MARLBOROUGH TOWNSHIP
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

MARLBOROUGH TOWNSHIP

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INDEPENDENT AUDITORS' REPORT

To The Board of Supervisors
Marlborough Township
Green Lane, Pennsylvania

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Marlborough Township as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Marlborough Township, as of December 31, 2025, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Marlborough Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis, budgetary comparison information, schedules of changes in net pension liability, and schedules of employer contributions on pages 4 through 13 and 45 through 51 but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

STYER ASSOCIATES
Certified Public Accountants

Souderton, Pennsylvania
August 17, 2026

MARLBOROUGH TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2025

As management of Marlborough Township (the "Township"), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the year ended December 31, 2025. Please read it in conjunction with the Township's basic financial statements, which follow this section.

Financial Highlights

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by $6,322,106 (net position). Of this amount, $1,726,090 (unrestricted net position) may be used to meet the Township's ongoing obligations to citizens and creditors.

- The Township's total net position decreased by $36,916 for the year ended December 31, 2025.

- As of the close of the current year, the Township's governmental funds reported combined ending fund balances of $6,101,221, an increase of $3,890,150 in comparison with the prior year. 13% of this amount is *available for spending* at the Township's discretion (unassigned fund balance). The increase in fund balances relate to proceeds of long term debt of $4,292,200 received in 2025 for a bridge reconstruction project. These funds will be used in future years to complete the project.

- At the end of the current year the unassigned fund balance for the General Fund was $795,665 or 32% of general fund expenditures.

- The Township's total debt increased by $4,235,106 during the current fiscal year due to the above noted borrowing for the bridge reconstruction project.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Overview of the Financial Statements (Continued):

Government-wide Financial Statements:

The government-wide financial statements are designed to provide the readers with a broad overview of the 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 and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of how the financial position of the Township may be changing. Increases in net position may indicate an improved financial position; however, even decreases in net position may reflect a changing manner in which the Township may be using previously accumulated funds.

The *statement of activities* presents information showing how the Township's net position changed during the most recent fiscal year.

The governmental activities of the Township include general government administration, public safety, and public works. The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements:

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. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows* and *outflows of spendable resources,* as well as *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Township's near-term financing decisions. Both the governmental fund statement of assets, liabilities, and fund balances and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The Township maintains four governmental funds. The Township adopts annual appropriated budgets for its governmental funds. Budgetary comparison statements have been provided for the General and State Liquid Fuels Funds to demonstrate compliance with the budgets. The basic governmental fund financial statements can be found on pages 16-18 of this report.

Fiduciary Funds are used to report assets held in a trustee or custodial capacity for others. The basic fiduciary fund financial statements can be found on pages 19 through 20 of this report.

Notes to the Financial Statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-44 of this report.

Other Information:

In addition to the basic financial statements and accompanying notes, this report also presents *supplementary information* concerning budgetary comparisons for the general and state liquid fuels funds and the schedules of changes in net pension liability and employer contributions. Supplementary information can be found on pages 45-51 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial strength. In the case of the Township, assets exceeded liabilities by $6,322,106 at the close of the most recent fiscal year. A large portion of the Township's net position ($4,283,978 or 68% of the total) reflects its investment in capital assets, net of related debt (e.g., land, buildings, improvements, infrastructure, machinery and equipment, and vehicles), less any related acquisition debt that is still outstanding. The Township uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital investments themselves cannot be used to liquidate these liabilities (i.e. the Township's investment in capital assets are of a permanent nature as assets acquired are generally not sold or otherwise disposed of during their useful life).

Government-Wide Financial Analysis (Continued)

The following table summarizes the Township's Statement of Net Position:

Summary of Net Position
As of December 31, 2025 and 2024

	Governmental Activities	
	2025	2024
Current and other assets	$ 6,101,396	$ 2,211,233
Capital assets	4,527,151	4,219,110
Total Assets	$10,628,547	$ 6,430,343
Long term liabilities outstanding	$ 4,306,266	$ 71,160
Other liabilities	175	161
Total Liabilities	4,306,441	71,321
Net position:		
Invested in capital assets, net of related debt	4,283,978	4,147,950
Restricted	328,248	357,836
Unrestricted	1,709,880	1,853,236
Total Net Position	6,322,106	6,359,022
Total Liabilities,Deferred Inflows of Resources and Net Position	$10,628,547	$ 6,430,343

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net position.

As noted previously, the Township's net position decreased by $36,916 during the year.

Governmental-Wide Financial Analysis: (Continued)

The following table summarizes the Township's Statement of Activities:

Changes in Net Position
Years Ended December 31, 2025 and 2024

	Governmental Activities	
	2025	2024
Revenues:		
Program revenues:		
Charges for services	$ 158,155	$ 154,748
Grants and contributions	268,287	249,084
General revenues:		
Property taxes	698,031	643,615
Other taxes	994,470	926,865
Investment earnings	73,476	61,954
Miscellaneous	109,709	282,153
Transfers	(29,152)	(44,219)
Total Revenues	2,272,976	2,274,200
Expenses:		
General government	321,082	316,946
Public safety	818,897	774,753
Public works	570,353	521,226
Interest on long term debt	20,144	5,060
Recreation and special services	21,437	26,438
Other expenses	557,979	507,038
Total Expenses	2,309,892	2,151,461
Increase (decrease) in net position	(36,916)	122,739
NET POSITION – BEGINNING	6,359,022	6,236,283
NET POSITION – ENDING	$ 6,322,106	$ 6,359,022

Financial Analysis of the Township's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds:

The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The increase in fund balances relate to proceeds of long term debt of $4,292,200 received in 2025 for a bridge reconstruction project. These funds will be used in future years to complete the project.

As of the end of the current fiscal year, the Township's governmental funds reported an ending fund balance of $6,101,221, an increase of $3,890,150 in comparison with the prior year. Of this amount $795,665 is unassigned and is available for spending at the Township's discretion. As a measure of the General Fund's liquidity, the unassigned fund balance represents 32% of total General Fund expenditures.

Capital Assets and Debt

Capital Assets:

The Township's investment in capital assets for its governmental activities as of December 31, 2025 amounts to $4,527,151 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, improvements, machinery and equipment, and vehicles.

Capital Assets and Debt (Continued)

Capital assets, net of accumulated depreciation, are illustrated in the following table:

	Governmental Activities	
	2025	2024
Land	$ 2,878,564	$ 2,879,169
Construction in progress	164,907	0
Buildings	207,165	85,526
Equipment	315,215	302,392
Infrastructure	700,403	755,601
Vehicles	260,897	196,422
Total	$ 4,527,151	$ 4,219,110

Additional information on the Township's capital assets can be found in Note 3 on pages 28 through 29 of this report.

Long Term Debt:

At the end of the current fiscal year, the Township had total outstanding debt of $4,306,266 and details are summarized in the following table:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Finance Leases:					
Caterpillar Wheel Loader	$ 43,774	$	$ (43,774)	$	$
2025 Ford F600 Interceptor		64,200		64,200	20,199
2023 Ford Explorer Police Interceptor	27,386		(13,320)	14,066	14,066
Notes Payable:					
DVRFA – 2025 Series A Note		846,000		846,000	29,000
DVRFA – 2025 Series B Note		3,382,000		3,382,000	1,000
	$ 71,160	$ 4,292,200	$ (57,094)	$ 4,306,266	$ 64,265

Further information on the Township's long-term debt can be found in Note 4 on pages 30 through 32 of this report.

Economic Factors and Next Year's Budgets and Rates

As we close out 2025, I would like to provide a summary of the Township's financial position and highlight key accomplishments and challenges from the year.

The Township entered 2025 with a strong financial foundation, carrying forward approximately $954,000 from 2024. This favorable position was largely due to stronger-than-anticipated Earned Income Tax (EIT) revenues, higher-than-average dividend distributions from MRM, increased Real Estate Transfer Tax revenues, and other revenues that generally exceeded budget projections. The only notable revenue shortfall was the sale of Township-owned property, which generated approximately $200,000 less than anticipated.

During 2025, the Township increased the General Fund millage rate to 3.0 mills and implemented a new 0.185-mill EMS tax. The EMS tax generated approximately $40,100, which was distributed to Upper Perkiomen Valley Ambulance Association at year-end to support emergency medical services within the Township.

Earned Income Tax revenue once again exceeded budget expectations (by approximately $84,400), while major operating expenditures remained within budget. Township staff continued to pursue grants, manage costs responsibly, and maintain reserves for future capital needs.

Several significant capital projects and equipment purchases were completed during 2025, including:

- Purchase of a new chipper.
- Replacement of the Township's F550 truck with an F600 due to unexpected mechanical issues and reliability concerns.
- Purchase of new playground equipment, which will be partially reimbursed through grant funding.
- Installation of new roofs on both the Public Works and Administrative buildings utilizing American Rescue Plan Act (ARPA) funds through the COSTARS purchasing program.
- Initiation of the Reihman Road Bridge Replacement Project, including the closing of a $4.5 million note to finance construction. The Township was awarded a DVRPC grant totaling approximately $4.228 million, with the Township responsible for the required local match and for the upfront project costs, which are subject to reimbursement. The proceeds from this grant will be received in future years once the project is completed.

Not all planned projects were completed during the year due to weather conditions and time constraints. The severe winter of 2025 significantly impacted operations, resulting in increased salt usage, fuel consumption, equipment repairs, and Public Works overtime expenses.

The Township continues to administer several grant-funded projects that remain active and will carry into future years:

1. $77,284 Local Share Account (LSA) Grant for barn restoration at Finland Road Park.
2. $180,000 Greenways, Trails, and Recreation Program (GTRP) Grant for improvements at Skymount Park, requiring a 15% local match.
3. $4.228 million DVRPC Grant for Reihman Road Bridge Replacement Project, requiring a 20% local match and operating on a reimbursement basis.

Total revenues for 2025 were $2,302,733, while total expenditures were $2,675,631. Without the prior-year fund balance, the Township would have experienced an operating deficit. However, due to the strong carryover from 2024, the Township is projected to carry approximately $723,000 forward into 2026.

While maintaining a healthy fund balance is positive, the Township continues to face increasing financial pressures related to aging infrastructure, equipment replacement, and rising operating costs.

Major projects planned for 2026 include:

- Completion of Township meeting room renovations.
- Completion of the Skymount Park Improvement Project.
- Volleyball court replacement and related park upgrades.
- Demolition of the cabin at Unami Park II.
- Continued work on the Reihman Road Bridge Replacement Project.
- Purchase of a new police vehicle.
- Ongoing trail repairs and maintenance.
- Completion of the final barn restoration project utilizing LSA grant funding.
- Installation of dual diesel and gasoline fuel tanks.

Looking ahead, the Township's most significant financial challenges include the replacement of aging infrastructure and equipment, including the 2005 Mack truck, emergency generator systems, and aging septic facilities. Additionally, healthcare costs continue to rise at an unsustainable rate, increasing by more than 14% annually despite modifications made to the Township's health insurance plan. Rising costs of electricity, fuel, materials, and services across virtually all operational categories will continue to put pressure on future budgets.

I would like to commend all Township departments for their continued commitment to our fiscal responsibility. Through careful budgeting, cost control measures, grant acquisition, and collaboration, Township staff have helped maintain the Township's strong financial position while continuing to provide high-quality services to our residents.

Respectfully submitted,

Township Manager

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Township Manager, Marlborough Township, 6040 Upper Ridge Road, Green Lane, PA 18054.

MARLBOROUGH TOWNSHIP
STATEMENT OF NET POSITION – MODIFIED CASH BASIS
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash	$ 6,097,155
Due from custodial fund	4,241
Capital Assets:	
Land	2,878,564
Construction in progress	164,907
Other capital assets, net of depreciation	1,483,680
Total Capital Assets	4,527,151
TOTAL ASSETS	$10,628,547
LIABILITIES AND NET POSITION	
Liabilities:	
Payroll taxes withheld	$ 175
Long term liabilities:	
Due within one year	64,265
Due in more than one year	4,242,001
Total Liabilities	4,306,441
Net Position:	
Invested in capital assets, net of related debt	4,283,978
Restricted - state liquid fuels funds	327,711
- emergency services	537
Unrestricted	1,709,880
Total Net Position	6,322,106
TOTAL LIABILITIES AND NET POSITION	$ 10,628,547

The notes to the financial statements are an integral part of this statement.

MARLBOROUGH TOWNSHIP
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Total
Governmental activities:					
General government	$ 321,082	$ 50,271	$ 1,782	$	$ (269,029)
Public safety	818,897	107,484	50,149		(661,264)
Public works	570,353		216,356		(353,997)
Recreation and special services	21,437	400			(21,037)
Employee benefits	446,322				(446,322)
Other expenses	111,657				(111,657)
Interest on long term debt	20,144				(20,144)
Total Governmental Activities	2,309,892	158,155	268,287	0	(1,883,450)
General Revenues					
Taxes:					
Property taxes, levied for general purposes					657,969
Property taxes, levied for emergency services					40,062
Earned income taxes					784,437
Local services taxes					43,915
Real estate transfer taxes					103,735
Franchise fees					62,383
Investment earnings					73,476
Special item – gain on sale of assets					80,830
Miscellaneous					28,879
Transfers					(29,152)
Total General Revenues					1,846,534
Change in Net Position					(36,916)
NET POSITION – BEGINNING					6,359,022
NET POSITION – ENDING					$ 6,322,106

The notes to the financial statements are an integral part of this statement.

MARLBOROUGH TOWNSHIP
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES –
MODIFIED CASH BASIS – GOVERNMENTAL FUNDS
DECEMBER 31, 2025

ASSETS	General	Capital Project	State Liquid Fuels	Other Governmental Fund	Total Governmental Funds
Cash	$4,838,482	$ 930,425	$ 327,711	$ 537	$ 6,097,155
Due from other funds	4,241				4,241
TOTAL ASSETS	$4,842,723	$ 930,425	$ 327,711	$ 537	$ 6,101,396
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payroll taxes withheld	$ 175	$	$	$	$ 175
TOTAL LIABILITIES	175	0	0	0	175
Fund Balances:					
Restricted for:					
State liquid fuels expenditures			327,711		327,711
Emergency services				537	537
Bridge reconstruction	4,046,883				4,046,883
Assigned		930,425			930,425
Unassigned	795,665				795,665
TOTAL FUND BALANCES	4,842,548	930,425	327,711	537	6,101,221
TOTAL LIABILITIES AND FUND BALANCES	$4,842,723	$ 930,425	$ 327,711	$ 537	

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.	4,527,151
Some liabilities are not due and payable in the current period and therefore, are not reported in the funds.	(4,306,266)
Net Position of Governmental Activities	$ 6,322,106

The notes to the financial statements are an integral part of this statement.

MARLBOROUGH TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General	Capital Project	State Liquid Fuels	Other Governmental Fund	Total Governmental Funds
Revenues:					
Taxes, penalties, and interest	$1,590,055	$	$	$ 40,062	$ 1,630,117
Franchise taxes	62,383				62,383
Permits, fines, and licenses	20,642				20,642
Intergovernmental revenue	132,670		135,617		268,287
Interest and rent revenue	82,891	33,252	812	54	117,009
Charges for services	93,981				93,981
Miscellaneous	110,314				110,314
Total Revenues	2,092,936	33,252	136,429	40,116	2,302,733
Expenditures:					
General government	464,964			1,992	466,956
Public safety	777,499				777,499
Public works	326,198		130,729		456,927
Recreation and special services	14,448				14,448
Debt service - principal	57,094				57,094
- interest	20,144				20,144
Capital outlays	242,519	82,067			324,586
Employee benefits	444,049				444,049
Other expenses	113,928				113,928
Total Expenditures	2,460,843	82,067	130,729	1,992	2,675,631
Excess (Deficiency) of Revenues Over Expenditures	(367,907)	(48,815)	5,700	38,124	(372,898)
Other Financing Sources (Uses):					
Proceeds of general long term debt	4,292,200				4,292,200
Operating transfers in	37,671	139,700			177,371
Operating transfers out	(168,852)			(37,671)	(206,523)
Total Other Financing Sources (Uses)	4,161,019	139,700	0	(37,671)	4,263,048
Net Change in Fund Balance	3,793,112	90,885	5,700	453	3,890,150
Fund Balance – Beginning	1,049,436	839,540	322,011	84	2,211,071
Fund Balance – Ending	$4,842,548	$ 930,425	$ 327,711	$ 537	$ 6,101,221

The notes to the financial statements are an integral part of this statement.

MARLBOROUGH TOWNSHIP
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL ACTIVITIES – MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2025

Net change in fund balances – total governmental funds	$3,890,150
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 capital outlays ($475,963) exceeded depreciation ($167,317) in the current period.	308,646
In the statement of activities, only the gain on the sale of the asset is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the basis of the assets.	(606)
Proceeds of general long term debt provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the statement of net position.	(4,292,200)
Repayment of long-term debt is an expenditure in the governmental funds, but the payment reduces long term liabilities in the statement of net assets.	57,094
Change in net position of governmental activities.	$ (36,916)

The notes to the financial statements are an integral part of this statement.

MARLBOROUGH TOWNSHIP
STATEMENT OF FIDUCIARY NET POSITION – MODIFIED CASH BASIS
DECEMBER 31, 2025

	Pension Trust Fund	Custodial Fund
ASSETS:		
Cash	$ 67,934	$ 140,357
Investments	2,886,137	
Employee contribution receivable	1,410	
TOTAL ASSETS	$ 2,955,481	$ 140,357
LIABILITIES:		
Due to other funds	$	$ 4,241
TOTAL LIABILITIES	$ 0	$ 4,241
NET POSITION:		
Restricted for:		
Pensions	$ 2,955,481	$
Developers and individuals		136,116
TOTAL NET POSITION	$ 2,955,481	$ 136,116

The notes to the financial statements are an integral part of this statement.

MARLBOROUGH TOWNSHIP
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2025

	Pension Trust Fund	Custodial Fund
ADDITIONS:		
Contributions:		
Employer	$ 29,152	$
Employee	14,293	
Intergovernmental revenues	99,985	
Developers and individuals		121,997
Total Contributions	143,430	121,997
Investment Income:		
Net appreciation (depreciation) in fair value of investments	153,846	
Interest and dividend income	166,662	39
Total Investment Income	320,508	39
Less investment expense	20,026	
Net investment income	300,482	39
TOTAL ADDITIONS	443,912	122,036
DEDUCTIONS:		
Benefits	94,121	
Administrative expenses	17,500	4,412
Professional fees		67,059
Return of contributions		10,180
TOTAL DEDUCTIONS	111,621	81,651
Net Increase	332,291	40,385
NET POSITION – BEGINNING	2,623,190	95,731
NET POSITION – ENDING	$ 2,955,481	$ 136,116

The notes to the financial statements are an integral part of this statement.

Note 1 – Summary of Significant Accounting Policies:

The summary of significant accounting policies of the Township is presented to assist in understanding the Township's financial statements. The financial statements and notes are representations of the Township's management, who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

The Township operates under a Board of Supervisors – manager form of government and provides such services that advance the welfare, health, comfort, safety, and convenience of the Township and its inhabitants.

The Township's financial statements are prepared in accordance with the modified cash basis of accounting. The Governmental Accounting Standards Board (GASB) is responsible for establishing regulations for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies used by the Township are discussed below.

Reporting Entity:

The financial statements of Marlborough Township include all government activities, organizations, and functions for which the Township exercises significant oversight responsibility. The criteria considered in determining governmental activities to be reported within the Township's financial statements include the degree of oversight responsibility exercised by the Board of Supervisors over a government organization, activity, or function, the Township's accountability for the activity's fiscal matters, its scope of public service and the nature of any special financing relationships which may exist between the Township and a given government activity.

Therefore, the Township's municipal services, which include public safety, public works, culture and recreation, public improvements, planning and zoning, and general administrative services, are included in the accompanying financial statements.

Note 1 – Summary of Significant Accounting Policies (Continued):

Reporting Entity (Continued):

Joint Venture – Marlborough Township appoints 3 of the 6 members to the governing board of the following operating authority:

Green Lane – Marlborough Joint Authority

The above operating authority provides sewer service to the residents of Marlborough Township. The provisions have not been met regarding component units. Therefore, the above operating authority is not included in the financial statements of Marlborough Township.

Basic Financial Statements – Government-Wide Statements:

The Township's basic financial statements include both government-wide (reporting the Township as a whole) and fund financial statements (reporting the Township's major funds). The Township's public safety, parks and recreation, public works, and general administrative services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities columns (a) are presented on a consolidated basis by column, and (b) are reported on the modified cash basis, which recognizes all long-term assets as well as long term debt and obligations. The Township's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Township's functions (public safety, public works, etc.). The functions are also supported by general government revenues (property and other taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public safety, public works, etc.).

The net costs (by function) are normally covered by general revenue (property and earned income taxes, intergovernmental revenues, interest income, etc.).

The Township does not allocate indirect costs.

Note 1 – Summary of Significant Accounting Policies (Continued):

Basic Financial Statements – Government-Wide Statements (Continued):

This government-wide focus is more on the sustainability of the Township as an entity and the change in the Township's net position resulting from the current year's activities.

Basic Financial Statements – Fund Financial Statements:

The financial transactions of the Township are reported in individual fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Township:

1. Governmental Funds – The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Township:

   a. **General fund** is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

   b. **Capital project funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

   c. **Special revenue funds** are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally or administratively restricted to expenditures for specified purposes.

2. Fiduciary Funds – The fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support Township programs. The reporting focus is on net position and changes in net position.

   The Township's fiduciary funds are presented in the fiduciary fund statements by type (pension and custodial). Because by definition these assets are being held for the benefit of a third party (pension participants and private parties) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Note 1 – Summary of Significant Accounting Policies (Continued):

Basis of Accounting:
Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Modified Cash Basis – The records of the Township are maintained on the modified cash basis of accounting and the accompanying financial statements have been prepared on that basis. Except for capital asset purchases and note payable debt service, all transactions are recognized as either revenues or expenses. Noncash transactions, except depreciation, are not recognized. The modified cash basis differs from generally accepted accounting principles primarily because certain revenues are recognized as received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

Budget:
The Board of Supervisors adheres to the following procedures in establishing the budgets reflected in the financial statements:

1. Beginning at least 30 days prior to adoption of the budget, a proposed budget for the ensuing year shall be prepared in a manner designated by the Board of Supervisors. The proposed budget shall be kept on file with the Township and made available for public inspection for a period of 20 days.

2. Notice that the proposed budget is available for inspection must be published in a newspaper of general circulation in the Township and conspicuously posted during the 20-day period noted in item 1.

3. After 20 days, the Board of Supervisors shall adopt the budget no later than December 31 and file it with the Pennsylvania Department of Community and Economic Development.

4. Annual budgets are generally adopted for the general, capital projects, and special revenue funds.

5. For budgetary purposes, appropriations lapse at the end of each year.

6. The budget is prepared on the modified cash basis of accounting.

7. The budget was not amended during 2025.

Note 1 – Summary of Significant Accounting Policies (Continued):

Pensions:
For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of Marlborough Township's Pension plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by Thomas J. Anderson & Associates, Inc. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Date of Management Evaluation of Subsequent Events:
Management has evaluated subsequent events through August 17, 2026, the date on which the financial statements were available to be issued.

Note 2 – Deposits and Investments:

Pennsylvania statutes provide for investment of Governmental Funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, insured or collateralized time deposits and certificates of deposit, and qualifying commercial paper, bankers' acceptances, negotiable certificates of deposit, and insured bank deposit reciprocal arrangements. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of Governmental Funds for investment purposes.

The Township does not have a formal deposit and investment policy but adheres to state statutes and prudent business practice. Governmental Funds' amounts are either maintained in demand deposits, highly liquid money market funds, or pooled for investment purposes in the Pennsylvania Local Government Investment Trust (PLGIT) and are captioned as "cash" in the Statement of Net Position. These amounts are stated at cost which approximates market value. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the Township.

Deposits:
Concentration of Credit Risk – At December 31, 2025, 81% of the balances shown as cash on the Township's Statements of Net Position were held by PLGIT, 18% were held by Univest Bank and Trust Company, and 1% by Matrix Trust Company.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. The Township follows state statutes as they relate to custodial credit risk. As of December 31, 2025, the Township's total bank balances of $6,351,940 were exposed to custodial credit risk as follows:

Note 2 – Deposits and Investments (Continued):

Balances subject to FDIC Insurance	$ 398,772
Balances uninsured and collateralized with securities held by Univest Bank and Trust Company not in the Township's name	749,169
Balances uninsured and uncollateralized with PLGIT and Matrix Trust Company	5,203,999
TOTAL	$ 6,351,940

Investments:
The investments of the Township at December 31, 2025 relate to holdings within the Police and Non-Uniform Pension Plans which are maintained with Matrix Trust Company. Investments are reported at fair value. Short term investments are reported at cost, which approximates fair value. As of December 31, 2025, the Township's investment holdings consisted of the following:

Bond Mutual Funds	$ 948,431
Equity Mutual Funds	1,937,706
Total Investments	$ 2,886,137

Fair Value Reporting:
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. All investments of the Township are categorized as Level 1 inputs.

Interest Rate Risk:
Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township's investment policy does not include formal guidelines that would limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of December 31, 2025, the Township's investment balances were exposed to interest rate risk is as follows:

Note 2 – Deposits and Investments (Continued):

Interest Rate Risk (Continued):

Average Investment Maturities (in Years)

Investment Type	Fair Value	Less than 1	1-5	6-10	Greater Than 10
Bond Mutual Funds	$ 948,431	$ 0	$ 124,822	$ 823,609	$ 0

Credit Risk:
Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township's investment policy does not include formal guidelines that address credit risk. The credit risk associated with the Township's investment balances as of December 31, 2025 was as follows:

Investment Type	Fair Value	Credit Quality
Bond Mutual Funds	$ 679,873	A
Bond Mutual Funds	268,558	Not rated
Money Market Funds	35,441	Not rated
	$ 983,872	

Custodial Credit Risk:
Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the pension plans will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Plans do not have a formal investment policy that addresses custodial credit risk; however, the Plans held no investments that were exposed to custodial credit risk at December 31, 2025.

Investments in external investment pools or in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. Securities underlying reverse repurchase agreements are not exposed to custodial credit risk because they are held by the buyer-lender. The term securities as used in this paragraph includes securities underlying repurchase agreements and investment securities.

Note 2 – Deposits and Investments (Continued):

Concentration of Credit Risk:
Concentration of credit risk is the risk of loss attributable to the magnitude of a pension plan's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The Plans do have a formal investment policy that addresses concentration of credit risk. As of December 31, 2025, no investment in any one organization represented five percent (5%) or more of net assets available for benefits.

Foreign Currency Risk:
Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Plans do not have a formal investment policy that addresses foreign currency risk; however, the Plans held no investments that were exposed to foreign currency risk as of December 31, 2025.

Note 3 – Capital Assets:

Capital assets purchased or acquired with an original cost of $3,000 or more and infrastructure construction of $25,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Capital assets, which include property, land, equipment, and infrastructure, are reported in the government wide statement of net position but not the fund financial statements. Capital assets are expensed in the fund financial statements.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	30 years
Machinery and equipment	5 – 15 years
Vehicles	7 – 15 years
Infrastructure	25 years

Note 3 – Capital Assets (Continued):

Changes in Capital Assets:

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

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 2,879,169	$	$ (605)	$ 2,878,564
Construction in progress		164,907		164,907
Total Capital Assets Not Being Depreciated	2,879,169	164,907	(605)	3,043,471
Other capital assets:				
Buildings	1,105,828	139,151		1,244,979
Equipment	841,024	60,202	(18,308)	882,918
Infrastructure	1,379,946			1,379,946
Vehicles	523,818	111,703	(107,919)	527,602
Total Other Capital Assets At Historical Cost	3,850,616	311,056	(126,227)	4,035,445
Less accumulated depreciation:				
Buildings	(1,020,302)	(17,512)		(1,037,814)
Equipment	(538,632)	(47,379)	18,308	(567,703)
Infrastructure	(624,345)	(55,198)		(679,543)
Vehicles	(327,396)	(47,228)	107,919	(266,705)
	(2,510,675)	(167,317)	126,227	(2,551,765)
Other capital assets net	1,339,941	143,739	0	1,483,680
Capital Assets Net	$ 4,219,110	$ 308,646	$ (605)	$ 4,527,151

Depreciation Expense:

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

General government	$ 19,933
Public safety	27,448
Public works	113,427
Recreation and conservation	6,509
	$ 167,317

Construction in progress relates to engineering for the Reihman Road Bridge project.

Note 4 – Long Term Liabilities:

Long term liability activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Finance Lease:					
Caterpillar Wheel Loader	$ 43,774	$	$ (43,774)	$	$
2025 Ford Explorer Police Interceptor		64,200		64,200	20,199
2023 Ford Explorer Police Interceptor	27,386		(13,320)	14,066	14,066
Notes Payable:					
DVRFA –2025 Series A Note		846,000		846,000	29,000
DVRFA –2025 Series B Note		3,382,000		3,382,000	1,000
Total Long Term Liabilities	$ 71,160	$4,292,200	$ (57,094)	$4,306,266	$ 64,265

Finance Leases:

The Township is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the government wide financial statements. Assets under capital leases totaled $165,252 at December 31, 2025 and accumulated depreciation on these assets totaled $17,146. Amortization of the leased assets is included in depreciation expense and totaled $9,512 for the year ending December 31, 2025. The following is a schedule of minimum lease payments under the capital leases, together with the net present value of the minimum lease payments as of December 31, 2025.

December 31,	
2026	$ 38,796
2027	23,942
2028	23,942
Minimum lease payments for capital lease	86,680
Less amount representing interest	8,414
Present Value of Minimum Lease Payments	$ 78,266

Note 4 – Long Term Liabilities (Continued):

DVRFA – 2025 Series A Note:

On November 11, 2025, the Township obtained a note from the Delaware Valley Regional Finance Authority in the amount of $846,000. Interest is to be paid on a monthly basis beginning December 25, 2025 at 3.277% fixed through maturity. Annual principal payments are due each year on December 25. Maturity of the note is December 25, 2045. Purpose of the note is to provide funding of the costs associated with replacement of the Reihman Road Bridge and the payment of the costs of issuance of the note. Collateral is the full faith, credit and taxing power of the Township. A maturity schedule follows:

December 31,	Principal	Interest	Total
2026	$ 29,000	$ 27,565	$ 56,565
2027	30,000	26,609	56,609
2028	31,000	25,621	56,621
2029	32,000	24,599	56,599
2030	33,000	23,545	56,545
2031-2035	189,000	100,293	289,293
2036-2040	227,000	66,693	293,693
2041-2045	275,000	26,188	301,188
	$ 846,000	$ 321,113	$1,167,113

DVRFA – 2025 Series B Note:

On November 11, 2025, the Township obtained a note from the Delaware Valley Regional Finance Authority in the amount of $3,382,000. Interest is to be paid on a monthly basis beginning December 25, 2025 at 3.277% fixed through October 28, 2028 variable thereafter based on the SIFMA Index subject to a maximum rate of 15%. Annual principal payments are due each year on December 25. Maturity of the note is December 25, 2055. Purpose of the note is to provide funding of the costs associated with replacement of the Reihman Road Bridge and payment of the costs of issuance of the note. Collateral is the full faith, credit and taxing power of the Township. A maturity schedule follows:

Note 4 – Long Term Liabilities (Continued):

December 31,	Principal	Interest	Total
2026	$ 1,000	$ 110,823	$ 111,823
2027	1,000	110,790	111,790
2028	73,000	111,593	184,593
2029	76,000	115,302	191,302
2030	78,000	112,630	190,630
2031-2035	435,000	519,839	954,839
2036-2040	516,000	437,745	953,745
2041-2045	612,000	340,445	952,445
2046-2050	727,000	224,869	951,869
2051-2055	863,000	87,542	950,542
	$3,382,000	$2,171,578	$5,553,578

Note 5 – Government-Wide Net Position:

Government-wide net position is divided into three components:

- Net investment in capital assets, net of related debt – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

- Restricted net position – consists of assets that are restricted by the Township's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

- Unrestricted – all other net position is reported in this category.

Note 6 – Fund Balance:

In accordance with GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Township classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. Presently the Township has no non-spendable fund balances.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, or amounts constrained due to enabling legislation.

Note 6 – Fund Balance (Continued):

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Township through formal action of the Supervisors. Presently the Township has no committed fund balances.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Manager.

Unassigned – includes positive fund balances within the General Fund which have not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

Note 7 – Use of Restricted Resources:

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Township's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Township's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications-committed and then assigned fund balances if there are any before using unassigned fund balances.

Note 8 – Property Tax:

Property taxes are levied in January. Liens are placed on uncollected property taxes on January 15th of the following year. The Township uses a tax collector to make collections throughout the year. Property tax revenue is recognized when collected. No allowance for uncollectible taxes is used. Eventually, all taxes are collected and remitted to the Township.

Note 9 – Interfund Activity:

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliations to the government-wide financial statements.

As of December 31, 2025, interfund receivables and payables that resulted from payment of legal and engineering costs by the general fund which are due to be reimbursed by the custodial fund were as follows:

Note 9 – Interfund Activity (Continued):

	Due From Other Funds	Due To Other Funds
General Fund	$ 4,241	$
Custodial Fund		4,241
	$ 4,241	$ 4,241

Individual fund operating transfers for the year ended December 31, 2025 were as follows:

Fund	Transfer In	Transfer Out
General Fund	$ 37,671	$168,852
Capital Projects	139,700	
Fiduciary Fund	29,152	
EMS Fund		37,671
	$206,523	$206,523

Transfers were done to move funds between the general and fiduciary fund for the Township's portion of the pension contribution. Transfers between the general fund and capital projects fund were to provide additional funding for the capital projects fund and transfers between the EMS Fund and the General Fund were passed through to the Upper Perkiomen Valley Ambulance.

Note 10 – Pension Plan – Nonuniformed:

Plan Description:
The Marlborough Township Nonuniformed Pension Plan is a single-employer defined benefit pension plan administered by the Township covering full-time nonuniformed employees. The Plan is controlled by the provisions of Ordinance 84-4 as amended. The Plan is governed by the Board of Township Supervisors. The Board of Township Supervisors has delegated the authority to manage Plan assets to Univest Trust Company. The Plan issues a stand-alone financial statement which can be obtained at the Township office.

Plan Membership:
As of December 31, 2025, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	2
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	5
TOTAL	9

Note 10 – Pension Plan – Nonuniformed (Continued):

Benefits Provided:
The following is a summary of the Plan benefit provisions:

- Eligibility Requirements:
  - Normal Retirement: Age 65 with 15 years of service
  - Early Retirement: None
  - Vesting: 100% after 8 years of credited service

- Retirement Benefit: 1.5% of average monthly pay based on last 36 months times years of service.

- Survivor Benefit: If an active member dies, death benefit payable to surviving spouse equal to 100% of accrued benefit payable as a joint and 50% survivor annuity.

- Disability Benefit Service & Non-Service Related: Benefit equal to benefit accrued to date.

- Post Retirement Adjustments: None

- Members Contributions:
  - Amount or Rate: Currently suspended
  - Interest Rate Credited to Member Contributions: None

Contributions and Funding Policy:
Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, initiated actuarial funding requirements for Pennsylvania municipal pension plans. Under Act 205 provisions, a municipal budget must provide for the full payment of the minimum municipal obligation (MMO) to each employee pension fund of the municipality. Act 189 of 1990 amended Act 205 and redefined the calculation used to determine the MMO to employee pension funds. The MMO is now defined as the total financial requirements to the pension fund, less funding adjustments, and estimated member contributions.

As a condition of participation, full-time employees are not required to contribute to the Plan. This contribution is governed by the Plan's ordinances. In accordance with Act 205, as amended, the Township was required to contribute to the Plan for the year 2025.

Net Pension Liability:
The Township's net pension liability is measured as the total pension liability reduced by the pension plan's fiduciary net position. A summary of the principal assumptions and methods used to determine the net pension liability is shown below:

Note 10 – Pension Plan – Nonuniformed (Continued):

Actuarial Assumptions – An actuarial valuation of the total pension liability is performed biennially. The total pension liability was determined as part of an actuarial valuation at January 1, 2025 with update procedures used to roll forward to December 31, 2025. The Plan's actuarial assumptions, asset valuation method, and cost method are described below:

December 31, 2025 Liabilities	
Actuarial valuation date	January 1, 2025
Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization period	N/A
Asset valuation method	5 year Smoothing
Assumptions:	
Inflation	2.25%
Salary increases	4.50%
Investment rate of return	7.00% (Net of pension plan investment expense including inflation)
Retirement age	65

Mortality Pub-2010 Safety Amount-Weighted Mortality Tables (Employee, Retiree, Contingent Survivor, and Disabled Retiree tables as applicable), projected to 2030 using Mortality Improvement Scale MP-2021.

Long Term Expected Rate of Return on Plan Assets:
The long term expected rate of return on the Plan's investments was determined using an asset allocation study conducted by the Plan's investment management consultant in December 2025 in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were 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 or arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2025 are listed in the table below.

The Plan's investment policy establishes the following target allocation across asset classes:

Asset Class	**Target**
Equity	65.0%
Fixed income	34.0%
Cash and cash equivalents	1.0%

Note 10 – Pension Plan – Nonuniformed (Continued):

Total Net Blended Return excluding 2.5% for inflation -- 4.38%

Long Term Expected Rate of Return Including Inflation -- 6.88%

Discount Rate:
The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based upon the Plan's current target investment allocation and the associated long-term expected investment returns for its asset classes, the Plan's long-term returns may be less than its actuarial discount rate assumption used to determine its pension liability. This may result in future increased total and net pension liability. The actuary recommends that the governing body explore the costs of lowering the actuarial assumed investment rate of return going forward to be more consistent with the plan's anticipated investment returns.

Changes to the Net Pension Liability for the year ending December 31, 2025 are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at December 31, 2024	$ 874,468	$ 868,112	$ 6,356
Changes in the year:			
Service cost	42,646		42,646
Interest on the total pension liability	56,055		56,055
Differences between actual and expected experience	(97,622)		(97,622)
Changes in assumptions	36,715		36,715
Changes in benefit terms			
Contribution – township & state aid		34,448	(34,448)
Contribution – employee			
Net investment income		98,606	(98,606)
Administrative expense		(8,900)	8,900
Benefit payments, including refunds of employee contributions	(25,542)	(25,542)	
Net Changes	12,252	98,612	(86,360)
Balance at December 31, 2025	$ 886,720	$ 966,724	$ (80,004)

Note 10 – Pension Plan – Nonuniformed (Continued):

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 7.00% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate.

Sensitivity of Net Pension Liability to Changes in Discount Rate

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Total Pension Liability	$ 1,006,416	$ 886,720	$ 786,028
Plan Fiduciary Net Position	966,724	966,724	966,724
Net Pension Liability (Asset)	$ 39,692	$ (80,004)	$ (180,696)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.1%	109.0%	123.0%

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:

As indicated in Note 1, the Township presents its financial statements on the modified cash basis of accounting. If the Township's financial statements were presented using accounting principles generally accepted in the United States of America (U.S. GAAP), it would have recognized pension expense of $34,752 in 2025 and would report deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,631	$ 160,131
Changes in assumptions	44,373	
Net differences between projected and actual earnings on pension plan investments		30,568
Total	$ 46,004	$ 190,699

Note 10 – Pension Plan – Nonuniformed (Continued):

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,	
2026	$ (5,043)
2027	(48,015)
2028	(37,320)
2029	(27,053)
2030	(18,611)
Thereafter	(8,653)

Note 11 – Pension Plan – Police:

Plan Description:
The Marlborough Township Police Pension Plan is a single-employer defined benefit pension plan administered by the Township covering full-time police officers. The Plan is controlled by the provisions of Ordinance 84-3 as amended. The Plan is governed by the Board of Township Supervisors. The Board of Township Supervisors has delegated the authority to manage Plan assets to Univest Trust Company. The Plan issues a stand-alone financial statement which can be obtained at the Township office.

Plan Membership:
As of December 31, 2025, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	2
Inactive Plan Members Entitled to but not yet Receiving Benefits	0
Active Plan Members	5
TOTAL	7

Benefits Provided:
The following is a summary of the Plan benefit provisions:

- Eligibility Requirements:
  - Normal Retirement: Age 52 and the completion of 25 years of service
  - Early Retirement: None
  - Vesting: 100% after 12 years of service

- Retirement Benefit: 50% of average monthly pay based on last 36 months plus a service increment of $100 per month for each completed year in excess of 25 years – maximum $500 per month.

Note 11 – Pension Plan – Police (Continued):

- Survivor Benefit: Killed-in Service (Act 51): If member is eligible for retirement, the benefit is 50% of pension.

- Disability Benefit Service Related: 50% of salary at time of disability.

- Post Retirement Adjustments: None.

- Members Contributions:
  - Amount or Rate: 2.5%
  - Interest Rate Credited to Member Contributions: 5%

Contributions and Funding Policy:
Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, initiated actuarial funding requirements for Pennsylvania municipal pension plans. Under Act 205 provisions, a municipal budget must provide for the full payment of the minimum municipal obligation (MMO) to each employee pension fund of the municipality. Act 189 of 1990 amended Act 205 and redefined the calculation used to determine the MMO to employee pension funds. The MMO is now defined as the total financial requirements to the pension fund, less funding adjustments, and estimated member contributions.

As a condition of participation, full-time employees are required to contribute 2.5% of compensation to the Plan. This contribution is governed by the Plan's ordinances and collective bargaining agreement. In accordance with Act 205, as amended, the Township was required to contribute to the Plan for the year 2025.

Net Pension Liability:
The Township's net pension liability is measured as the total pension liability reduced by the pension plan's fiduciary net position. A summary of the principal assumptions and methods used to determine the net pension liability is shown below:

Actuarial Assumptions – An actuarial valuation of the total pension liability is performed biennially. The total pension liability was determined as part of an actuarial valuation at January 1, 2025 with update procedures used to roll forward to December 31, 2025. The Plan's actuarial assumptions, asset valuation method, and cost method are described below:

Note 11 – Pension Plan – Police (Continued):

December 31, 2025 Liabilities

Actuarial valuation date	January 1, 2025
Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization period	11 years
Asset valuation method	5 year Smoothing
Assumptions:	
Inflation	2.25%
Salary increases	4.50%
Investment rate of return	7.00% (Net of pension plan investment expense including inflation)
Retirement age	52

Mortality Pub-2010 Safety Amount-Weighted Mortality Tables (Employee, Retiree, Contingent Survivor, and Disabled Retiree tables as applicable), projected to 2030 using Mortality Improvement Scale MP-2021.

Long Term Expected Rate of Return on Plan Assets:
The long term expected rate of return on the Plan's investments was determined using an asset allocation study conducted by the Plan's investment management consultant in December 2025 in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were 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 or arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2025 are listed in the table below.

The Plan's investment policy establishes the following target allocation across asset classes:

Asset Class	Target
Equity	65.0%
Fixed income	34.0%
Cash and cash equivalents	1.0%

Total Net Blended Return excluding 2.5% for inflation -- 4.38%

Long Term Expected Rate of Return Including Inflation -- 6.88%

Note 11 – Pension Plan – Police (Continued):

Discount Rate:

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based upon the Plan's current target investment allocation and the associated long-term expected investment returns for its asset classes, the Plan's long-term returns may be less than its actuarial discount rate assumption used to determine its pension liability. This may result in future increased total and net pension liability. The actuary recommends that the governing body explore the costs of lowering the actuarial assumed investment rate of return going forward to be more consistent with the plan's anticipated investment returns.

Changes to the Net Pension Liability for the year ending December 31, 2025 are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at December 31, 2024	$ 1,931,222	$ 1,755,078	$ 176,144
Changes in the year:			
Service cost	93,832		93,832
Interest on the total pension liability	138,963		138,963
Differences between actual and expected experience	10,629		10,629
Changes in assumptions	77,617		77,617
Changes in benefit terms			
Contribution – township & state aid		94,689	(94,689)
Contribution – employee		14,293	(14,293)
Net investment income		201,875	(201,875)
Administrative expense		(8,600)	8,600
Benefit payments, including refunds of employee contributions	(68,579)	(68,579)	
Net Changes	252,462	233,678	18,784
Balance at December 31, 2025	$ 2,183,684	$ 1,988,756	$ 194,928

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 7.00% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate.

Note 11 – Pension Plan – Police (Continued):

Sensitivity of Net Pension Liability to Changes in Discount Rate

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Total Pension Liability	$ 2,477,912	$ 2,183,684	$ 1,938,473
Plan Fiduciary Net Position	1,988,756	1,988,756	1,988,756
Net Pension Liability (Asset)	$ 489,156	$ 194,928	$ (50,283)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.3%	91.1%	102.6%

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:

As indicated in Note 1, the Township presents its financial statements on the modified cash basis of accounting. If the Township's financial statements were presented using accounting principles generally accepted in the United States of America (U.S. GAAP), it would have recognized pension expense of $121,920 in 2025 and would report deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 20,288	$ 98,256
Changes in assumptions	96,825	
Net differences between projected and actual earnings on pension plan investments		67,210
Total	$ 117,113	$ 165,466

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,	
2026	$ 31,479
2027	(48,783)
2028	(31,153)
2029	(18,926)
2030	(2,958)
Thereafter	21,988

Note 12 – Derivative Financial Instruments:

The Township is obligated to the Delaware Valley Regional Finance Authority (DVRFA) under its General Obligation Notes, Series 2025 A and 2025 B as described in Note 4. In order to provide funding for these notes, DVRFA issued various Local Government Revenue Bonds. DVRFA has entered into interest rate swap agreements in connection with the DVRFA Bonds to provide variable and fixed rates on loans, thereby reducing the costs of the participants in their loan program and enhancing the participants' ability to manage their interest rate risks.

The following is a summary of the fair values associated with the respective DVRFA interest rate swaps as of December 31, 2025:

General Obligation Note	Original Issue Amount	Outstanding Balance at December 31, 2025	Gain (Loss) of Market Value of Interest Rate Swap at December 31, 2025
Series 2025 A - Fixed Rate	$ 846,000	$ 846,000	$ 40,701
Series 2025 B - Fixed Rate	3,382,000	3,382,000	(48,138)

If the Township defaults on all or a portion of its General Obligation Notes to DVRFA or prepays any of the fixed rate obligations, it would be liable to DVRFA for the costs associated with the liquidation or termination of the associated interest rate swap. The cost of terminating an individual swap equals any loss of market value associated with the swap as of the date of termination.

As the Township is not a direct party to DVRFA's swap agreements, it is not subject to the reporting and disclosure requirements associated with GASB 53, (*Accounting and Financial Reporting for Derivative Instruments*). Accordingly, the carrying amount of the related interest rate swap on the Borough's government-wide and fund financial statements as of December 31, 2025 is not recorded.

SUPPLEMENTARY INFORMATION

MARLBOROUGH TOWNSHIP
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	Budget Original and Final	Actual Amounts	Variance Positive (Negative)
Revenues:			
Taxes, penalties and interest	$ 1,434,000	$ 1,590,055	$ 156,055
Franchise taxes	61,000	62,383	1,383
Permits, fines and licenses	19,300	20,642	1,342
Intergovernmental revenues	254,183	132,670	(121,513)
Interest and rent revenues	60,000	82,891	22,891
Charges for services	58,600	93,981	35,381
Miscellaneous	50,000	110,314	60,314
Total Revenues	1,937,083	2,092,936	155,853
Expenditures:			
General government	310,465	464,964	(154,499)
Public safety	784,540	777,499	7,041
Public works	370,320	326,198	44,122
Recreation and special services	40,450	14,448	26,002
Debt service	59,919	77,238	(17,319)
Capital outlays	253,000	242,519	10,481
Employee benefits	458,446	444,049	14,397
Other expenses	83,400	113,928	(30,528)
Total Expenditures	2,360,540	2,460,843	(100,303)
Excess (Deficiency) of Revenues Over Expenditures	(423,457)	(367,907)	55,550
Other Financing Sources (Uses):			
Proceeds of general long term debt		4,292,200	4,292,200
Operating transfers in		37,671	37,671
Operating transfers out		(168,852)	(168,852)
Total Other Financing Sources (Uses)		4,161,019	4,161,019
Net Change in Fund Balance	(423,457)	3,793,112	4,216,569
FUND BALANCE - BEGINNING	1,049,436	1,049,436	0
FUND BALANCE - ENDING	$ 625,979	$ 4,842,548	$ 4,216,569

See accompanying note to budgetary comparison schedule.

MARLBOROUGH TOWNSHIP
BUDGETARY COMPARISON SCHEDULE – STATE LIQUID FUELS FUND
YEAR ENDED DECEMBER 31, 2025

	Budget Original and Final	Actual Amounts	Variance Positive (Negative)
Revenues:			
Intergovernmental revenues	$ 133,343	$ 135,617	$ 2,274
Interest and rent revenues	1,000	812	(188)
Total Revenues	134,343	136,429	2,086
Expenditures:			
Public works	160,000	130,729	29,271
Total Expenditures	160,000	130,729	29,271
Excess (Deficiency) of Revenues Over Expenditures	(25,657)	5,700	31,357
Net Change in Fund Balance	(25,657)	5,700	31,357
FUND BALANCE - BEGINNING	322,011	322,011	0
FUND BALANCE - ENDING	$ 296,354	$ 327,711	$ 31,357

See accompanying note to budgetary comparison schedule.

MARLBOROUGH TOWNSHIP
NOTE TO BUDGETARY COMPARISON SCHEDULE –
GENERAL AND STATE LIQUID FUELS FUNDS
DECEMBER 31, 2025

Note 1 – Funds and Basis of Accounting:

The Budgetary Comparison Schedules are presented for the General Fund and the State Liquid Fuels Funds of the Township. They are prepared on the modified cash basis of accounting.

MARLBOROUGH TOWNSHIP NON-UNIFORM EMPLOYEES PENSION PLAN
SCHEDULES OF CHANGES IN PLAN'S NET PENSION LIABILITY AND RELATED RATIOS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Pension Liability										
Service cost (beginning of year)	$ 26,621	$ 26,308	$ 27,360	$ 20,798	$ 21,630	$ 23,592	$ 26,254	$ 34,847	$ 36,241	$ 42,646
Interest (includes interest on service cost)	41,200	41,930	46,049	40,346	42,897	47,404	48,935	51,422	55,673	56,055
Differences between expected and actual experience	0	(54,222)	0	(127,208)	0	2,826	0	(14,114)	0	(97,622)
Changes of assumptions	0	2,094	0	0	0	20,620	0	0	0	36,715
Benefit payments, including refunds of employee contributions	(5,644)	(4,243)	(16,667)	(25,542)	(25,542)	(25,542)	(25,542)	(25,542)	(25,542)	(25,542)
Net change in total pension liability	$ 62,177	$ 11,867	$ 56,742	$ (91,606)	$ 38,985	$ 68,900	$ 49,647	$ 46,613	$ 66,372	$ 12,252
Total pension liability – beginning	564,771	626,948	638,815	695,557	603,951	642,936	711,836	761,483	808,096	874,468
Total pension liability – ending	$ 626,948	$ 638,815	$ 695,557	$ 603,951	$ 642,936	$ 711,836	$ 761,483	$ 808,096	$ 874,468	$ 886,720
Plan Fiduciary Net Position										
Contributions – Township & State Aid	$ 39,912	$ 38,906	$ 33,190	$ 31,768	$ 20,391	$ 20,735	$ 20,190	$ 22,126	$ 33,789	$ 34,448
Net investment income	31,897	76,794	(42,060)	114,266	92,809	92,728	(150,234)	100,775	87,533	98,606
Benefit payments, including refunds of employee contributions	(5,644)	(4,243)	(16,667)	(25,542)	(25,542)	(25,542)	(25,542)	(25,542)	(25,542)	(25,542)
Administrative expense	(4,700)	(7,800)	(4,700)	(8,300)	(5,000)	(8,300)	(5,000)	(8,600)	(5,200)	(8,900)
Net change in plan fiduciary net position	$ 61,465	$ 103,657	$ (30,237)	$ 112,192	$ 82,658	$ 79,621	$(160,586)	$ 88,759	$ 90,580	$ 98,612
Plan fiduciary net position – beginning	440,003	501,468	605,125	574,888	687,080	769,738	849,359	688,773	777,532	868,112
Plan fiduciary net position – ending	$ 501,468	$ 605,125	$ 574,888	$ 687,080	$ 769,738	$ 849,359	$ 688,773	$ 777,532	$ 868,112	$ 966,724
Net pension liability (asset) – ending	$ 125,480	$ 33,690	$ 120,669	$ (83,129)	$(126,802)	$(137,523)	$ 72,710	$ 30,564	$ 6,356	$ (80,004)
Plan fiduciary net position as a percentage of total pension liability	80.0%	94.7%	82.7%	113.8%	119.7%	119.3%	90.5%	96.2%	99.3%	109.0%
Covered employee payroll	$ 294,094	$ 283,344	$ 246,138	$ 231,108	$ 246,230	$ 250,000	$ 249,744	$ 270,000	$ 322,226	$ 328,356
Net pension liability as a percentage of covered employee payroll	42.7%	11.9%	49.0%	(36.0)%	(51.5)%	(55.0)%	29.1%	11.3%	2.0%	(24.4)%

MARLBOROUGH TOWNSHIP POLICE PENSION PLAN
SCHEDULES OF CHANGES IN PLAN'S NET PENSION LIABILITY AND RELATED RATIOS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Pension Liability										
Service cost (beginning of year)	$ 32,941	$ 37,161	$ 38,647	$ 40,924	$ 42,561	$ 55,059	$ 61,269	$ 69,606	$ 72,390	$ 93,832
Interest (includes interest on service cost)	91,006	96,309	99,505	104,467	108,508	116,643	118,558	115,680	123,849	138,963
Differences between expected and actual experience	0	32,348	0	19,736	0	(2,000)	0	(142,008)	0	10,629
Changes of assumptions	0	4,521	0	0	0	43,928	0	0	0	77,617
Benefit payments, including refunds of employee contributions	(89,289)	(89,289)	(89,289)	(89,289)	(89,289)	(89,289)	(89,289)	(68,579)	(68,579)	(68,579)
Net change in total pension liability	$ 34,658	$ 81,050	$ 48,863	$ 75,838	$ 61,780	$ 124,341	$ 90,538	$ (25,301)	$ 127,660	$ 252,462
Total pension liability – beginning	1,311,795	1,346,453	1,427,503	1,476,366	1,552,204	1,613,984	1,738,325	1,828,863	1,803,562	1,931,222
Total pension liability – ending	$1,346,453	$1,427,503	$1,476,366	$1,552,204	$1,613,984	$1,738,325	$1,828,863	$1,803,562	$1,931,222	$2,183,684
Plan Fiduciary Net Position										
Contributions – Township & State Aid	$ 63,396	$ 67,876	$ 61,614	$ 63,834	$ 71,733	$ 76,978	$ 84,401	$ 89,549	$ 84,580	$ 94,689
Contributions – member	6,565	6,807	7,213	8,791	9,310	9,794	10,557	10,969	13,015	14,293
Net investment income	71,024	159,676	(80,714)	217,429	171,863	173,367	(285,184)	198,164	175,217	201,875
Benefit payments, including refunds of employee contributions	(89,289)	(89,289)	(89,289)	(89,289)	(89,289)	(89,289)	(89,289)	(68,579)	(68,579)	(68,579)
Administrative expense	(4,500)	(7,500)	(4,500)	(8,000)	(4,800)	(8,000)	(4,800)	(8,300)	(5,000)	(8,600)
Net change in plan fiduciary net position	$ 47,196	$ 137,570	$ (105,676)	$ 192,765	$ 158,817	$ 162,850	$ (284,315)	$ 221,803	$ 199,233	$ 233,678
Plan fiduciary net position – beginning	1,024,835	1,072,031	1,209,601	1,103,925	1,296,690	1,455,507	1,618,357	1,334,042	1,555,845	1,755,078
Plan fiduciary net position – ending	$1,072,031	$1,209,601	$1,103,925	$1,296,690	$1,455,507	$1,618,357	$1,334,042	$1,555,845	$1,755,078	$1,988,756
Net pension liability – ending	$ 274,422	$ 217,902	$ 372,441	$ 255,514	$ 158,477	$ 119,968	$ 494,821	$ 247,717	$ 176,144	$ 194,928
Plan fiduciary net position as a percentage of total pension liability	79.6%	84.7%	74.8%	83.5%	90.2%	93.1%	72.9%	86.3 %	90.9%	91.1%
Covered employee payroll	$ 226,844	$ 264,710	$ 274,288	$ 292,936	$ 326,000	$ 370,000	$ 389,136	$ 430,000	$ 436,552	$ 514,912
Net pension liability as a percentage of covered employee payroll	121.0%	82.3%	135.8%	87.2%	48.6%	32.4%	127.2%	57.6%	40.3%	37.9%

MARLBOROUGH TOWNSHIP NON-UNIFORMED PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution..	$ 39,912	$ 38,906	$ 33,190	$ 31,768	$ 20,391	$ 20,735	$ 20,190	$ 22,126	$ 33,789	$ 34,448
Contributions made.....	39,912	38,906	33,190	31,768	20,391	20,735	20,190	22,126	33,789	34,448
Contribution Deficiency (Excess).....	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered-employee payroll.....	$294,094	$283,344	$246,138	$231,108	$246,230	$250,000	$249,711	$270,000	$322,226	$328,356
Contributions as a percentage of covered-employee payroll.....	13.57%	13.73%	13.48%	13.75%	8.28%	8.29%	8.08%	8.19%	10.49%	10.49%

MARLBOROUGH TOWNSHIP POLICE PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution..	$ 63,396	$ 67,876	$ 61,614	$ 63,834	$ 71,733	$ 76,978	$ 84,401	$ 89,549	$ 84,580	$ 94,689
Contributions made.....	63,396	67,876	61,614	63,834	71,733	76,978	84,401	89,549	84,580	94,689
Contribution Deficiency (Excess).....	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered-employee payroll.....	$226,844	$264,710	$274,288	$292,936	$326,000	$370,000	$389,136	$430,000	$436,552	$514,912
Contributions as a percentage of covered-employee payroll	27.95%	25.64%	22.46%	21.79%	22.00%	20.80%	21.69%	20.83%	19.37%	18.39%