SOLEBURY TOWNSHIP, PENNSYLVANIA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2020

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YEAR ENDED DECEMBER 31, 2020

INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Solebury Township
Solebury, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Solebury Township, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Solebury Township as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 and related ratios, schedules of employer contributions, investment returns and employers net pension liability, and budgetary comparison information on pages 4-12, 52-57, and 58-59 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Solebury Township's basic financial statements. The combining and individual nonmajor fund financial statements and schedules on pages 60-70 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Board of Supervisors
Solebury Township

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
December 7, 2021

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, 2020. Please read it in conjunction with the Township's financial statements that begin on page 13.

Note Regarding the Finalization of Solebury Township's Audited Financial Statements: Due to no fault of the Township's, the audited financial statements were delayed due solely to the Pennsylvania Municipal Retirement System's (PMRS) inability to produce 2019 audited financial statements for the Township's pension plans in a timely manner. These statements are a key component to the completeness of the 2020 audit. The Pennsylvania Department of the Auditor General and the Department of Community and Economic Development (DCED) are fully aware of this deficiency of PMRS. This situation impacted all municipalities that have pension plans administered by PMRS and is documented on the PMRS website. PMRS released the required information on November 30, 2021.

FINANCIAL HIGHLIGHTS

- Solebury Township had a fiscally sound year even while enduring the effects of the COVID-19 pandemic. Township Administration took early corrective action by eliminating, delaying or deferring expenses to subsequent years in order to operate efficiently and within budget. By year-end, Earned Income Tax and Real Estate Transfer Tax collections exceeded budget enabling the Township to end the year with a positive net position.
- Moody's rated the Township at Aa1 due to its strong financial position which has consistently improved in recent years.
- The Township authorized the incurrence of a $4,850,000 General Obligation Bond, Series 2020, to acquire funds to finance the acquisition of open space and the cost of issuance. This was the first borrowing of the $12 million referendum approved by the Solebury Township voters in 2019.
- The Township continued its efforts to apply for available grants to fund various capital items and was awarded two grants in 2020: 1) $400,000 from the Department of Conservation and Natural Resources (DCNR) to complete the final portion of a paved, shared-use path of the Solebury Gateway Trail on Route 202; and 2) $213,367 from the Department of Environmental Protection (DEP) for a dump truck with removeable leaf vacuum attachment for the Public Works Department.
- Solebury Township experienced significantly increased Real Estate Transfer Tax Revenue in 2020, which was in-line with the other states in the country. The increased real estate activity appeared to be a result of the COVID-19 pandemic. The Township received approximately $902,000 in real estate transfer tax revenue – fifty percent (50%) higher than budget.
- Solebury Township committed to the Aquetong Spring Park project several years ago and actively pursued and received state and federal funding of approximately $2.4 million, 68% of the total project cost. The project is on-going, with an expected completion date of 2022.

USING THIS ANNUAL REPORT

This annual report is presented in a format consistent with the presentation requirements of the General Accounting Standards Board (GASB) Statement No. 34, as applicable to the Township's presentation of its financial statements.

USING THIS ANNUAL REPORT (CONTINUED)

Report Components

This annual report consists of five parts as follows:

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

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

The statement of activities presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused leave time.)

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

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

Required Supplementary Information: The Management's Discussion and Analysis and the information concerning the Township's schedules of changes in pension liabilities and employer contributions and investment returns, and the General Fund Budgetary Comparison Schedules (found on pages 52 through 59) 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 60) 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.

USING THIS ANNUAL REPORT (CONTINUED)

Basis of Accounting

Government-Wide Financial Statements

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

Fund Financial Statements

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

Reporting the Township's Most Significant Funds

The Fund Financial Statements

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

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 the basic services it provides. Governmental fund information helps determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. The Township considers the General, Land Preservation, Debt Service, and Capital Reserve Funds to be its significant or major Governmental funds. All other Governmental funds are aggregated in a single column entitled nonmajor funds.

Reporting the Township's Most Significant Funds (Continued)

Fiduciary Funds

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table 1 – Solebury Township's Net Position

	2020	2019
Current and Other Assets	$ 14,107,671	$ 11,753,234
Capital Assets	51,686,678	47,588,134
Total Assets	65,794,349	59,341,368
Deferred Charge on Refunding	73,035	85,109
Deferred Outflows from Pension	870,615	856,293
Total Deferred Outflows of Resources	943,650	941,402
Current Liabilities	1,599,325	1,500,692
Noncurrent Liabilities	23,873,939	21,800,180
Total Liabilities	25,473,264	23,300,872
Deferred Inflows from Pension	1,611,012	717,268
Total Deferred Inflows of Resources	1,611,012	717,268
Net Position:		
Net Investment in Capital Assets	31,563,534	26,991,999
Restricted	1,789,700	2,815,099
Unrestricted	6,300,489	6,457,532
Total Net Position	$ 39,653,723	$ 36,264,630

The Township's net position increased for the tenth consecutive year. The net increase of $3,389,093 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Table 2 – Solebury Township's Change in Net Position

	2020	2019
Revenues:		
Program Revenues:		
Charges for Services	$ 702,164	$ 802,574
Operating Grants and Contributions	771,544	1,047,947
Capital Grants and Contributions	255,000	20,000
General Revenues:		
Real Estate Taxes	5,802,732	5,878,529
Real Estate Transfer Taxes	902,173	632,856
Earned Income Taxes	3,243,570	2,961,219
Interest and Rents	59,200	61,778
Total Revenues	11,736,383	11,404,903
Expenses:		
General Government	1,320,027	1,917,031
Public Safety	4,216,142	4,389,143
Public Works	1,525,815	1,599,347
Culture and Recreation	398,573	397,807
Preservation of Natural Resources	246,981	309,096
Interest on Long-Term Debt	639,753	639,670
Total Expenses	8,347,290	9,252,094
Change in Net Position	3,389,093	2,152,809
Net Position - Beginning of Year	36,264,630	34,111,821
Net Position - End of Year	$ 39,653,723	$ 36,264,630

The overall net position of the Township increased $3.389 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 Real Estate Transfer Tax.
- Continued low cost of debt due to Township's strong bond rating of Aa1.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

Balance Sheet – Governmental Funds

The Township's total Governmental fund balances, resulting from modified accrual basis of accounting transactions, increased from $9,525,697 to $11,475,919 between fiscal years 2019 and 2020.

	2020	2019
Cash and Investments	$ 12,057,417	$ 10,307,482
Taxes and Other Receivables	1,490,670	1,392,129
Prepaid Items	15,660	53,623
Total Assets	$ 13,563,747	$ 11,753,234
Accounts Payable	$ 233,172	$ 335,274
Escrow Liabilities	1,250,624	1,152,479
Total Liabilities	1,483,796	1,487,753
Deferred Inflow of Resources	604,032	739,784
Fund Balances:		
Nonspendable	15,660	53,623
Restricted	4,207,875	2,695,804
Committed	4,206,964	4,006,765
Unassigned	3,045,420	2,769,505
Total Fund Balances	11,475,919	9,525,697
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 13,563,747	$ 11,753,234

The 20% increase in the Governmental Fund balance is attributable to the bond proceeds for investment in capital assets, increased Earned Income Tax and Real Estate Transfer Tax collections and grant revenue.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS (CONTINUED)

Change in Fund Balances

For the years ended December 31, 2020 and 2019, the Township's total Governmental fund balances changed as follows:

	2020	2019
Revenues:		
Program Revenues:		
Charges for Service	$ 702,164	$ 802,574
Operating Grants and Contributions	771,544	1,047,947
Capital Grants and Contributions	255,000	20,000
General Revenues:		
Real Estate Taxes	5,874,298	5,831,794
Real Estate Transfer Taxes	902,173	632,856
Earned Income Taxes	3,307,756	3,150,007
Interest and Rents	59,200	61,778
Other Financing Sources:		
Proceeds from Bond Issuance	4,850,000	7,400,000
Bond Premium	275,135	533,372
Total Revenues and Other Financing Sources	16,997,270	19,480,328
Expenditures:		
General Government	2,406,513	1,627,558
Public Safety	4,231,030	4,190,075
Public Works	1,214,409	1,253,700
Culture and Recreation	397,291	405,888
Preservation of Natural Resources	3,807,642	1,874,952
Debt Service	2,990,163	3,235,256
Other Financing Uses:		
Payment to Redeem Bonds	-	6,429,394
Total Expenditures and Other Financing Uses	15,047,048	19,016,823
Change in Fund Balances	1,950,222	463,505
Fund Balances - Beginning of Year	9,525,697	9,062,192
Fund Balances - End of Year	$ 11,475,919	$ 9,525,697

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS (CONTINUED)

Budget to Actual comparisons for the major funds are noted in these Financial Statements beginning on page 58.

For the year ended December 31, 2020, the General Fund revenues exceeded budget by $610,352 and expenditures were below budget by approximately $797,668 prior to accounting for inter-fund transfers over and above the budgeted amount which were completed in order to build other reserve balances. The increase in revenue is directly attributable to greater than expected collections in Earned Income Taxes, Real Estate Transfer Taxes, and Public Safety revenue. The decrease in expenditures is due to the Administration's efforts to minimize expenditure outlays and defer some expenditures to 2021 due to the COVID-19 pandemic. 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: $100,000 to the Capital Reserve Fund; $150,000 to Capital Equipment; and $50,000 to Park Capital. These steps enhanced the Township's financial security and ability to fund future capital expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Table 3 – Capital Assets, Net of Depreciation

	2020	2019
Land, Art, and Land Easements	$ 38,267,459	$ 34,827,270
Construction in Process	1,090,379	-
Land Improvements	11,474	13,561
Park Improvements	2,765,235	2,839,811
Buildings and Improvements	5,984,739	6,276,001
Vehicles and Equipment	715,855	603,158
Furniture and Equipment	251,303	219,379
Infrastructure	2,600,234	2,808,954
Total	$ 51,686,678	$ 47,588,134

The change in Capital Assets is primarily due to the purchase of an easement to preserve land in the Township.

Capital Debt

At December 31, 2020 and 2019, the Township had $22,045,000 and $19,655,000, respectively, in long-term debt outstanding. Principal and interest payments in 2020 were $2,453,000 and $534,698 and in 2019 were $8,968,538 (which included payment to redeem bonds of $6,429,394) and $587,698, respectively. With the exception of the General Obligation Bonds, Series 2012A and Series 2017, and General Obligation Note Series 2017 and Series 2019A, 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.

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Table 4 – Outstanding Debt

	2020	2019
General Obligation Bonds	$ 18,350,000	$ 15,560,000
Direct Placement Notes	1,085,000	$ 4,095,000
Total General Obligation Notes and Bonds	$ 19,435,000	$ 19,655,000

The Township continued its debt repayment plan during 2020, 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 2021 Solebury Township Budget calls for the continuation of the Land Preservation, Capital Projects and Roads & Bridges Programs, and the establishment of a 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. The Aquetong Springs Park development will be a continuing project in through 2022.

The 2021 Budget included a 1 mil tax increase to residents, specifically for the Debt Service Fund to new debt incurred for the land preservation efforts of the Township, and approved by the residents in the 2019 Referendum. The total tax millage of 24.8102 mills was allocated as follows: 8.099 mills for the General Fund; .491 mills for the Library Fund; 13.53 mills for the Debt Service Fund; 1.75 mills for the Fire Fund; and .9402 mills for the EMS Fund. The Township continues to employ a conservative budget approach by holding tax revenues consistent with prior years' receipts and modestly increasing overall Township expenses.

In 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The pandemic continued to have significant effects on global markets, supply chains, businesses, communities, and local governments during 2020 and beyond. Specific to the Township, COVID-19 impacted various parts of 2020 operations and financial results including, but not limited to, reductions in state funding for non-essential programs, and increased costs for emergency preparedness. Township Administration took appropriate actions to mitigate the negative impact by identifying budgeted expenses that were eliminated or deferred to subsequent years. The full impact of COVID-19 is unknown and cannot be reasonably estimated as these events continue to occur.

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 Dennis Carney, Township Manager, 3092 Sugan Road, P.O. Box 139, Solebury, PA 18963 or 215-297-5656.

SOLEBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 11,547,837
Investments	509,580
Accounts Receivable	110,878
Real Estate Taxes Receivable	175,360
Real Estate Transfer Taxes Receivable	122,803
Earned Income Taxes Receivable	1,081,629
Prepaid Expenses	15,660
Net Pension Asset	543,924
Capital Assets Not Being Depreciated:	
Land	3,344,871
Artwork	42,000
Conservation Easements	34,880,588
Construction in Process	1,090,379
Other Capital Assets, Net of Depreciation	12,328,840
Total Assets	65,794,349
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	73,035
Deferred Outflows from Pension	870,615
Total Deferred Outflows of Resources	943,650
LIABILITIES	
Accounts Payable	233,172
Accrued Interest Payable	115,529
Escrow Liabilities	1,250,624
Noncurrent Liabilities:	
Due Within One Year	2,970,477
Due in More than One Year	20,556,153
Net Pension Liability	347,309
Total Liabilities	25,473,264
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows from Pension	1,611,012
Total Deferred Inflows of Resources	1,611,012
NET POSITION	
Net Investment in Capital Assets	31,563,534
Restricted:	
Land Preservation	96,918
Debt Service	382,395
Fire Protection	14,016
Ambulance	6,295
Highway Aid	742,166
Library	3,986
Pension	543,924
Unrestricted	6,300,489
Total Net Position	$ 39,653,723

See accompanying Notes to Financial Statements.

SOLEBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position
Governmental Activities:					
General Government	$ 1,320,027	$ 427	$ 31,262	$ -	$ (1,288,338)
Public Safety	4,216,142	608,188	348,744	-	(3,259,210)
Public Works	1,525,815	24,510	391,538	255,000	(854,767)
Culture and Recreation	398,573	61,539	-	-	(337,034)
Preservation of Natural Resources	246,981	7,500	-	-	(239,481)
Interest on Long-Term Debt	639,753	-	-	-	(639,753)
Total Governmental Activities	$ 8,347,290	$ 702,164	$ 771,544	$ 255,000	(6,618,582)
General Revenues					
Taxes:					
Real Estate Taxes					5,802,732
Real Estate Transfer Taxes					902,173
Earned Income Taxes					3,243,570
Interest and Rents					59,200
Total General Revenues					10,007,675
Change in Net Position					3,389,093
Net Position - Beginning of Year					36,264,630
Net Position - End of Year					$ 39,653,723

See accompanying Notes to Financial Statements.

SOLEBURY TOWNSHIP, PENNSYLVANIA
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Land Preservation	Debt Service	Capital Reserve		
ASSETS						
Cash and Cash Equivalents	$ 3,093,485	$ 3,015,317	$ 405,156	$ 2,300,888	$ 2,732,991	$ 11,547,837
Investments	509,580	-	-	-	-	509,580
Accounts Receivable	72,878	13,000	-	-	25,000	110,878
Real Estate Taxes Receivable	56,695	-	95,920	-	22,745	175,360
Real Estate Transfer Taxes Receivable	122,803	-	-	-	-	122,803
Earned Income Taxes Receivable	1,081,629	-	-	-	-	1,081,629
Prepaid Expenditures	1,500	-	-	-	14,160	15,660
Total Assets	$ 4,938,570	$ 3,028,317	$ 501,076	$ 2,300,888	$ 2,794,896	$ 13,563,747
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	$ 107,687	$ 14,136	$ 3,152	$ -	$ 108,197	$ 233,172
Escrow Liabilities	1,250,624	-	-	-	-	1,250,624
Total Liabilities	1,358,311	14,136	3,152	-	108,197	1,483,796
DEFERRED INFLOW OF RESOURCES						
Unavailable Revenue - Income Taxes	497,114	-	-	-	-	497,114
Unavailable Revenue - Real Estate Taxes	36,225	-	56,455	-	14,238	106,918
Total Deferred Inflow of Resources	533,339	-	56,455	-	14,238	604,032
FUND BALANCES						
Nonspendable	1,500	-	-	-	14,160	15,660
Restricted for:						
Land Preservation		3,014,181				3,014,181
Debt Service			441,469			441,469
Highway Aid					742,166	742,166
Other					10,059	10,059
Committed to:						
Capital Reserve				2,300,888		2,300,888
Natural Resources					269,405	269,405
Park and Recreation					358,448	358,448
Roads and Bridges					481,101	481,101
Capital Equipment Reserve					259,400	259,400
Capital Projects					537,722	537,722
Unassigned, Reported in General Fund	3,045,420	-	-	-	-	3,045,420
Total Fund Balances	3,046,920	3,014,181	441,469	2,300,888	2,672,461	11,475,919
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	$ 4,938,570	$ 3,028,317	$ 501,076	$ 2,300,888	$ 2,794,896	$ 13,563,747

See accompanying Notes to Financial Statements.

SOLEBURY TOWNSHIP, PENNSYLVANIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020

Total Governmental Fund Balances		$ 11,475,919
Amounts Reported for Governmental Activities in the Statement of Net Position are Different because:		
Capital Assets Used in Governmental Activities are not Financial Resources and, therefore, are not Reported in the Funds:		
Capital Assets	$ 60,467,283	
Accumulated Depreciation	(8,780,605)	51,686,678
Net Pension Asset and Net Pension Liability and the Related Deferred Outflows and Deferred Inflows of Resources are Reported Only on the Statement of Net Position		
Net Pension Asset		543,924
Net Pension Liability		(347,309)
Deferred Outflows from Pensions		870,615
Deferred Inflows from Pensions		(1,611,012)
Deferred Outflows are Recorded as Expenditures in the Fund Statements but Recorded as a Deferred Outflow and Amortized in the Statement of Net Position:		
Deferred Charge on Refunding		73,035
Other Long-Term Assets (Receivables) are not Available to Pay for Current-Period Expenditures and, therefore, are Unavailable in the Funds		604,032
Certain Liabilities, Including Bonds Payable, are not Due and Payable in the Current Period and, therefore, are not Reported in the Funds:		
Compensated Absences	(413,185)	
Accrued Interest Payable	(115,529)	
General Obligation Bonds and Notes Payable	(23,113,445)	(23,642,159)
Net Position of Governmental Activities		$ 39,653,723

See accompanying Notes to Financial Statements.

SOLEBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	Major Funds				Nonmajor	Total
	General	Land Preservation	Debt Service	Capital Reserve	Governmental Funds	Governmental Funds
REVENUES						
Real Estate Taxes	$ 2,051,998	$ -	$ 3,049,602	$ -	$ 772,698	$ 5,874,298
Real Estate Transfer Taxes	902,173	-	-	-	-	902,173
Earned Income Taxes	3,307,756	-	-	-	-	3,307,756
Licenses and Permits	220,594	-	-	-	-	220,594
Fines, Forfeits, and Costs	18,838	-	-	-	-	18,838
Interest and Rents	52,630	3,110	-	-	3,460	59,200
Intergovernmental	361,168	-	-	-	646,538	1,007,706
Charges for Services	305,346	-	-	-	52,539	357,885
Refunds and Miscellaneous	82,248	-	-	-	41,437	123,685
Total Revenues	7,302,751	3,110	3,049,602	-	1,516,672	11,872,135
EXPENDITURES						
Current:						
General Government	999,951	-	-	-	1,115,515	2,115,466
Public Safety	2,546,552	-	-	-	816,278	3,362,830
Public Works	433,555	-	-	-	633,311	1,066,866
Culture and Recreation	14,375	-	-	-	364,180	378,555
Preservation of Natural Resources	-	3,706,516	-	-	101,126	3,807,642
Miscellaneous:						
Employee Benefits	821,287	-	-	-	-	821,287
Pension	401,539	-	-	-	-	401,539
Insurance	102,700	-	-	-	-	102,700
Debt Service:						
Principal	-	-	2,453,000	-	-	2,453,000
Interest	-	-	534,698	-	-	534,698
Bond and Note Issuance Costs	-	-	2,465	-	-	2,465
Total Expenditures	5,319,959	3,706,516	2,990,163	-	3,030,410	15,047,048
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,982,792	(3,703,406)	59,439	-	(1,513,738)	(3,174,913)
Other Financing Sources (Uses):						
Bonds Issued	-	4,850,000	-	-	-	4,850,000
Bond Premium	-	275,135	-	-	-	275,135
Transfers In	85,000	-	-	100,000	2,209,000	2,394,000
Transfers Out	(1,844,000)	(85,000)	-	(465,000)	-	(2,394,000)
Total Other Financing Sources (Uses)	(1,759,000)	5,040,135	-	(365,000)	2,209,000	5,125,135
Net Changes in Fund Balances	223,792	1,336,729	59,439	(365,000)	695,262	1,950,222
Fund Balances - Beginning of Year	2,823,128	1,677,452	382,030	2,665,888	1,977,199	9,525,697
Fund Balances - End of Year	$ 3,046,920	$ 3,014,181	$ 441,469	$ 2,300,888	$ 2,672,461	$ 11,475,919

See accompanying Notes to 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, 2020

Net Change in Fund Balances - Governmental Funds		$ 1,950,222
Amounts Reported for Governmental Activities in the Statements of Activities are Different because:		
Governmental Funds Report Capital Outlays as Expenditures. However, in the Statement of Activities, the Cost of those Assets is Allocated Over their Estimated Useful Lives and Reported as Depreciation Expense. This is the Amount by which Depreciations Exceeds Capital Outlay in the Current Period:		
Capital Outlay	$ 4,849,367	
Depreciation Expense	(750,823)	4,098,544
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		(135,752)
The Issuance of Long-Term Debt Provides Current Financial Resources to Governmental Funds. While the Repayment of the Principal of Long-Term Debt Consumed the Current Financial Resources of Governmental Funds. Neither Transaction, however, has any Effect on Net Position. Also Governmental Funds Report the Effect of Premiums, Discounts, and Similar Items when Debt is First Issued, whereas these Amounts are Deferred and Amortized in the Statement of Activities:		
Amortization of Premium and Loss on Refunding	120,472	
Debt Service Principal Paid	2,453,000	
Bond Premium	(275,135)	
Proceeds from Bond	(4,850,000)	
Artwork Financing Payment	7,000	(2,544,663)
The Net Effect of Expenses Reported in the Statement of Activities do not Require the Use of Current Financial Resources and, therefore, are not Reported as Expenditures in Governmental Funds:		
Change in Pension Expense	188,479	
Change in Accrued Interest	(102,590)	
Change in Compensated Absences Balances:		
General Government	(20,201)	
Public Safety	(43,716)	
Public Works	(1,230)	20,742
Change in Net Position of Governmental Activities		$ 3,389,093

See accompanying Notes to Financial Statements.

SOLEBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2020

	Police Pension Trust	Custodial Funds
ASSETS		
Cash and Cash Equivalents	$ 1,261,554	$ 52,725
Investments	6,500,149	-
Total Assets	7,761,703	52,725
LIABILITIES		
Accounts Payable	-	-
Total Liabilities	-	-
NET POSITION		
Restricted for:		
Pensions	7,761,703	-
Youth Sports	-	52,725
Total Net Position	$ 7,761,703	$ 52,725

See accompanying Notes to Financial Statements.

SOLEBURY TOWNSHIP, PENNSYLVANIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2020

	Police Pension Trust	Custodial Funds
Additions:		
Contributions:		
Commonwealth of Pennsylvania	$ 210,238	$ -
Employer	101,901	-
Members	80,785	-
Donations	-	450
Total Contributions	392,924	450
Charges for Services	-	41,806
Investment Income	876,934	136
Total Additions	1,269,858	42,392
Deductions:		
Benefits	235,118	-
Administrative	37,451	-
Recreation	-	75,866
Total Deductions	272,569	75,866
Change in Net Position	997,289	(33,474)
Net Position - Fiduciary Funds:		
Beginning of Year	6,764,414	86,199
End of Year	$ 7,761,703	$ 52,725

See accompanying Notes to Financial Statements.

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’s 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. Based on these criteria, there are no other organizations or agencies which should be included in these basic 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, and 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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.

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.

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:

- **Police Pension Trust Fund** – Accounts for police pension plan contributions 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting.* Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Real estate taxes are recognized as revenues in the year for which they are levied. Earned income taxes are recognized when the underlying exchange transaction occurs or when resources are received, whichever is first. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are prepared using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Those revenues susceptible to accrual are real estate taxes, earned income taxes, interest, intergovernmental, charges for services, and certain miscellaneous revenues. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due or matured. Assets exclude capital and certain other long-term assets, and liabilities exclude unmatured debt, compensated absences, and accrued interest payable.

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

Investments

Investments consist of certificates of deposit whose original maturity exceeds three months, investments in iShares which are a type of exchange traded funds (ETF), and government bonds with various interest rates. Certificates of deposit are stated at fair value. The iShares are valued based on published market prices from national security exchanges. The iShares are traded on the American Stock Exchange, the Chicago Board Options Exchange, 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*.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Capital Assets

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

In order to preserve open space, the Township purchases conservation easements. A conservation easement restricts the use of land from development in perpetuity. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and liabilities, the statement of net position will report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period which will not be recognized as an outflow of resources (expense/expenditure) until that time. Deferred inflows of resources represent an acquisition of net position that applies to a future period which will not be recognized as an inflow of resources (revenue) until that time.

Real Estate Taxes

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

Earned Income Taxes

The Township recognizes assets resulting from earned income taxes (derived tax revenues) when the underlying exchange transaction occurs. In the Governmental fund financial statements, under the modified accrual basis of accounting, revenue is recorded when the underlying exchange occurs and when the resources are available. Revenue that is not available as of December 31st, 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 their 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.

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 positive unassigned fund balance.

The Township Supervisors passed a resolution authorizing the Township Finance Director to designate fund balances by their intended use. When expenditures are incurred for purposes for which both restricted and unrestricted balance are available, it is the Township's policy to use restricted fund balance first, followed by unrestricted fund balance. 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, 2020.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Cash, cash equivalents, and investments include $3,015,317 held in the Land Preservation Fund that is restricted for use in the Township's Land Preservation Program.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits

At December 31, 2020, the carrying value of the Township's deposits with banks was $12,149,814 including non-negotiable certificates of deposit of $509,580, in the various governmental and custodial funds. The bank balances were $12,342,022. 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, 2020, the Township's bank balances and certificates of deposit were exposed to custodial credit risk as follows:

	Bank Deposits
Insured Amount	$ 250,000
Uninsured, with Collateral Held by Pledging Bank's Trust Department but not in the Township's Name in Accordance with Act 72	12,092,022
Uninsured and Uncollateralized	-
Total Bank Deposits	$ 12,342,022

Investments

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

As of December 31, 2020, 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:

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Investments held as of December 31, 2020 are as follows:

Investment and Cash Equivalent Type	Valuation Inputs Level	Fair Value
Police Pension Trust Fund:		
Money Market Funds (1)	N/A	1,261,554
ETF'S - Equity Funds	Level 1	1,674,406
iShares - Equity Mutual Funds	Level 1	2,909,948
Certificates of Deposit	Level 2	1,530,623
Government Bonds	Level 2	385,172
Total Police Pension Trust Fund		7,761,703
Combined Total		$ 7,761,703

(1) Money Market Funds are 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:

	Average Maturities (in Years)					
	Less Than 1	1-5	6-10	11-20	More Than 20	Total
Government Bonds	$ 40,679	$ 231,639	$ 112,854	$ -	$ -	$ 385,172
	$ 40,679	$ 231,639	$ 112,854	$ -	$ -	$ 385,172

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk – Investments (Continued)

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

Negotiable Certificates of Deposits	Maturity Year						
	2021	2022	2023	2024	2025-2028	2029-2032	Total
Police Pension Trust Fund	$ 197,582	$ 257,025	$ 53,233	$ 426,349	$ 477,060	$ 119,374	$ 1,530,623

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, 2020, the Township had no investments exceeding 5% of the Township's total investments of the Governmental funds.

NOTE 3 CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2020:

	Balance 2019	Additions	Deletions/ Transfers	Balance 2020
Governmental Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 3,344,871	$ -	$ -	$ 3,344,871
Conservation Easements	31,440,399	3,440,189	-	34,880,588
Construction in Process	-	1,090,379	-	1,090,379
Artwork	42,000	-	-	42,000
Total Capital Assets Not Being Depreciated	34,827,270	4,530,568	-	39,357,838
Capital Assets, Being Depreciated:				
Land Improvements	38,601	-	-	38,601
Park Improvements	3,699,491	-	-	3,699,491
Buildings and Improvements	9,648,773	-	-	9,648,773
Vehicles and Equipment	1,590,253	261,002	(75,380)	1,775,875
Furniture and Fixtures	421,529	57,797	-	479,326
Infrastructure	5,467,379	-	-	5,467,379
Total Capital Assets Being Depreciated	20,866,026	318,799	(75,380)	21,109,445
Less Accumulated Depreciation for:				
Land Improvements	25,040	2,087	-	27,127
Park Improvements	859,680	74,576	-	934,256
Buildings and Improvements	3,372,772	291,262	-	3,664,034
Vehicles and Equipment	987,095	148,305	(75,380)	1,060,020
Furniture and Fixtures	202,150	25,873	-	228,023
Infrastructure	2,658,425	208,720	-	2,867,145
Total Accumulated Depreciation	8,105,162	750,823	(75,380)	8,780,605
Total Capital Assets Being Depreciated, Net	12,760,864	(432,024)	-	12,328,840
Governmental Type Activities, Capital Assets, Net	$ 47,588,134	$ 4,098,544	$ -	$ 51,686,678

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	$ 308,712
Public Safety	128,748
Highway	7,807
Public Works	304,274
Parks and Recreation	1,282
Total Depreciation Expense, Governmental Activities	$ 750,823

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	$ 85,000	$ 1,844,000
Land Preservation Fund	-	85,000
Debt Service Fund	-	-
Capital Reserve Fund	100,000	465,000
Nonmajor Governmental Funds:		
Park and Recreation Capital Fund	100,000	-
Natural Resource	325,000	-
Park and Recreation Fund	140,000	-
Ambulance Fund	2,500	-
Library	1,500	-
Roads and Bridges Fund	300,000	-
Capital Equipment Fund	375,000	-
Fiduciary Funds	-	-
Total	$ 2,394,000	$ 2,394,000

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 or payables as of December 31, 2020.

NOTE 5 LONG-TERM DEBT

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

	Year of Final Maturity	Original Issue Amount	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020	Due Within One Year
Governmental Activities:							
General Obligation Bonds:							
2012A Issue - 0.5% - 2.00% (Bond)	2025	845,000	265,000	-	(85,000)	180,000	85,000
2012B Issue - 0.5% - 2.00% (Bond)	2025	4,380,000	3,020,000	-	(190,000)	2,830,000	490,000
2017A Issue - 0.87 - 2.00% (Bond)	2025	6,125,000	4,875,000	-	(425,000)	4,450,000	1,130,000
2019A Issue - 2.0%-5.0% (New Money)	2026	1,315,000	1,315,000	-	-	1,315,000	-
2019B Issue - 2.0% -5.0% (Ref Bond))	2030	6,085,000	6,085,000	-	(1,360,000)	4,725,000	555,000
2020 Issue - 1.1%-3.00% (Bond)	2028	4,850,000	-	4,850,000	-	4,850,000	5,000
Total General Obligation Bonds			15,560,000	4,850,000	(2,060,000)	18,350,000	2,265,000
Direct Borrowing Obligations- Notes:							
2011 Issue - 2.95% (DVRFA Note)	2026	$ 5,345,000	$ 3,002,000	$ -	$ (392,000)	$ 2,610,000	$ 404,000
2017 Issue - 2.1 % (Note)	2025	1,060,000	1,058,000	-	(1,000)	1,057,000	1,000
Note payable - Artwork	2024	42,000	35,000	-	(7,000)	28,000	7,000
Total Direct Obligation Notes			4,095,000	-	(400,000)	3,695,000	412,000
Premium for Issuance- Unamortized			925,855	275,135	(132,545)	1,068,445	-
Total General and Direct Obligation Bonds and Notes			20,580,855	5,125,135	(2,592,545)	23,113,445	2,677,000
Compensated Absences			348,040	243,537	(178,392)	413,185	293,477
Total			$ 20,928,895	$ 5,368,672	$ (2,770,937)	$ 23,526,630	$ 2,970,477

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 Note, Series 2017 A, 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 2017 A 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.

NOTE 5 LONG-TERM DEBT (CONTINUED)

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 2012 A 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 amounts 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 rates of the Bonds range between .50% and 2.00%. In connection with the refunding of the 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 rates was eliminated.

During 2011, the Township incurred $5,345,000 of electoral debt through the issuance of General Obligation Note, Series 2011. The Note is included in the Interest Rate Management Plan with 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 the 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 a 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.

NOTE 5 LONG-TERM DEBT (CONTINUED)

Interest Rate Management Plan (Continued)

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

Since the Township is not considered to be a signatory on the current interest rate swap agreements between DVRFA and Bank of America, management has concluded that the Township would not be required to report the transaction in accordance with Governmental Accounting Standards Board (GASB) No. 53 *Accounting and Financial Reporting for Derivative Instruments*. Therefore, the fair value of the interest rate swap agreements is not recorded on the statement of net position. In addition, no evaluation has been made to whether the interest rate swaps are effective cash flow hedges.

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

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

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

Ratings downgrades of BANA below investment grade may result in termination. If the long-term, unsecured, senior debt ratings of BANA are downgraded below "Baa3" by Moody's and "BBB-" by S&P, DVRFA may terminate the swap agreements executed by BANA. If (i) the claims paying ability ratings of Ambac are reduced below "Baa3" by Moody's or "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 be 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 a new interest rate swap agreement with similar terms and conditions.

NOTE 5 LONG-TERM DEBT (CONTINUED)

Interest Rate Management Plan (Continued)

Termination Risk (Continued)

The amount of the Termination Payment is determined by the market value of the DVRFA Swap Agreement; therefore, the cost or income of the replacement swap should offset 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, 2020, 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 (Notional Amount)	Type of Note	Gain (Loss) (1)
2011 Note	15-Nov-11	25-Apr-26	$ 2,610,000	Fixed	$ (161,375)

(1) Based on Fair Value Estimates as of December 31, 2020

Debt Service Requirements

At December 31, 2020, the Township's legal debt limit under the Pennsylvania Local Government Unit Debt Act (the Act) was approximately $27,786,745 for non-electoral debt. After deducting the non-electoral debt outstanding of $7,087,000 the Township's remaining borrowing capacity as of December 31, 2020, was approximately $20,699,445 for non-electoral debt. Electoral debt (i.e., debt approved by the Township voters) is not subject to any statutory borrowing limit under the Act.

The Series 2011 note, the 2012B bond, 2019B bond, 2020 bond and art note were approved by voters and issued by the Township for the purpose of providing funds to acquire open space, agricultural and conversation easements, land for recreation, and other capital projects. Electoral debt outstanding as of December 31, 2020 totaled $15,015,000.

NOTE 5 LONG-TERM DEBT (CONTINUED)

Debt Service Requirements (Continued)

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:

	Bonds			Direct Borrowing Notes		
Year Ended December 31,	Principal	Interest	Total	Principal	Interest	Total
2021	$ 2,265,000	$ 500,640	$ 2,765,640	$ 412,000	$ 91,237	$ 503,237
2022	2,360,000	402,740	2,762,740	424,000	79,062	503,062
2023	2,440,000	319,090	2,759,090	444,000	66,449	510,449
2024	1,990,000	253,215	2,243,215	974,000	52,889	1,026,889
2025	2,075,000	184,315	2,259,315	974,000	28,641	1,002,641
2026-2030	7,220,000	202,550	7,422,550	467,000	4,592	471,592
Total	$ 18,350,000	$ 1,862,550	$ 20,212,550	$ 3,695,000	$ 322,870	$ 4,017,870

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, 2020, the Township's liability for compensated absences was $413,185. 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 and one cash balance plan for its employees, the Police Pension Plan, the Non-Uniform Pennsylvania Municipal Retirement System (PMRS) Plan and the Non-Uniform Cash Balance PMRS Plan. Required disclosures regarding these plans are presented in Notes 8 and 9.

For the year ended December 31, 2020, the Township recognized pension expense of $154,957 for the Police Pension Plan and pension credits of ($20,638) and ($10,658) for the Non-Uniform PMRS Plan and Non-Uniform Cash Balance PMRS Plan, respectively. The Township recognized a net pension asset of $543,924 and a net pension liability of $347,309. The Police Pension Plan net pension liability was measured as of December 31, 2020. The Non-Uniform Pennsylvania Municipal Retirement System (PMRS) Plans' (defined benefit and cash balance plans) net pension asset was measured as of December 31, 2019.

NOTE 7 PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to its pension plans from the following sources:

	Police Pension Plan		Non-Uniform PMRS Plan		Non-Uniform Cash Balance Plan		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 285,257	$ 464,270	$ 58,512	$ -	$ -	$ -	$ 343,769	$ 464,270
Changes in Assumptions	472,629	23,312	-	-	-	-	472,629	23,312
Net Difference Between Projected and Actual Investment Earnings	-	668,333	-	441,076	-	14,021	-	1,123,430
Contributions Subsequent to the Measurement Date	-	-	21,182	-	33,035	-	54,217	-
	$ 757,886	$ 1,155,915	$ 79,694	$ 441,076	$ 33,035	$ 14,021	$ 870,615	$ 1,611,012

The deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date of $54,217 that will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2021	$ (261,801)
2022	(222,228)
2023	(260,824)
2024	(156,196)
2025	107,977
2026	(1,542)
Total	$ (794,614)

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 stand alone financial report.

NOTE 8 DEFINED BENEFIT POLICE PENSION PLAN (CONTINUED)

Plan Description (Continued)

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

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

	Police
Covered Employees	All Regular Full-Time Sworn Police Officers
Number of Covered Active Employees	16
Number of Persons Receiving Benefits Retired Employees and Beneficiaries	5
Terminated Employees Vested but not Receiving Benefits	2
Current Annual Covered Payroll	$1,742,326
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 26 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.

NOTE 8 DEFINED BENEFIT POLICE PENSION PLAN (CONTINUED)

Contributions and Funding Policy

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

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

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 the 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, 2020:

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

NOTE 8 DEFINED BENEFIT POLICE PENSION PLAN (CONTINUED)

Concentrations

At December 31, 2020, the Police Pension Plan had the following investments which exceeded 5% or more of the Plan Net Assets:

Issuer	Type of Investment	Amount	Percentage of Investments of Plan Net Assets
Wells Fargo Bank	Negotiable Certificates of Deposit	$ 1,530,622	19.72%
Invesco QQQ TR	Equity Mutual Fund	462,453	5.96%
iShares Russell 1000 Value	Equity Mutual Fund	443,279	5.71%
iShares Russell 1000 Growth	Equity Mutual Fund	525,685	6.77%
iShares S&P Midcap 400 Growth	Equity Mutual Fund	421,579	5.43%

Net Pension Liability

The net pension liability of the plan as of the measurement date of December 31, 2020, was as follows:

Total Pension Liability	$ 8,109,012
Plan Fiduciary Net Position	7,761,703
Net Pension Liability	$ 347,309
Plan Fiduciary Net Position as a % of Total Pension Liability	96%

The Plan's Total Pension Liability as of December 31, 2020 was projected from January 1, 2019, the Plan valuation date. Method and assumptions used to determine Total Pension Liability were as follows:

	Police
Valuation Date	January 1, 2019
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Adjusted Market Value
Actuarial Assumptions	
Long-term Investment Rate of Return	6.0%
Projected Salary Increases	4.0%
Inflation Rate Included	2.5%
Mortality Rate	Pub-2010 Safety Amount-Weighted Mortality Tables projected from 2010 with Mortality Improvement Scale MP-2020

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 inflation) 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.

NOTE 8 DEFINED BENEFIT POLICE PENSION PLAN (CONTINUED)

Net Pension Liability (Continued)

Best estimates of arithmetic real rate of return for each major asset class that is included in the pension plan's target asset allocation of December 31, 2020 are as follows:

Asset Class	Percent of Fund at December 31, 2020	Estimated Long-Term Rates of Return
Cash and Cash Alternatives	16%	.04 - 2.2%
Equities	59%	.16 - 9.2%
Fixed Income Securities	25%	1.24 - 3.1%
Total Weighted Expected Return		5.78%

A schedule of changes in the net pension liability for the year ended December 31, 2020 was as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2019	$ 7,584,221	$ 6,764,414	$ 819,807
Changes for the year:			
Service Cost	338,553	-	338,553
Interest Cost	448,000	-	448,000
Changes of Assumptions	(27,654)	-	(27,654)
Changes of Benefit Terms	-	-	-
Differences between expected and actual experience	1,010	-	1,010
Employer Contributions	-	312,139	(312,139)
Employee Contributions	-	80,785	(80,785)
Net Investment Income	-	876,934	(876,934)
Benefit Payments	(235,118)	(235,118)	-
Administrative Expense	-	(37,451)	37,451
Net Changes	524,791	997,289	(472,498)
Balance at December 31, 2020	$ 8,109,012	$ 7,761,703	$ 347,309

Discount Rate

The discount rate used to measure the total pension liability was 6.00% 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.

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 6.00%, 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 (5.00%), or 1-percentage-point higher (7.00%) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net Pension Liability (Asset)	$ 1,478,239	$ 347,309	$ (588,652)

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 2020 was 12.50%. The money-weighted rate of return expresses investment performance, net of expenses, adjusted for the changing amounts actually invested.

NOTE 9 NON-UNIFORMED (PMRS) PENSION PLANS

Plan Description

The Township sponsors a defined benefit pension plan, the Non-Uniform 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 non-uniform municipal employees hired before January 1, 2011, through the Pennsylvania Municipal Retirement System (PMRS), a statewide local government system. PMRS is an agent multiple-employer system with the purpose to administer sound, cost-effective pensions for local government employees. Responsibility for the organization and administration of PMRS is vested in the eleven-member Pennsylvania Municipal Retirement Board. PMRS issues a separate Comprehensive Annual Financial Report. A copy of the Comprehensive Annual Financial Report can be obtained by contacting the PMRS Accounting Office, P.O. Box 1165, Harrisburg, PA 17108-1165.

In addition to the defined benefit pension plan, the Township has elected to amend its Plan to add a Cash Balance Plan effective January 1, 2011. All non-uniform full-time employees hired after January 1, 2011, have mandatory membership in the Cash Balance Plan (through PMRS) and do not participate in the Non-Uniform Defined Benefit Plan described above. Cash Balance Plan members must contribute 2.5%, but can optionally contribute up to 17.5%, of their compensation to the Cash Balance Plan.

NOTE 9 NON-UNIFORMED (PMRS) PENSION PLANS (CONTINUED)

Plan Description (Continued)

All assets of the Plan are held in a trust and are the assets of the PMRS and, therefore, will be excluded from the Township's financial statements. The assets of the Plan will be managed by the Board of PMRS and are placed in the custody of the Treasurer of the Commonwealth.

The following table provides information concerning types of covered employees and benefit provisions for each of the Township's PMRS Plans:

	Non-Uniform Defined Benefit	Non-Uniform Cash Balance
Covered Employees	All Regular Employees Hired before 1/1/11, Excluding Sworn Police Officers	All Regular Employees Hired after 1/1/11, Excluding Sworn Police Officers
Number of Covered Active Employees	6	8
Number of Persons Receiving Benefits		
Retired Employees and Beneficiaries	8	0
Terminated Employees Vested but not Receiving Benefits	2	0
Current Annual Covered Payroll	$484,910	$529,459
Normal Retirement Date	After 60th Birthday and 5 Years of Service	After 60th Birthday and 5 Years of Service
Retirement Benefit	Equal 2.5% Times Credited Service Times Final Average Salary (FAS) but in no Event is the Basic Benefit Greater than 50% of FAS	Equal to a Single Life Annuity Starting on the Effective Date of Retirement with a Present Value Equal to all Monies Credited to the Member's Account
Early Retirement Date	Voluntary after 20 Years of Service	Voluntary after 20 Years of Service

Net Pension Liability (Asset)

The net pension asset of the PMRS Non-Uniform Defined Benefit plan as of the measurement date of December 31, 2019 was as follows:

Total Pension Liability	$ 4,051,621
Plan Fiduciary Net Position	4,581,725
Net Pension Liability	$ (530,104)

The net pension asset of the PMRS Non-Uniform Cash Balance plan as of the measurement date of December 31, 2019 was as follows:

Total Pension Liability	$ 198,347
Plan Fiduciary Net Position	212,167
Net Pension Liability	$ (13,820)

NOTE 9 NON-UNIFORMED (PMRS) PENSION PLANS (CONTINUED)

Net Pension Liability (Asset) (Continued)

Method and assumptions used to determine the Total Pension Liability (Asset) for the PMRS' Plans were as follows:

	PMRS Plans
Valuation Date	January 1, 2019
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Market Value
Actuarial Assumptions	
Investment Rate of Return	5.25%
Projected Salary Increases	2.8% - 7.05%
Inflation Rate Included	2.8%
Mortality Rate	Males: RP 2000 projected 15 years Females: RP 2000 projected 15 years with 5 Year Setback

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 inflation) 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. Best estimates of arithmetic real rate of return for each major asset class are included in the pension plan's target asset allocation.

A schedule of changes in the net pension liability (asset) of the PMRS Non-Uniform Defined Benefit plan as of the measurement date of December 31, 2019 was as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability(Asset)
Balance at December 31, 2018	$ 3,963,674	$ 3,921,363	$ 42,311
Changes for the year:			
Service Cost	81,222	-	81,222
Interest Cost	207,163	-	207,163
Changes of Assumptions	-	-	-
Changes of Benefit Terms	-	-	-
Differences between expected and actual experience	-	-	-
Employer Contributions	-	20,754	(20,754)
PMRS Assessment Contributions	-	320	(320)
Employee Contributions	-	14,548	(14,548)
Net Investment Income	-	832,967	(832,967)
Benefit Payments	(200,438)	(200,438)	-
Administrative Expense	-	(7,789)	7,789
Net Changes	87,947	660,362	(572,415)
Balance at December 31, 2019	$ 4,051,621	$ 4,581,725	$ (530,104)

NOTE 9 NON-UNIFORMED (PMRS) PENSION PLANS (CONTINUED)

Net Pension Liability (Asset) (Continued)

A schedule of changes in the net pension liability (asset) of the PMRS Non-Uniform Cash Balance plan as of the measurement date of December 31, 2019 was as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at December 31, 2018	$ 140,197	$ 131,030	$ 9,167
Changes for the year:			
Service Cost	49,811	-	49,811
Interest Cost	8,339	-	8,339
Changes of Assumptions	-	-	-
Changes of Benefit Terms	-	-	-
Differences between expected and actual experience	-	-	-
Employer Contributions	-	24,906	(24,906)
PMRS Assessment Contributions	-	180	(180)
Employee Contributions	-	24,906	(24,906)
Net Investment Income	-	31,622	(31,622)
Benefit Payments	-	-	-
Administrative Expense	-	(477)	477
Net Changes	58,150	81,137	(22,987)
Balance at December 31, 2019	$ 198,347	$ 212,167	$ (13,820)

Discount Rate

The discount rate used to measure the total pension liability (asset) was 5.25%. 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 payments 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 (asset).

NOTE 9 NON-UNIFORMED (PMRS) PENSION PLANS (CONTINUED)

Sensitivity of Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) calculated using the discount rate of 5.25%, as well as what the Plan's net pension liability (asset) 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:

	PMERS Non-Uniform Defined Benefit Pension Plan		
	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
Net Pension (Asset) Liability	$ (143,707)	$ (530,104)	$ (864,862)

	PMERS Non-Uniform Cash Balance Plan		
	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
Net Pension (Asset) Liability	$ 25,850	$ (13,820)	$ (53,489)

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 Plans' 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 participating in the Defined Benefit Plan are required to contribute a percentage of covered payroll (3% for Non-Uniform defined benefit). This contribution is governed by the Plan's governing ordinances. Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the Plans and funded through the MMO and/or plan earnings.

Cash Balance Plan members may voluntarily contribute up to 17.5% of their compensation. Optional member contributions will be treated as taxed at the time of contribution, will be tracked separately by PMRS, and will not be treated as taxable when paid out to the member. The Township's contribution will be equal to the Member's contribution up to a maximum of 5% of the Member's compensation. The annual Basic Benefit will be equal to a single life annuity starting on the effective date of retirement with a present value equal to all monies credited to the Member's account.

NOTE 10 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 8%-10% of the employee's base salary. The Township contributed $35,183 for the year ended December 31, 2020.

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 11 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 (DVWCT) and the Delaware Valley Insurance Trust (DVIT).

DVWCT 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 Workers' 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 Claims 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, 2020 and settlements have not exceeded coverage in the past three years.

NOTE 12 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 13 CONTINGENCIES

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

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

NOTE 14 SUBSEQUENT EVENTS

Subsequent to year-end, the Township authorized the incurrence of electoral and non-electoral debt in the aggregate principal amount of $9,141,000 by the issuance of: 1) a General Obligation Note Series A of 2021 in the principal amount of $5,063,000 for the purpose of providing funds for and toward financing of open space projects and to pay for the costs of issuing the note; and 2) General Obligation Note Series B of 2021, in the principal amount of $4,078,000 for the purpose of providing funds to refund outstanding General Bond Obligation Series A & B of 2012 and General Obligation Note 2017 and to pay for the costs of issuing the Series B Note. The Township will recognize approximately $149,000 in savings due to the refunding of these two debt obligations.

Subsequent to year-end, the World Health Organization stated that the spread of the Coronavirus Disease (COVID-19), a worldwide pandemic, is diminishing. Globally, the number of new cases and deaths continue to decrease. The pandemic had a significant effect on global markets, supply chains, businesses, and communities. Specific to the Township, COVID-19 impacted various parts of its operations and financial results, including but not limited to reductions in state funding, and costs for emergency preparedness. On the upside of the pandemic, the Township's Real Estate Transfer Tax exceeded budget by approximately $300,000 or fifty percent (50%). The Township experienced decreased revenue during the height of the pandemic in 2020, and took corrective action by eliminating, delaying or deferring expenses to subsequent years in order to operate efficiently and within budget. By year-end, Township revenues began to increase: Earned Income Taxes and Real Estate Transfer Tax collections both exceeded budget, enabling the Township to end the year in a positive financial position.

REQUIRED SUPPLEMENTARY INFORMATION

SOLEBURY TOWNSHIP, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
POLICE PENSION PLAN – SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2020

	Measurement Year Ending 12/31/20	Measurement Year Ending 12/31/19	Measurement Year Ending 12/31/18	Measurement Year Ending 12/31/17	Measurement Year Ending 12/31/16	Measurement Year Ending 12/31/2015	Measurement Year Ending 12/31/14
Total Pension Liability:							
Service Cost	$ 338,553	$ 326,502	$ 305,091	$ 293,357	$ 295,026	$ 294,257	$ 282,939
Interest	448,000	417,915	341,909	317,450	345,166	323,953	301,611
Benefit Payments	(235,118)	(250,874)	(203,145)	(203,145)	(271,707)	(216,989)	(207,361)
Changes of Benefit Terms	-	-	-	(160,595)	-	-	-
Difference Between Actual and Expected Experience, if Any	1,010	398,169	-	(122,553)	(598,822)	(474,839)	-
Assumption Changes	(27,654)	448,593	-	17,268	-	454,526	-
Net Change in Total Pension Liability	524,791	1,340,305	443,855	141,782	(230,337)	380,908	377,189
Total Pension Liability - Beginning	7,584,221	6,243,916	5,800,061	5,658,279	5,888,616	5,507,708	5,130,519
Total Pension Liability - Ending (a)	$ 8,109,012	$ 7,584,221	$ 6,243,916	$ 5,800,061	$ 5,658,279	$ 5,888,616	$ 5,507,708
Plan Fiduciary Net Position:							
Contribution - Employer and State Aid	$ 312,139	$ 228,402	$ 265,684	$ 461,859	$ 382,265	$ 369,529	$ 281,351
Contribution - Member	80,785	80,027	108,073	71,909	67,592	64,902	63,060
Net Investment Income	876,934	1,125,626	(281,368)	627,570	366,526	19,684	198,682
Benefit Payments	(235,118)	(250,874)	(203,145)	(203,145)	(271,707)	(216,989)	(207,361)
Administrative Expense	(37,451)	(43,823)	(36,708)	(38,730)	(30,886)	(39,629)	(27,088)
Other	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	997,289	1,139,358	(147,464)	919,463	513,790	197,497	308,644
Plan Fiduciary Net Position - Beginning	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 - Ending (b)	$ 7,761,703	$ 6,764,414	$ 5,625,056	$ 5,772,520	$ 4,853,057	$ 4,339,267	$ 4,141,770
Net Pension Liability (a-b)	$ 347,309	$ 819,807	$ 618,860	$ 27,541	$ 805,222	$ 1,549,349	$ 1,365,938
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.72%	89.19%	90.09%	99.53%	85.77%	73.69%	75.20%
Covered Payroll	$ 1,742,326	$ 1,532,092	$ 1,372,697	$ 1,438,190	$ 1,351,832	$ 1,292,897	$ 1,247,495
Net Pension Liability as a Percentage of Covered Payroll	19.93%	53.51%	45.08%	1.91%	59.57%	119.84%	109.49%

*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 – SCHEDULES OF EMPLOYER CONTRIBUTIONS AND INVESTMENT RETURNS
DECEMBER 31, 2020

Schedule of Employer Contributions*

Measurement Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2014	$ 255,864	$ 281,351	$ (25,487)	$ 1,247,495	22.55%
2015	245,393	369,529	(124,136)	1,292,897	28.58%
2016	382,265	382,265	-	1,351,832	28.28%
2017	385,120	461,859	(76,739)	1,438,190	32.11%
2018	241,531	265,684	(24,153)	1,372,697	19.35%
2019	228,402	228,402	-	1,532,092	14.91%
2020	283,739	312,139	(28,400)	1,742,326	17.92%

Schedule of Investment Returns*

	2020	2019	2018	2017	2016	2015	2014
Actual Money Weighted Rate of Return, Net of Investment Expense	12.50%	19.59%	-5.38%	11.80%	8.10%	0.20%	4.80%

Note: Actuarially determined contributions are determined in accordance with Pennsylvania Act 205. Assumptions used for contribution requirements match those used for GASB purposes except as noted below:

	Police
Valuation Date	January 1, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Open
Remaining Amortization Period	12 Years
Asset Valuation Method	Adjusted Market Value
Actuarial Assumptions	
Long-Term Investment Rate of Return	6.0%
Projected Salary Increases	4.0%
Inflation Rate Included	2.5%
Mortality Rate**	Pub-210 Safety Amount-Weighted Mortality Tables projected from 2010 with Mortality Improvement Scale MP-2020

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

**Previous year valuations used mortality rates of Pub-210 Safety Amount Weighted Mortality Tables projected from 2010 with Mortality Improvement Scale MP-2019.

SOLEBURY TOWNSHIP, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
NON-UNIFORM PENSION PLAN – SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2020

	Measurement Year Ending 12/31/19	Measurement Year Ending 12/31/18	Measurement Year Ending 12/31/17	Measurement Year Ending 12/31/16	Measurement Year Ending 12/31/15	Measurement Year Ending 12/31/14
Total Pension Liability:						
Service Cost	$ 81,222	$ 80,038	$ 107,713	$ 111,765	$ 111,033	$ 119,638
Interest	207,163	194,370	188,989	192,424	182,888	186,433
Benefit Payments	(200,438)	(214,276)	(120,003)	(84,335)	(214,883)	(91,581)
Difference Between Actual and Expected, if Any	-	175,534	-	(175,672)	(18,223)	(191,304)
Assumption Changes	-	-	-	78,677	29,214	-
Net Change in Total Pension Liability	87,947	235,666	176,699	122,859	90,029	23,186
Total Pension Liability - Beginning	3,963,674	3,728,008	3,551,309	3,428,450	3,338,421	3,315,235
Total Pension Liability - Ending (a)	$ 4,051,621	$ 3,963,674	$ 3,728,008	$ 3,551,309	$ 3,428,450	$ 3,338,421
Plan Fiduciary Net Position:						
Contribution - Employer	$ 21,074	$ 43,462	$ 55,140	$ 72,235	$ 73,287	$ 77,552
Contribution - Member	14,548	15,120	20,348	21,521	22,190	22,785
Net Investment Income	832,967	(225,956)	626,281	355,609	(69,789)	105,365
Benefit Payments	(200,438)	(214,276)	(120,003)	(84,335)	(214,883)	(91,581)
Administrative Expense	(7,789)	(9,002)	(9,733)	(10,094)	(9,050)	(7,812)
Net Change in Plan Fiduciary Net Position	660,362	(390,652)	572,033	354,936	(198,245)	106,309
Plan Fiduciary Net Position - Beginning	3,921,363	4,312,015	3,739,982	3,385,046	3,583,291	3,476,982
Plan Fiduciary Net Position - Ending (b)	$ 4,581,725	$ 3,921,363	$ 4,312,015	$ 3,739,982	$ 3,385,046	$ 3,583,291
Net Pension (Asset) Liability (a-b)	$ (530,104)	$ 42,311	$ (584,007)	$ (188,673)	$ 43,404	$ (244,870)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	113.08%	98.93%	115.67%	105.31%	98.73%	107.33%
Covered Payroll	$ 484,910	$ 503,998	$ 678,266	$ 717,379	$ 733,513	$ 779,883
Net Pension (Asset) Liability as a Percentage of Covered Payroll	(109.32%)	8.40%	(86.10%)	(26.30%)	5.92%	(31.4%)

*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 – SCHEDULES OF EMPLOYER CONTRIBUTIONS AND EMPLOYER'S NET PENSION LIABILITY
DECEMBER 31, 2020

Schedule of Employer Contributions*

Measurement Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2014	$ 76,807	$ 77,552	$ (745)	$ 779,883	9.94%
2015	73,287	73,287	-	733,513	9.99%
2016	72,235	72,235	-	717,379	10.07%
2017	55,140	55,140	-	678,266	8.13%
2018	43,462	43,462	-	503,998	8.62%
2019	21,074	21,074	-	484,910	4.35%

Note: Actuarially determined contributions are determined in accordance with Pennsylvania Act 205. Assumptions used for contribution requirements match those used for GASB purposes except as noted below:

	Non-Uniform Defined Benefit
Valuation Date	January 1, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	3 Years
Asset Valuation Method	Adjusted Market Value
Actuarial Assumptions	
Investment Rate of Return	5.25%
Projected Salary Increases	2.8% - 7.05%
Inflation Rate Included	2.8%

*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 CASH BALANCE PLAN – SCHEDULE OF CHANGES
IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2020

	Measurement Year Ending 12/31/19	Measurement Year Ending 12/31/18	Measurement Year Ending 12/31/17	Measurement Year Ending 12/31/16	Measurement Year Ending 12/31/15	Measurement Year Ending 12/31/14
Total Pension Liability:						
Service Cost	$ 49,811	$ 39,119	$ 21,682	$ 26,191	$ 19,140	$ 16,035
Interest	8,339	5,691	4,258	3,695	2,333	1,338
Change of Benefits	-	1,022	-	-	-	-
Difference Between Actual and Expected, if Any	-	(1)	-	(1)	1	-
Transfers	-	-	(18,700)	-	-	-
Net Change in Total Pension Liability	58,150	45,831	7,240	29,885	21,474	17,373
Total Pension Liability - Beginning	140,197	94,366	87,126	57,241	35,767	18,394
Total Pension Liability - Ending (a)	$ 198,347	$ 140,197	$ 94,366	$ 87,126	$ 57,241	$ 35,767
Plan Fiduciary Net Position:						
Contribution - Employer	$ 25,086	$ 19,766	$ 10,961	$ 13,175	$ 9,572	$ 7,620
Contribution - Member	24,906	19,559	10,841	13,095	9,570	8,094
Net Investment Income	31,622	(8,119)	14,440	3,770	(1,067)	1,425
Benefit Payments	-	-	-	-	-	(269)
Administrative Expense	(477)	(344)	(300)	(267)	(202)	(115)
Transfers	-	-	(18,700)	-	-	-
Net Change in Plan Fiduciary Net Position	81,137	30,862	17,242	29,773	17,873	16,755
Plan Fiduciary Net Position - Beginning	131,030	100,168	82,926	53,153	35,280	18,525
Plan Fiduciary Net Position - Ending (b)	$ 212,167	$ 131,030	$ 100,168	$ 82,926	$ 53,153	$ 35,280
Net Pension (Asset) Liability (a-b)	$ (13,820)	$ 9,167	$ (5,802)	$ 4,200	$ 4,088	$ 487
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.97%	93.46%	106.15%	95.18%	92.86%	98.64%
Covered Payroll	$ 529,459	$ 422,267	$ 259,616	$ 307,094	$ 227,816	$ 175,530
Net Pension (Asset) Liability as a Percentage of Covered Payroll	(2.61%)	2.17%	(2.23%)	1.37%	1.79%	0.28%

*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 CASH BALANCE PLAN – SCHEDULES OF EMPLOYER CONTRIBUTIONS AND EMPLOYER'S NET PENSION LIABILITY
DECEMBER 31, 2020

Schedule of Employer Contributions*

Measurement Year Ended December 31,	Statutorily Required Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2014	$ 8,001	$ 7,620	$ 381	$ 175,530	4.34%
2015	9,670	9,572	98	227,816	4.20%
2016	13,176	13,175	1	307,094	4.29%
2017	10,941	10,961	(20)	259,616	4.22%
2018	19,640	19,766	(126)	422,267	4.68%
2019	25,085	25,086	(1)	529,459	4.74%

Note: Actuarially determined contributions are determined in accordance with Pennsylvania Act 205. Assumptions used for contribution requirements match those used for GASB purposes except as noted below:

	PMRS Plans
Valuation Date	January 1, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	3 Years
Asset Valuation Method	Adjusted Market Value
Actuarial Assumptions	
Investment Rate of Return	5.25%
Projected Salary Increases	2.8% - 7.05%
Inflation Rate Included	2.8%

*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
YEAR ENDED DECEMBER 31, 2020

	Budget			
	Original	Final	Actual	Variance With Final Budget
REVENUES				
Real Estate Taxes	$ 2,055,479	$ 2,055,479	$ 2,051,998	$ (3,481)
Real Estate Transfer Taxes	600,000	600,000	902,173	302,173
Earned Income Taxes	3,100,000	3,100,000	3,307,756	207,756
Licenses and Permits	217,000	217,000	220,594	3,594
Fines, Forfeits, and Costs	26,600	26,600	18,838	(7,762)
Interest and Rents	53,000	53,000	52,630	(370)
Intergovernmental	329,000	329,000	361,168	32,168
Charges for Services	257,820	277,820	305,346	27,526
Refunds and Miscellaneous	12,500	33,500	82,248	48,748
Total Revenues	6,651,399	6,692,399	7,302,751	610,352
EXPENDITURES				
General Government:				
Legislative	13,500	11,625	10,625	1,000
Tax Collection	25,419	25,419	24,769	650
Legal	160,000	153,000	131,944	21,056
General Government Administration	734,100	724,825	678,038	46,787
General Government Buildings	170,810	167,810	154,575	13,235
Total General Government	1,103,829	1,082,679	999,951	82,728
Public Safety:				
Police	2,120,698	2,205,098	2,012,792	192,306
Fire	110,000	110,000	117,324	(7,324)
Zoning and Planning	512,750	507,750	416,436	91,314
Total Public Safety	2,743,448	2,822,848	2,546,552	276,296
Public Works	598,650	645,650	433,555	212,095
Culture and Recreation	13,875	14,375	14,375	-
Miscellaneous:				
Employee Benefits	1,036,275	1,036,275	821,287	214,988
Pension	371,400	401,300	401,539	(239)
Insurance	114,500	114,500	102,700	11,800
Total Miscellaneous	1,522,175	1,552,075	1,325,526	226,549
Total Expenditures	5,981,977	6,117,627	5,319,959	797,668
Excess of Revenues Over Expenditures	669,422	574,772	1,982,792	1,408,020
Other Financing Sources (Uses):				
Transfers In	85,000	85,000	85,000	-
Transfers Out	(741,000)	(741,000)	(1,844,000)	(1,103,000)
Total Other Financing Uses	(656,000)	(656,000)	(1,759,000)	(1,103,000)
Net Change in Fund Balances	$ 13,422	$ (81,228)	223,792	$ 305,020
Fund Balance - Beginning of Year			2,823,128	
Fund Balance - End of Year			$ 3,046,920	

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 device 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 DEBT SERVICE FUND
WITH LEGALLY ADOPTED BUDGET – DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Real Estate Taxes	$ 3,048,114	$ 3,048,114	$ 3,049,602	$ 1,488
Total Revenues	3,048,114	3,048,114	3,049,602	1,488
EXPENDITURES				
Debt Service:				
Principal	2,613,000	2,453,000	2,453,000	-
Interest	486,575	538,851	534,698	4,153
Note Issuance Costs	11,000	11,000	2,465	8,535
Total Expenditures	3,110,575	3,002,851	2,990,163	12,688
Net Change in Fund Balances	$ (62,461)	$ 45,263	59,439	$ 14,176
Fund Balance - Beginning of Year			382,030	
Fund Balance - End of Year			$ 441,469	

SOLEBURY TOWNSHIP, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – MAJOR CAPITAL PROJECTS FUND WITH LEGALLY ADOPTED BUDGET – LAND PRESERVATION FUND
YEAR ENDED DECEMBER 31, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Interest and Contributions	$ 7,600	$ 7,600	$ 3,110	$ (4,490)
Total Revenues	7,600	7,600	3,110	(4,490)
EXPENDITURES				
Preservation of Natural Resources:				
Land Preservation	1,693,451	4,118,451	3,706,516	411,935
Total Expenditures	1,693,451	4,118,451	3,706,516	411,935
Excess of Revenues Over (Under) Expenditures	(1,685,851)	(4,110,851)	(3,703,406)	407,445
Other Financing Sources (Uses):				
Proceeds from Bond Issuance	5,000,000	5,000,000	4,850,000	(150,000)
Bond Premium	-	-	275,135	275,135
Transfers Out	(85,000)	(85,000)	(85,000)	-
Total Other Financing Uses	4,915,000	4,915,000	5,040,135	125,135
Net Change in Fund Balances	$ 3,229,149	$ 804,149	1,336,729	$ 532,580
Fund Balance - Beginning of Year			1,677,452	
Fund Balance - End of Year			$ 3,014,181	

SOLEBURY TOWNSHIP, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – MAJOR CAPITAL PROJECTS FUND WITH LEGALLY ADOPTED BUDGET – CAPITAL RESERVE FUND
YEAR ENDED DECEMBER 31, 2020

	Budget			
	Original	Final	Actual	Variance With Final Budget
REVENUES				
Charges for Services	$ -	$ -	$ -	$ -
Interest and Rents, Net	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
General Government	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources:				
Transfers In	-	-	100,000	100,000
Transfers Out	(465,000)	(465,000)	(465,000)	-
Total Other Financing Sources	(465,000)	(465,000)	(365,000)	100,000
Net Change in Fund Balances	$ (465,000)	$ (465,000)	(365,000)	$ 100,000
Fund Balance - Beginning of Year			2,665,888	
Fund Balance - End of Year			$ 2,300,888	

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 proceeds from general obligation notes and fees in lieu of improvements from developers, supplemented 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 transfer 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 Project Fund – Accounts for the construction of major capital projects, funded by both interfund transfers from the Capital Reserve Fund and capital grants.

SOLEBURY TOWNSHIP, PENNSYLVANIA
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Special Revenue						Capital Projects				Total
	Fire Protection Tax	Natural Resources	Park and Recreation	Highway Aid	Ambulance	Library	Parks and Recreation Capital	Roads and Bridges	Capital Equipment Reserve	Capital Projects	Nonmajor Governmental Funds
ASSETS											
Cash	$ 12,881	$ 271,580	$ 142,837	$ 742,166	$ 53,789	$ 5,329	$ 221,240	$ 481,101	$ 285,608	$ 516,460	$ 2,732,991
Taxes Receivable	13,381	-	-	-	5,638	3,726	-	-	-	-	22,745
Accounts Receivable	-	-	-	-	-	-	-	-	-	25,000	25,000
Prepaid Expenses	-	-	-	-	-	-	-	-	14,160	-	14,160
Total Assets	$ 26,262	$ 271,580	$ 142,837	$ 742,166	$ 59,427	$ 9,055	$ 221,240	$ 481,101	$ 299,768	$ 541,460	$ 2,794,896
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES											
Liabilities:											
Accounts Payable	$ 12,246	$ 2,175	$ 5,629	$ -	$ 53,132	$ 5,069	$ -	$ -	$ 26,208	$ 3,738	$ 108,197
Total Liabilities	12,246	2,175	5,629	-	53,132	5,069	-	-	26,208	3,738	108,197
Deferred Inflow of Resources:											
Unavailable Revenue - Property Taxes	7,874	-	-	-	4,176	2,188	-	-	-	-	14,238
Total Deferred Inflow of Resources	7,874	-	-	-	4,176	2,188	-	-	-	-	14,238
Fund Balances:											
Nonspendable	-	-	-	-	-	-	-	-	14,160	-	14,160
Restricted	6,142	-	-	742,166	2,119	1,798	-	-	-	-	752,225
Committed	-	269,405	137,208	-	-	-	221,240	481,101	259,400	537,722	1,906,076
Total Fund Balances	6,142	269,405	137,208	742,166	2,119	1,798	221,240	481,101	273,560	537,722	2,672,461
Total Liabilities and Fund Balances	$ 26,262	$ 271,580	$ 142,837	$ 742,166	$ 59,427	$ 9,055	$ 221,240	$ 481,101	$ 299,768	$ 541,460	$ 2,794,896

SOLEBURY TOWNSHIP, PENNSYLVANIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	Special Revenue						Capital Projects				Total
	Fire Protection Tax	Natural Resources	Park and Recreation	Highway Aid	Ambulance	Library	Parks and Recreation Capital	Roads and Bridges	Capital Equipment Reserve	Capital Projects	Nonmajor Governmental Funds
REVENUES											
Real Estate Taxes	$ 425,916	$ -	$ -	$ -	$ 227,425	$ 119,357	$ -	$ -	$ -	$ -	$ 772,698
Interest and Rents	-	-	-	3,460	-	-	-	-	-	-	3,460
Intergovernmental	-	-	-	391,538	-	-	-	-	-	255,000	646,538
Charges for Services	-	7,500	45,039	-	-	-	-	-	-	-	52,539
Miscellaneous	-	-	5,000	-	-	-	11,500	-	24,510	427	41,437
Total Revenues	425,916	7,500	50,039	394,998	227,425	119,357	11,500	-	24,510	255,427	1,516,672
EXPENDITURES											
General Government	-	-	-	-	-	-	-	-	80,055	1,035,460	1,115,515
Public Safety	421,761	-	-	-	229,000	-	-	-	165,517	-	816,278
Public Works	-	-	-	285,032	-	-	-	321,314	26,965	-	633,311
Culture and Recreation	-	-	195,825	-	-	120,000	48,355	-	-	-	364,180
Preservation of Natural Resources	-	101,126	-	-	-	-	-	-	-	-	101,126
Total Expenditures	421,761	101,126	195,825	285,032	229,000	120,000	48,355	321,314	272,537	1,035,460	3,030,410
Excess of Revenues Over (Under) Expenditures	4,155	(93,626)	(145,786)	109,966	(1,575)	(643)	(36,855)	(321,314)	(248,027)	(780,033)	(1,513,738)
Other Financing Sources (Uses):											
Transfers In	-	325,000	140,000	-	2,500	1,500	100,000	300,000	375,000	965,000	2,209,000
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	325,000	140,000	-	2,500	1,500	100,000	300,000	375,000	965,000	2,209,000
Net Changes in Fund Balances	4,155	231,374	(5,786)	109,966	925	857	63,145	(21,314)	126,973	184,967	695,262
Fund Balances - Beginning of Year	1,987	38,031	142,994	632,200	1,194	941	158,095	502,415	146,587	352,755	1,977,199
Fund Balances - End of Year	$ 6,142	$ 269,405	$ 137,208	$ 742,166	$ 2,119	$ 1,798	$ 221,240	$ 481,101	$ 273,560	$ 537,722	$ 2,672,461

SOLEBURY TOWNSHIP, PENNSYLVANIA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – MODIFIED ACCRUAL BASIS – BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	Natural Resources			Park and Recreation		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Real Estate Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Interest and Rents	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	5,500	7,500	2,000	56,000	45,039	(10,961)
Miscellaneous	-	-	-	5,000	5,000	-
Total Revenues	5,500	7,500	2,000	61,000	50,039	(10,961)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	220,081	195,825	24,256
Preservation of Natural Resources	208,500	101,126	107,374	-	-	-
Total Expenditures	208,500	101,126	107,374	220,081	195,825	24,256
Excess of Revenues Over (Under) Expenditures	(203,000)	(93,626)	109,374	(159,081)	(145,786)	13,295
Other Financing Sources (Uses):						
Transfers In	325,000	325,000	-	140,000	140,000	-
Transfers Out	-	-	-	7,000	-	(7,000)
Total Other Financing Sources	325,000	325,000	-	147,000	140,000	(7,000)
Net Change in Fund Balances	$ 122,000	231,374	$ 109,374	$ (12,081)	(5,786)	$ 6,295
Fund Balances - Beginning of Year		38,031			142,994	
Fund Balances - End of Year		$ 269,405			$ 137,208	

SOLEBURY TOWNSHIP, PENNSYLVANIA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – MODIFIED ACCRUAL BASIS – BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Highway Aid			Roads and Bridges		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Real Estate Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Interest and Rents	2,000	3,460	1,460	-	-	-
Intergovernmental	383,760	391,538	7,778	-	-	-
Charges for Services	-	-	-	500	-	(500)
Miscellaneous	-	-	-	-	-	-
Total Revenues	385,760	394,998	9,238	500	-	(500)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	626,800	285,032	341,768	414,000	321,314	92,686
Culture and Recreation	-	-	-	-	-	-
Preservation of Natural Resources	-	-	-	-	-	-
Total Expenditures	626,800	285,032	341,768	414,000	321,314	92,686
Excess of Revenues Over (Under) Expenditures	(241,040)	109,966	351,006	(413,500)	(321,314)	92,186
Other Financing Sources (Uses):						
Transfers In	-	-	-	300,000	300,000	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources	-	-	-	300,000	300,000	-
Net Change in Fund Balances	$ (241,040)	109,966	$ 351,006	$ (113,500)	(21,314)	$ 92,186
Fund Balances - Beginning of Year		632,200			502,415	
Fund Balances - End of Year		$ 742,166			$ 481,101	

SOLEBURY TOWNSHIP, PENNSYLVANIA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – MODIFIED ACCRUAL BASIS – BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Capital Equipment Reserve			Capital Projects		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Real Estate Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Interest and Rents	-	-	-	-	-	-
Intergovernmental	-	-	-	720,000	255,000	(465,000)
Charges for Services	-	-	-	-	-	-
Miscellaneous	5,000	24,510	19,510	-	427	427
Total Revenues	5,000	24,510	19,510	720,000	255,427	(464,573)
EXPENDITURES						
General Government	87,000	80,055	6,945	1,052,000	1,035,460	16,540
Public Safety	175,000	165,517	9,483	-	-	-
Public Works	35,000	26,965	8,035	-	-	-
Culture and Recreation	-	-	-	-	-	-
Preservation of Natural Resources	-	-	-	-	-	-
Total Expenditures	297,000	272,537	24,463	1,052,000	1,035,460	16,540
Excess of Revenues Over (Under) Expenditures	(292,000)	(248,027)	43,973	(332,000)	(780,033)	(448,033)
Other Financing Sources (Uses):						
Transfers In	232,000	375,000	143,000	302,000	965,000	663,000
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources	232,000	375,000	143,000	302,000	965,000	663,000
Net Change in Fund Balances	$ (60,000)	126,973	$ 186,973	$ (30,000)	184,967	$ 214,967
Fund Balances (Deficit) - Beginning of Year		146,587			352,755	
Fund Balances - End of Year		$ 273,560			$ 537,722	

SOLEBURY TOWNSHIP, PENNSYLVANIA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – MODIFIED ACCRUAL BASIS – BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Fire Protection Tax			Parks and Recreation Capital		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Real Estate Taxes	$ 427,466	$ 425,916	$ (1,550)	$ -	$ -	$ -
Interest and Rents	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	22,000	11,500	(10,500)
Total Revenues	427,466	425,916	(1,550)	22,000	11,500	(10,500)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	427,466	421,761	5,705	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	69,000	48,355	20,645
Preservation of Natural Resources	-	-	-	-	-	-
Total Expenditures	427,466	421,761	5,705	69,000	48,355	20,645
Excess of Revenues Over (Under) Expenditures	-	4,155	4,155	(47,000)	(36,855)	10,145
Other Financing Sources (Uses):						
Transfers In	-	-	-	50,000	100,000	50,000
Transfers Out	-	-	-	-	-	-
Total Other Financing Uses	-	-	-	50,000	100,000	50,000
Net Change in Fund Balances	$ -	4,155	$ 4,155	$ 3,000	63,145	$ 60,145
Fund Balances - Beginning of Year		1,987			158,095	
Fund Balances - End of Year		$ 6,142			$ 221,240	

SOLEBURY TOWNSHIP, PENNSYLVANIA
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – MODIFIED ACCRUAL BASIS – BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Library Fund			Ambulance Fund		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Real Estate Taxes	$ 119,861	$ 119,357	$ (504)	$ 228,417	$ 227,425	$ (992)
Interest and Rents	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	119,861	119,357	(504)	228,417	227,425	(992)
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	229,000	229,000	-
Public Works	-	-	-	-	-	-
Culture and Recreation	120,000	120,000	-	-	-	-
Preservation of Natural Resources	-	-	-	-	-	-
Total Expenditures	120,000	120,000	-	229,000	229,000	-
Excess of Revenues Over (Under) Expenditures	(139)	(643)	(504)	(583)	(1,575)	(992)
Other Financing Uses:						
Transfers In	1,000	1,500	500	-	2,500	2,500
Transfers Out	-	-	-	-	-	-
Total Other Financing Uses	1,000	1,500	500	-	2,500	2,500
Net Change in Fund Balances	$ 861	857	$ (4)	$ (583)	925	$ 1,508
Fund Balances - Beginning of Year		941			1,194	
Fund Balances - End of Year		$ 1,798			$ 2,119	