	-	-	9,150	-	-	-	-	-	-	-	-	9,150
<b>Total Assets</b>	<b>\$ 16,808</b>	<b>\$ 345,150</b>	<b>\$ 188,822</b>	<b>\$ 752,748</b>	<b>\$ 60,461</b>	<b>\$ 9,128</b>	<b>\$ 1,129,084</b>	<b>\$ 510,652</b>	<b>\$ 525,519</b>	<b>\$ 991,665</b>	<b>\$ 1,058,592</b>	<b>\$ 5,588,629</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>												
Liabilities												
Accounts Payable	\$ 8,504	\$ -	\$ 3,012	\$ 1,815	\$ 53,002	\$ 7,001	\$ 47,943	\$ -	\$ 4,097	\$ -	\$ 9,784	\$ 135,158
Accrued Liabilities	-	-	1,167	-	-	-	-	-	-	-	-	1,167
Unearned Revenue	4,628	-	-	-	2,487	1,297	-	-	-	-	-	8,412
<b>Total Liabilities</b>	<b>\$ 13,132</b>	<b>\$ -</b>	<b>\$ 4,179</b>	<b>\$ 1,815</b>	<b>\$ 55,489</b>	<b>\$ 8,298</b>	<b>\$ 47,943</b>	<b>\$ -</b>	<b>\$ 4,097</b>	<b>\$ -</b>	<b>\$ 9,784</b>	<b>\$ 144,737</b>
<b>Fund Balances</b>												
Restricted	3,676	345,150	184,643	750,933	4,972	830	1,081,141	510,652	521,422	991,665	1,048,808	5,443,892
<b>Total Fund Balances</b>	<b>3,676</b>	<b>345,150</b>	<b>184,643</b>	<b>750,933</b>	<b>4,972</b>	<b>830</b>	<b>1,081,141</b>	<b>510,652</b>	<b>521,422</b>	<b>991,665</b>	<b>1,048,808</b>	<b>5,443,892</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 16,808</b>	<b>\$ 345,150</b>	<b>\$ 188,822</b>	<b>\$ 752,748</b>	<b>\$ 60,461</b>	<b>\$ 9,128</b>	<b>\$ 1,129,084</b>	<b>\$ 510,652</b>	<b>\$ 525,519</b>	<b>\$ 991,665</b>	<b>\$ 1,058,592</b>	<b>\$ 5,588,629</b>

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

	Nonmajor Special Revenue Funds										Total Nonmajor Funds	
	File Protection Tax	Natural Resources	Park and Recreation	Highway Aid	Ambulance	Library	Sustainability	Parks and Recreation Capital	Roads and Bridges	Capital Equipment Reserve		Capital Projects
<b>Revenues</b>	\$ 425,921	\$ -	\$ 1,989	\$ -	\$ 229,753	\$ 118,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 774,654
Real Estate Taxes	-	-	1,989	27,049	-	-	-	-	557	-	-	29,595
Interest and Rents	-	500	-	373,738	-	-	-	-	-	2,000	63,488	439,736
Intergovernmental	-	10,500	-	-	-	-	-	-	-	-	-	10,500
Charges for Service	-	-	53,502	-	-	-	-	-	-	178,210	-	231,712
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>425,921</b>	<b>11,000</b>	<b>55,491</b>	<b>400,787</b>	<b>229,753</b>	<b>118,980</b>	<b>-</b>	<b>-</b>	<b>557</b>	<b>180,210</b>	<b>63,488</b>	<b>1,486,197</b>
<b>Expenditures</b>												
General Government	429,000	-	-	-	229,000	-	-	-	-	139,667	-	139,667
Public Safety	-	-	-	-	-	-	-	-	-	187,067	-	845,067
Public Works	-	-	-	341,276	-	-	-	60,564	374,754	83,142	-	859,736
Culture and Recreation	-	-	313,508	-	-	130,000	-	7,500	-	-	84,502	535,510
Preservation of Natural Resources	-	41,877	-	-	-	-	281,947	-	-	-	-	323,824
<b>Total Expenditures</b>	<b>429,000</b>	<b>41,877</b>	<b>313,508</b>	<b>341,276</b>	<b>229,000</b>	<b>130,000</b>	<b>281,947</b>	<b>68,064</b>	<b>374,754</b>	<b>409,876</b>	<b>84,502</b>	<b>2,703,804</b>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>(3,079)</b>	<b>(30,877)</b>	<b>(258,017)</b>	<b>59,511</b>	<b>753</b>	<b>(11,020)</b>	<b>(281,947)</b>	<b>(66,064)</b>	<b>(374,197)</b>	<b>(228,666)</b>	<b>(21,004)</b>	<b>(1,217,607)</b>
<b>Other Financing Sources (Uses)</b>												
Proceed from sale of capital assets	-	-	-	-	-	-	-	-	-	14,291	-	14,291
Transfers In	-	45,000	200,000	-	-	10,000	725,000	116,801	325,000	200,000	100,000	1,721,801
Transfers Out	-	-	(16,801)	-	-	-	-	-	-	-	-	(16,801)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>45,000</b>	<b>183,199</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>725,000</b>	<b>116,801</b>	<b>325,000</b>	<b>214,291</b>	<b>100,000</b>	<b>1,719,291</b>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>(3,079)</b>	<b>14,123</b>	<b>(74,818)</b>	<b>59,511</b>	<b>753</b>	<b>(1,020)</b>	<b>443,053</b>	<b>48,737</b>	<b>(49,197)</b>	<b>(15,375)</b>	<b>78,986</b>	<b>501,684</b>
<b>Fund Balances - Beginning of Year</b>	<b>6,755</b>	<b>331,027</b>	<b>259,461</b>	<b>691,422</b>	<b>4,219</b>	<b>1,850</b>	<b>638,088</b>	<b>461,915</b>	<b>570,619</b>	<b>1,007,040</b>	<b>969,812</b>	<b>4,942,208</b>
<b>Fund Balances - End of Year</b>	<b>\$ 3,676</b>	<b>\$ 345,150</b>	<b>\$ 184,643</b>	<b>\$ 750,933</b>	<b>\$ 4,972</b>	<b>\$ 830</b>	<b>\$ 1,081,141</b>	<b>\$ 510,652</b>	<b>\$ 521,422</b>	<b>\$ 991,665</b>	<b>\$ 1,046,808</b>	<b>\$ 5,443,892</b>

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – MODIFIED ACCRUAL BASIS – BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2023**

	Natural Resources			Park and Recreation		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>						
Interest and Rents	\$ -	\$ -	\$ -	\$ 2,930	1,989	\$ (941)
Contributions	-	500	500	-	-	-
Charges for Services	6,000	10,500	4,500	-	-	-
Miscellaneous	-	-	-	48,500	53,502	5,002
Total Revenues	<u>6,000</u>	<u>11,000</u>	<u>5,000</u>	<u>51,430</u>	<u>55,491</u>	<u>4,061</u>
<b>Expenditures</b>						
Culture and Recreation	-	-	-	295,950	313,508	(17,558)
Preservation of Natural Resources	88,000	41,877	46,123	-	-	-
Total Expenditures	<u>88,000</u>	<u>41,877</u>	<u>46,123</u>	<u>295,950</u>	<u>313,508</u>	<u>(17,558)</u>
Excess (Deficit) of Revenues Over Expenditures	(82,000)	(30,877)	51,123	(244,520)	(258,017)	(13,497)
<b>Other Financing Sources (Uses)</b>						
Transfers In (Out)	<u>20,000</u>	<u>45,000</u>	<u>25,000</u>	<u>200,000</u>	<u>183,199</u>	<u>(16,801)</u>
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>45,000</u>	<u>25,000</u>	<u>200,000</u>	<u>183,199</u>	<u>(16,801)</u>
Net Change in Fund Balances	<u>\$ (62,000)</u>	<u>14,123</u>	<u>\$ 76,123</u>	<u>\$ (44,520)</u>	<u>(74,818)</u>	<u>\$ (30,298)</u>
Fund Balances - Beginning of Year		<u>331,027</u>			<u>259,461</u>	
Fund Balances - End of Year		<u>\$ 345,150</u>			<u>\$ 184,643</u>	

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – MODIFIED ACCRUAL BASIS – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

	Capital Equipment Reserve			Capital Projects		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues						
Interest and Rents	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ (100)
Intergovernmental	2,000	2,000	-	50,000	63,498	13,498
Miscellaneous	178,210	178,210	-	-	-	-
Total Revenues	<u>180,210</u>	<u>180,210</u>	<u>-</u>	<u>50,100</u>	<u>63,498</u>	<u>13,398</u>
Expenditures						
General Government	153,000	139,667	13,333	-	-	-
Public Safety	305,050	187,067	117,983	-	-	-
Public Works	83,150	83,142	8	-	-	-
Culture and Recreation	-	-	-	17,500	84,502	67,002
Total Expenditures	<u>541,200</u>	<u>409,876</u>	<u>131,324</u>	<u>17,500</u>	<u>84,502</u>	<u>(67,002)</u>
Excess (Deficit) of Revenues Over Expenditures	(360,990)	(229,666)	131,324	32,600	(21,004)	(53,604)
Other Financing Sources (Uses)						
Proceeds from sale of capital assets	-	14,291	14,291	-	-	-
Transfers In (Out)	100,000	200,000	(100,000)	90,000	100,000	(10,000)
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>214,291</u>	<u>(114,291)</u>	<u>90,000</u>	<u>100,000</u>	<u>10,000</u>
Net Change in Fund Balances	<u>\$ (260,990)</u>	<u>(15,375)</u>	<u>\$ 245,615</u>	<u>\$ 122,600</u>	<u>78,996</u>	<u>\$ (43,604)</u>
Fund Balances - Beginning of Year		<u>1,007,040</u>			<u>969,812</u>	
Fund Balances - End of Year		<u>\$ 991,665</u>			<u>\$ 1,048,808</u>	

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – MODIFIED ACCRUAL BASIS – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

	Highway Aid			Roads and Bridges		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues						
Intergovernmental	\$ 373,738	\$ 373,738	\$ -	\$ 500	\$ -	\$ (500)
Interest and Rents	25,000	27,049	2,049	-	557	557
Total Revenues	<u>398,738</u>	<u>400,787</u>	<u>2,049</u>	<u>500</u>	<u>557</u>	<u>57</u>
Expenditures						
Public Works	400,969	341,276	59,693	491,500	374,754	116,746
Total Expenditures	<u>400,969</u>	<u>341,276</u>	<u>59,693</u>	<u>491,500</u>	<u>374,754</u>	<u>116,746</u>
Excess (Deficit) of Revenues Over Expenditures	(2,231)	59,511	61,742	(491,000)	(374,197)	116,803
Other Financing Sources (Uses)						
Transfers In (Out)	-	-	-	325,000	325,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>325,000</u>	<u>325,000</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (2,231)</u>	<u>59,511</u>	<u>\$ 61,742</u>	<u>\$ (166,000)</u>	<u>(49,197)</u>	<u>\$ 116,803</u>
Fund Balances - Beginning of Year		<u>691,422</u>			<u>570,619</u>	
Fund Balances - End of Year		<u>\$ 750,933</u>			<u>\$ 521,422</u>	

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – MODIFIED ACCRUAL BASIS – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

	Fire Protection Tax			Parks and Recreation Capital		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues						
Real Estate Taxes	\$ 429,335	\$ 425,921	\$ (3,414)	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	13,200	-	(13,200)
Total Revenues	<u>429,335</u>	<u>425,921</u>	<u>(3,414)</u>	<u>13,200</u>	<u>-</u>	<u>(13,200)</u>
Expenditures						
Public Safety	429,336	429,000	336	-	-	-
Public Works	-	-	-	75,700	60,564	15,136
Culture and Recreation	-	-	-	7,500	7,500	-
Total Expenditures	<u>429,336</u>	<u>429,000</u>	<u>336</u>	<u>83,200</u>	<u>68,064</u>	<u>15,136</u>
Excess (Deficit) of Revenues Over Expenditures	(1)	(3,079)	(3,078)	(70,000)	(68,064)	1,936
Other Financing Sources (Uses)						
Transfers In (Out)	-	-	-	-	116,801	116,801
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,801</u>	<u>116,801</u>
Net Change in Fund Balances	<u>\$ (1)</u>	<u>(3,079)</u>	<u>\$ (3,078)</u>	<u>\$ (70,000)</u>	<u>48,737</u>	<u>\$ 118,737</u>
Fund Balances - Beginning of Year		<u>6,755</u>			<u>461,915</u>	
Fund Balances - End of Year		<u>\$ 3,676</u>			<u>\$ 510,652</u>	

**SOLEBURY TOWNSHIP, PENNSYLVANIA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES – MODIFIED ACCRUAL BASIS – BUDGET AND ACTUAL (CONTINUED)  
 YEAR ENDED DECEMBER 31, 2023**

	Library Fund			Ambulance Fund		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues						
Real Estate Taxes	\$ 120,485	\$ 118,980	\$ (1,505)	\$ 229,471	\$ 229,753	\$ 282
Total Revenues	<u>120,485</u>	<u>118,980</u>	<u>(1,505)</u>	<u>229,471</u>	<u>229,753</u>	<u>282</u>
Expenditures						
Public Safety	-	-	-	229,000	229,000	-
Culture and Recreation	125,000	130,000	(5,000)	-	-	-
Total Expenditures	<u>125,000</u>	<u>130,000</u>	<u>(5,000)</u>	<u>229,000</u>	<u>229,000</u>	<u>-</u>
Excess (Deficit) of Revenues Over Expenditures	(4,515)	(11,020)	(6,505)	471	753	282
Other Financing Sources (Uses)						
Transfers In (Out)	5,000	10,000	5,000	-	-	-
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>10,000</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 485</u>	<u>(1,020)</u>	<u>\$ (1,505)</u>	<u>\$ 471</u>	<u>753</u>	<u>\$ 282</u>
Fund Balances - Beginning of Year		<u>1,850</u>			<u>4,219</u>	
Fund Balances - End of Year		<u>\$ 830</u>			<u>\$ 4,972</u>	

**SOLEBURY TOWNSHIP, PENNSYLVANIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – MODIFIED ACCRUAL BASIS – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

	Sustainability Fund		
	Budget	Actual	Variance
Expenditures			
Preservation of Natural Resources	\$ 621,000	\$ 281,947	\$ 339,053
Total Expenditures	<u>621,000</u>	<u>281,947</u>	<u>339,053</u>
Excess (Deficit) of Revenues Over Expenditures	(621,000)	(281,947)	339,053
Other Financing Sources (Uses)			
Transfers In (Out)	<u>-</u>	<u>725,000</u>	<u>725,000</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>725,000</u>	<u>725,000</u>
Net Change in Fund Balances	<u>\$ (621,000)</u>	<u>443,053</u>	<u>\$ 1,064,053</u>
Fund Balance - Beginning of Year		<u>638,088</u>	
Fund Balance - End of Year		<u>\$ 1,081,141</u>	