TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA

Financial Statements and Supplementary Information

For the Year Ended December 31, 2025

December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

The Board of Supervisors
Township of Lower Makefield
Yardley, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Township of Lower Makefield, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Township of Lower Makefield's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Township of Lower Makefield, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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420 Chinquapin Round Road, Suite 2-i, Annapolis, MD 21401
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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 the Township of Lower Makefield'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 the Township of Lower Makefield'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.

Adoption of New GASB Statements

In 2025, the Township adopted the provisions of Governmental Accounting Standards Board's Statement No. 102, *Certain Risk Disclosures*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of employer contributions – police and non-uniform pension plans, schedule of investment returns – police and non-uniform pension plans, schedule of changes in the employer's net pension liability and related ratios – police and non-uniform pension plans, schedule of changes in the total OPEB liability and related ratios – administrative, public works, and police OPEB plans, and budgetary comparison information on pages 4-11 and 53-64 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Lower Makefield's basic financial statements. The nonmajor governmental funds and fiduciary fund combining statements, and budgetary comparison for certain major funds ("supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Zelenkofske Axelrod LLC

ZELENKOFSKE AXELROD LLC
Jamison, Pennsylvania
June 3, 2026

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2025

The management of Lower Makefield Township is pleased to present this narrative overview and analysis of the financial activities of Lower Makefield Township for the fiscal year ended December 31, 2025. The information is being presented as a comparative analysis of the previous year.

Lower Makefield Township is a Second-Class Township under Pennsylvania Law. The governing body of the Township is the Board of Supervisors comprised of five (5) members, who are elected at large and serve six (6) year staggered terms. The Board is empowered with legislative functions that include enacting ordinances and resolutions, adopting a budget, levying taxes, providing for appropriations and awarding bids and contracts, and making appointments to various boards and commissions.

FINANCIAL HIGHLIGHTS

- Moody's Ratings upgraded Lower Makefield Township's, PA's issuer and general obligation unlimited tax (GOULT) ratings to Aa1 from Aa2. The upgrade to Aa1 reflects the very significant increase in the township's reserve position resulting from the sale of its sewer system.
- Updated the Township's account structure to align with the Pennsylvania Chart of Accounts. Both the Township's internal software as well as Budget Document were updated to reflect this change. This is also visible in this audit.
- Modernized internal payroll controls by automating time off and time sheets along with the approvals process.
- The finance department was restructured to strengthen internal controls, enhance financial oversight, and clearly define roles and responsibilities.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Township's annual financial report consists of several sections. Together, they provide a comprehensive financial look at the Township. The components of the report include the Independent Auditor's Report, Management's Discussion and Analysis, Government-Wide Financial Statements, Fund Financial Statements and Notes to the Basic Financial Statements. This report also contains other Required and Supplementary Information in addition to the basic financial statements.

The Independent Auditor's Report briefly describes the audit engagement and renders an opinion as to the material components of the Township's financial position.

Management's Discussion and Analysis (MD&A), prepared by Township management, provides a narrative introduction and overview that users of the financial statements need to interpret the basic financial statements. The MD&A also provides analysis of some key data that is presented in the basic financial statements. It also addresses any other currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

The basic financial statements include the Statement of Net Position, Statement of Activities, Fund Financial Statements and Notes to the Basic Financial Statements. The Statements of Net Position and Activities focus on entity wide presentation using the accrual basis of accounting. They are designed to be more corporate, as in that all activities are consolidated into a total for the Township.

- The Statement of Net Position focuses on resources available for future operations. This statement presents a snapshot view of the assets the Township owns, the liabilities it owes and the net difference.
- The Statement of Activities focuses on gross and net costs of Township programs and the extent to which such programs rely upon taxes and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by other sources.

- Fund Financial Statements focus separately on major Governmental Funds, Proprietary Funds and Fiduciary Funds. Governmental Funds statements follow the more traditional presentation of financial statements. The Township's major Governmental Funds are presented in their own columns, and the remaining funds are combined into a column "Other Governmental Funds." Statements for the Township's Proprietary and Fiduciary Funds follow the Governmental Funds and include net position, revenues, expenses and changes in net position and cash flows. The Proprietary Funds represent the Township's Sewer, Community Pool, and Golf Funds and can be found in more detail beginning with the Statement of Net Position, Proprietary Funds. Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the government-wide statements because the Township cannot use these assets to finance its operations.
- The notes to the Basic Financial Statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Township's financial condition.

Other Required Supplementary Information (RSI) is additional information consisting of budgetary comparisons for the General Fund, Special Project Fund, and Sewer Sale Proceeds Fund, as well as pension and OPEB plan information.

REPORTING THE TOWNSHIP AS A WHOLE

Statement of Net Position and Statement of Activities

Our analysis of the Township begins with the Statement of Net Position. One of the most important questions asked about the Township's finances is "What is the Township's overall financial condition as compared to the previous year?" The Statement of Net Position and the Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer this question.

In these statements, we divide the Township into two kinds of activities:

- Governmental Activities - Most of the Township's basic services are reported here, including police, public works, planning and zoning, library, parks and recreation, and administration. Real estate and business taxes, fees and charges and grants finance most of these activities.
- Business-Type Activities – The Township charges a fee to customers to help it cover most of the cost of certain services it provides. The Township's sewer system, community pool and golf course are reported here.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
ASSETS						
Cash and cash equivalents	$ 40,853,439	$ 38,661,312	$ 9,230,761	$ 7,480,519	$ 50,084,200	$ 46,141,831
Other assets	1,003,975	1,433,469	313,698	(189,425)	1,317,673	1,244,044
Capital assets	90,406,893	87,842,337	13,958,019	14,128,393	104,364,912	101,970,730
TOTAL ASSETS	132,264,307	127,937,118	23,502,478	21,419,487	155,766,785	149,356,605
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension outflows	1,747,885	1,695,086	-	-	1,747,885	1,695,086
Deferred OPEB outflows	474,047	566,932	-	-	474,047	566,932
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,221,932	2,262,018	-	-	2,221,932	2,262,018
LIABILITIES						
Other liabilities	2,983,247	2,391,582	5,600,183	3,787,128	8,583,430	6,178,710
Long-term liabilities	21,426,179	22,410,886	94,738	116,734	21,520,917	22,527,620
TOTAL LIABILITIES	24,409,426	24,802,468	5,694,921	3,903,862	30,104,347	28,706,330
DEFERRED INFLOWS OF RESOURCES						
Deferred pension inflows	1,977,783	115,491	-	-	1,977,783	115,491
Deferred OPEB inflows	2,631,221	2,893,581	-	-	2,631,221	2,893,581
Deferred lease inflows	1,551,348	1,608,912	-	-	1,551,348	1,608,912
TOTAL DEFERRED INFLOWS OF RESOURCES	6,160,352	4,617,984	-	-	6,160,352	4,617,984
NET POSITIONS						
Invested in capital assets	84,692,227	81,504,200	13,875,244	13,950,970	98,567,471	95,455,170
Restricted	5,974,333	7,205,628	-	-	5,974,333	7,205,628
Unrestricted	13,249,901	12,068,856	3,932,313	3,564,655	17,182,214	15,633,511
TOTAL NET POSITION	$ 103,916,461	$ 100,778,684	$ 17,807,557	$ 17,515,625	$ 121,724,018	$ 118,294,309

Assets in the business-type activities column reflect the Township's investment in its sewer system, community pool and golf course. The community pool consists of four swimming pools, a snack bar area and bathhouse. The golf course is an 18-hole premier municipal course with practice facilities, clubhouse, maintenance building and historic manor house.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
REVENUES						
Program revenues						
Charges for services	$ 3,644,039	$ 3,059,947	$ 5,906,984	$ 5,510,598	$ 9,551,023	$ 8,570,545
Operating grants and contributions	2,338,034	3,577,783	-	-	2,338,034	3,577,783
Capital grants and contributions	1,130,143	-	-	-	1,130,143	-
General revenues						
Property taxes	13,540,261	12,643,315	-	-	13,540,261	12,643,315
Real estate transfer taxes	1,679,551	1,399,789	-	-	1,679,551	1,399,789
Local service taxes and per-capita taxes	657,687	605,754	-	-	657,687	605,754
Interest and Rents	5,116,252	4,042,583	92,665	72,161	5,208,917	4,114,744
Rent, reimbursement and miscellaneous	254,269	1,052,227	-	21,298	254,269	1,073,525
TOTAL REVENUES	28,360,236	26,381,398	5,999,649	5,604,057	34,359,885	31,985,455
EXPENSES						
General government	9,605,868	7,677,595	-	-	9,605,868	7,677,595
Public safety	8,595,011	10,141,882	-	-	8,595,011	10,141,882
Public works	5,646,509	4,737,109	-	-	5,646,509	4,737,109
Parks and recreation	2,389,815	3,024,122	-	-	2,389,815	3,024,122
Interest on long-term debt	78,568	167,374	-	-	78,568	167,374
Sewer	-	-	14,884	-	14,884	-
Community pool	-	-	1,226,385	1,242,281	1,226,385	1,242,281
Golf course	-	-	3,373,136	4,063,917	3,373,136	4,063,917
TOTAL EXPENSES	26,315,771	25,748,082	4,614,405	5,306,198	30,930,176	31,054,280
EXCESS (DEFICIENCY) BEFORE TRANSFERS	2,044,465	633,316	1,385,244	297,859	3,429,709	931,175
TRANSFER						
Transfers in	1,093,312	255,000	361,688	-	1,455,000	255,000
Transfers out	-	-	(1,455,000)	(255,000)	(1,455,000)	(255,000)
CHANGE IN NET POSITION	3,137,777	888,316	291,932	42,859	3,429,709	931,175
NET POSITION, BEGINNING	100,778,684	99,890,368	17,515,625	17,472,766	118,294,309	117,363,134
NET POSITION, ENDING	$ 103,916,461	$ 100,778,684	$ 17,807,557	$ 17,515,625	$ 121,724,018	$ 118,294,309

For the Township of Lower Makefield's governmental activities, total revenues and transfers were higher than total expenses and transfers in 2024. Net position increased by $3,137,777 year over year. In 2025, the total primary government revenues increased year over year by $2,374,430 or 7.4%, while expenses decreased by $124,104 year over year, or -.04%. The governmental activities revenues increased year over year by $1,978,838 or 7.5%, while expenses increased by $567,689 year over year, or 2.2%.

For the Township of Lower Makefield's business-type activities, net position increased by $291,932 in 2025. During the year, the business-type activities reported an increase in revenues totaling $395,592, or 7.1% and a decrease in expenses of $691,793 or -13.0%.

Governmental Activities

The Township generates governmental revenues from a variety of sources. Total revenues for governmental activities in 2025 was $28,360,236 and in 2024 was $26,381,398. Revenue by source is below:

	Amount		% of Total	
Revenue	2025	2024	2025	2024
Property taxes	$ 13,540,261	$ 12,643,315	48%	48%
Real estate transfer tax	1,679,551	1,399,789	6%	5%
Local services taxes and per-capita taxes	657,687	605,754	2%	2%
Interest and Rents	5,116,252	4,042,583	18%	15%
Miscellaneous	254,269	1,052,227	1%	4%
Charges for services	3,644,039	3,059,947	13%	12%
Operating grants and contributions	2,338,034	3,577,783	8%	14%
Capital grants and contributions	1,130,143	-	4%	0%
	$ 28,360,236	$ 26,381,398	100%	100%

As seen above, revenues increased when comparing 2025 and 2024, by $1,978,838, or 7.5%. Property taxes increased by $896,946. Real Estate Transfer tax increased by $279,762, with much of this increase being from the Wrights Farm sale to Deluca and then to Toll Brothers. Charges for Services increased by $584,092. Lastly, the Township was able to capture favorable market conditions as their investment earnings increased $1,073,669 during the year.

The Township's governmental programs consist of various operating departments, including police, public works, planning and zoning, parks and recreation and several administrative departments. Total expenditures for fiscal 2025 were $26,315,771 and $25,748,082 for 2024. Expenditures by source were as follows:

	Amount		% of Total	
Expenses	2025	2024	2025	2024
General government	$ 9,605,868	$ 7,677,595	37%	29.82%
Public safety	8,595,011	10,141,882	33%	39.39%
Highways and streets	6,198,820	4,737,109	24%	18.40%
Parks and recreation	1,837,504	3,024,122	7%	11.75%
Interest on long-term debt	78,568	167,374	0%	0.65%
	$ 26,315,771	$ 25,748,082	100%	100%

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Township of Lower Makefield's investment in capital assets for its governmental and business-type activities as of December 31, 2025, the total was $104,364,912 and was $101,970,730 in 2024 (net of accumulated depreciation). Township investment in capital assets includes land and land improvements, building improvements, equipment, vehicles and infrastructure (see next page). Infrastructure includes roadways, bike paths, curbing and sidewalks, storm sewers, basins, bridges and culverts, easements, streetlights and signs.

Additions to capital assets during 2025 include:

Building and Improvements	$ 200,919
Construction in Progress	700,474
Land Improvements	1,247,744
Vehicles	33,086
Right to Use Leased Assets	357,990
Furniture and Equipment	808,490

	Governmental Activities		Business-Type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Land	$ 23,959,951	$ 23,959,951	$ 7,751,552	$ 7,751,552	$ 31,711,503	$ 31,711,503
Construction in progress	2,825,879	2,125,405	213,726	37,037	3,039,605	2,162,442
Infrastructure	50,289,307	50,289,307	-	-	50,289,307	50,289,307
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	77,075,137	76,374,663	7,965,278	7,788,589	85,040,415	$ 84,163,252
Land improvements	12,223,866	11,067,715	8,160,525	8,160,525	20,384,391	19,228,240
Infrastructure	1,512,088	1,512,088	4,473,198	4,473,198	5,985,286	5,985,286
Buildings and improvements	11,155,979	10,955,060	3,187,185	3,187,185	14,343,164	14,142,245
Furniture and equipment	5,199,820	4,391,330	1,160,422	1,119,145	6,360,242	5,510,475
Right-to-use leased vehicles	962,272	808,555	-	-	962,272	808,555
Right-to-use equipment - golf course	-	-	505,072	505,068	505,072	505,068
Vehicles	8,881,506	8,644,147	-	-	8,881,506	8,644,147
TOTAL CAPITAL ASSETS BEING DEPRECIATED	39,935,531	37,378,895	17,486,402	17,445,121	57,421,933	54,824,016
ACCUMULATED DEPRECIATION	(26,603,775)	(25,911,221)	(11,493,661)	(11,105,317)	(38,097,436)	(37,016,538)
TOTAL CAPITAL ASSETS	$ 90,406,893	$ 87,842,337	$ 13,958,019	$ 14,128,393	$ 104,364,912	$ 101,970,730

Depreciable capital assets are depreciated using the straight-line method. Useful lives are as follows:

	Years
Infrastructure	20
Land improvements	5-40
Buildings and improvements	40
Furniture and equipment	5
Plant and pools	4-40
Vehicles	3-10

In the case of road, curb, sidewalk and bike path infrastructure, the Township has elected to use the modified approach. Additional information on the Township's capital assets can be found in Notes A and D in the financial statements.

Total Liabilities

At the end of 2025, the Township had $5,267,336 in outstanding debt for all Note Payables, Bonds and loans. Total Noncurrent Liabilities at the end of 2025 were $22,232,443, which includes leases, OPEB and pension liabilities and compensated absences.

Debt

Outstanding debt at year end (net of premiums, discounts, and amortization) for the years ended December 31, 2025 and 2024 is as follows:

Governmental Activities	2025	2024
General Obligation Bonds		
Series of 2016	$ 4,475,000	$ 4,835,000
Series of 2018	530,000	690,000
Notes Payable		
Series of 2022	-	283,464
Deferred Amounts	262,336	327,920
	5,267,336	6,136,384
Entity-Wide		
Leases	530,105	379,176
Total OPEB obligation	5,704,444	5,587,305
Net pension liability	8,877,042	9,643,306
Compensated absences	1,853,516	1,765,403
Total long-term liabilities	$ 22,232,443	$ 23,511,574

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic Factors

The Township of Lower Makefield services an area of seventeen square miles and a population of 33,180 (2020 United States Census). The Township is located in the southeastern portion of Bucks County, just across the river from Trenton, New Jersey and twenty-five miles northeast of Philadelphia. Economically, the Township is largely residential in nature, with some agricultural activity. Commercial development can be found on a limited basis, most of which supports the residential community.

As shown in the data below, the Township of Lower Makefield is considerably wealthier than Bucks County as a whole. Both Bucks County and the Township of Lower Makefield are substantially wealthier than the Commonwealth of Pennsylvania and the nation. Several factors that create this wealth are the higher educational levels of our residents and the Township's ideal location for commuting to New York and Philadelphia, where higher paying jobs can be found.

	Lower Makefield Township	Bucks County	Pennsylvania	United States
Per capita income	$ 79,572	$ 54,930	$ 41,234	$ 41,804
Median family income	168,540	107,826	73,170	74,755
Percentage of population poverty level	3.70%	5.60%	11.80%	12.60%

Source: United States Census Bureau (2020 Census)

The 2026 Budget and Outlook

The total millage for the 2026 budget will be 24.99. The millage breakout is as follows: General Fund 13.88 mills, Debt Service 2.53 mills, Fire Protection 1.10 mills, Fire Hydrants 0.37 mills, Parks and Recreation 2.43 mills, Ambulance and Rescue 0.38 mills, Roadway Improvement (a newly added fund in 2024) 4.00 mills, and Road Machinery 0.30 mills.

The overwhelming majority of the Township's revenue is generated from property tax. Our total collection rate averaged over 99% each year, and 2025 was no exception. Most property owners pay their taxes during the discount and the face period of collection. For budgeting purposes, we estimate a 98% collection rate for the year.

Transfer taxes

The Township continues to meet its budgeted goals for transfer taxes. Through 2025 year-end, we have steadily seen property sales continue as in previous years.

	Total Transfer Tax	Budget
2024	$ 1,399,789	$ 1,750,000
2025	$ 1,679,551	$ 1,500,000
2026	$ 1,500,000	$ 1,500,000

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Township's finances and to show the Township's accountability for the monies it receives and disburses. If you have any questions about this report or to request additional financial information, please contact Mega Bhandary, Chief Financial Officer, 1100 Edgewood Road, Yardley, Pennsylvania 19067.

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 40,853,439	$ 9,230,761	$ 50,084,200
Receivables	579,400	151,156	730,556
Taxes receivable	424,575	-	424,575
Inventory	-	125,544	125,544
Prepaid expenses	-	36,998	36,998
Capital assets, net	90,406,893	13,958,019	104,364,912
TOTAL ASSETS	132,264,307	23,502,478	155,766,785
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources, pension	1,747,885	-	1,747,885
Deferred outflows of resources, OPEB	474,047	-	474,047
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,221,932	-	2,221,932
LIABILITIES			
Accounts payables	1,102,424	2,596,289	3,698,713
Accrued expenses	655,411	2,472,233	3,127,644
Accrued interest	55,250	-	55,250
Unearned revenue	352,616	509,665	862,281
Escrows payable	100,000	-	100,000
Security deposit	28,016	-	28,016
Noncurrent liabilities			
Due within one year:			
Bonds, loans, and notes payable	540,000	-	540,000
Leases	149,530	21,996	171,526
Due in more than one year:			
Bonds, loans, and notes payable	4,727,336	-	4,727,336
Leases	297,800	60,779	358,579
Compensated absences	1,819,557	33,959	1,853,516
Other post-employment benefits	5,704,444	-	5,704,444
Net Pension Liability	8,877,042	-	8,877,042
TOTAL LIABILITIES	24,409,426	5,694,921	30,104,347
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources, pension	1,977,783	-	1,977,783
Deferred inflows of resources, OPEB	2,631,221	-	2,631,221
Deferred inflows of resources, leases	1,551,348	-	1,551,348
TOTAL DEFERRED INFLOWS OF RESOURCES	6,160,352	-	6,160,352
NET POSITION			
Net Investment in capital assets	84,692,227	13,875,244	98,567,471
Restricted:			
Other governmental funds	5,974,333	-	5,974,333
Unrestricted	13,249,901	3,932,313	17,182,214
TOTAL NET POSITION	$ 103,916,461	$ 17,807,557	$ 121,724,018

The accompanying notes are an integral part of the financial statements

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT							
Governmental activities							
General government	$ 9,605,868	$ 869,986	$ 770,391	$ -	$ (7,965,491)	$ -	$ (7,965,491)
Public safety	8,595,011	1,074,572	497,222	-	(7,023,217)	-	(7,023,217)
Public works	5,646,509	1,041,583	1,060,421	1,130,143	(2,414,362)	-	(2,414,362)
Parks and recreation	2,389,815	657,898	10,000	-	(1,721,917)	-	(1,721,917)
Interest on Long-Term Debt	78,568	-	-	-	(78,568)	-	(78,568)
TOTAL GOVERNMENTAL ACTIVITIES	26,315,771	3,644,039	2,338,034	1,130,143	(19,203,555)	-	(19,203,555)
Business-type activities							
Sewer fund	14,884	512,072	-	-	-	497,188	497,188
Community pool fund	1,226,385	1,164,772	-	-	-	(61,613)	(61,613)
Golf course fund	3,373,136	4,230,140	-	-	-	857,004	857,004
TOTAL BUSINESS-TYPE ACTIVITIES	4,614,405	5,906,984	-	-	-	1,292,579	1,292,579
TOTAL PRIMARY GOVERNMENT	$ 30,930,176	$ 9,551,023	$ 2,338,034	$ 1,130,143	(19,203,555)	1,292,579	(17,910,976)
GENERAL REVENUES							
Property taxes levied for general purposes					13,540,261	-	13,540,261
Transfer taxes					1,679,551	-	1,679,551
Local services and per capita taxes					657,687	-	657,687
Interest and rents					5,116,252	92,665	5,208,917
Miscellaneous					254,269	-	254,269
TRANSFERS					1,093,312	(1,093,312)	-
TOTAL GENERAL REVENUES AND TRANSFERS					22,341,332	(1,000,647)	21,340,685
CHANGE IN NET POSITION					3,137,777	291,932	3,429,709
NET POSITION AT BEGINNING OF YEAR					100,778,684	17,515,625	118,294,309
NET POSITION AT END OF YEAR					$ 103,916,461	$ 17,807,557	$ 121,724,018

The accompanying notes are an integral part of the financial statements

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Major Funds								
	General Fund	Capital Reserve Fund	Bond Fund	Debt Service Fund	Special Project Fund	Park and Recreation Fund	Sewer Sales Proceeds Fund	Nonmajor Governmental Funds	Total
ASSETS									
CURRENT ASSETS									
Cash	$ 4,949,573	$ -	$ 1,815,707	$ 125,515	$ 360,724	$ 256,443	$ 29,271,005	$ 4,074,472	$ 40,853,439
Accounts receivable	571,401	-	-	-	-	7,689	-	310	579,400
Taxes receivable	239,483	-	-	42,119	-	41,390	-	101,583	424,575
TOTAL ASSETS	$ 5,760,457	$ -	$ 1,815,707	$ 167,634	$ 360,724	$ 305,522	$ 29,271,005	$ 4,176,365	$ 41,857,414
LIABILITIES									
Accounts payable	$ 514,945	$ -	$ -	$ -	$ 78,812	$ 40,184	$ -	$ 468,483	$ 1,102,424
Accrued expenses	608,755	-	-	-	-	37,571	-	9,085	655,411
Unearned revenues	235,917	-	-	23,569	-	36,564	-	56,566	352,616
Escrows Payable	-	-	-	-	-	-	-	100,000	100,000
Security deposits	25,366	-	-	-	-	1,400	-	1,250	28,016
TOTAL LIABILITIES	1,384,983	-	-	23,569	78,812	115,719	-	635,384	2,238,467
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue, leases	1,551,348	-	-	-	-	-	-	-	1,551,348
TOTAL DEFERRED INFLOWS OF RESOURCES	1,551,348	-	-	-	-	-	-	-	1,551,348
FUND BALANCES									
Restricted for:									
Capital Projects	-	-	1,815,707	-	-	-	-	-	1,815,707
Debt Service	-	-	-	144,065	-	-	-	-	144,065
Special Projects	-	-	-	-	281,912	-	-	-	281,912
Street Lights	-	-	-	-	-	-	-	223,994	223,994
Fire Protection	-	-	-	-	-	-	-	139,797	139,797
Hydrant Fund	-	-	-	-	-	-	-	21,259	21,259
Park and Recreation	-	-	-	-	-	189,803	-	-	189,803
Park and Recreation FIL	-	-	-	-	-	-	-	73,844	73,844
Traffic Impact	-	-	-	-	-	-	-	208,962	208,962
Regency Bridge	-	-	-	-	-	-	-	162,512	162,512
Tree Fund	-	-	-	-	-	-	-	234,666	234,666
Highway Aid	-	-	-	-	-	-	-	755,389	755,389
Ambulance Rescue	-	-	-	-	-	-	-	27,356	27,356
Road Machinery	-	-	-	-	-	-	-	141,287	141,287
Sidewalk FIL	-	-	-	-	-	-	-	105,294	105,294
Patterson Farm	-	-	-	-	-	-	-	528,019	528,019
Garden of Reflection	-	-	-	-	-	-	-	13,096	13,096
Road Improvement	-	-	-	-	-	-	-	907,371	907,371
Committed to:									
Budgetary Stabilization	-	-	-	-	-	-	29,271,005	-	29,271,005
Unassigned	2,824,126	-	-	-	-	-	-	(1,865)	2,822,261
TOTAL FUND BALANCES	2,824,126	-	1,815,707	144,065	281,912	189,803	29,271,005	3,540,981	38,067,599
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 5,760,457	$ -	$ 1,815,707	$ 167,634	$ 360,724	$ 305,522	$ 29,271,005	$ 4,176,365	$ 41,857,414

The accompanying notes are an integral part of the financial statements

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2025

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

TOTAL GOVERNMENTAL FUND BALANCES	$	38,067,599
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. The cost of the assets is $117,010,668 and the accumulated depreciation is $26,603,775.		90,406,893
Deferred inflows and outflows of resources related to pension and OPEB activities are not financial resources and therefore are not reported in the governmental funds.		(2,387,072)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Accrued interest		(55,250)
Bonds and notes payable, including premiums		(5,267,336)
Leases		(447,330)
Other post-employment benefits		(5,704,444)
Net pension liability		(8,877,042)
Compensated absences		(1,819,557)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	103,916,461

The accompanying notes are an integral part of the financial statements

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Major Funds								
	General Fund	Capital Reserve Fund	Bond Fund	Debt Service Fund	Special Project Fund	Park and Recreation Fund	Sewer Sale Proceeds Fund	Nonmajor Governmental Funds	Total
REVENUES									
Real estate taxes	$ 7,538,177	$ -	$ -	$ 1,373,944	$ -	$ 1,319,801	$ -	$ 3,308,339	$ 13,540,261
Real estate transfer taxes	1,679,551	-	-	-	-	-	-	-	1,679,551
Local services and per capita taxes	657,687	-	-	-	-	-	-	-	657,687
Licenses and permits	1,996,187	-	-	-	-	-	-	25,171	2,021,358
Fines, forfeits and costs	60,087	-	-	-	-	-	-	-	60,087
Interest and rent	662,468	-	114,683	6,672	33,256	121,032	3,838,483	339,658	5,116,252
Intergovernmental revenues	950,622	-	-	-	1,130,143	10,000	-	1,377,412	3,468,177
Charges for services	768,599	-	-	-	-	657,898	-	136,097	1,562,594
Miscellaneous	154,634	-	-	-	-	3,211	-	86,085	243,930
TOTAL REVENUES	14,468,012	-	114,683	1,380,616	1,163,399	2,111,942	3,838,483	5,272,762	28,349,897
EXPENDITURES									
General government	2,066,579	-	-	-	-	12,441	-	-	2,079,020
Public saftey	7,535,515	-	-	-	-	-	-	1,278,028	8,813,543
Public works	2,635,765	-	-	-	708,597	-	-	2,367,504	5,711,866
Parks and recreation	124,363	-	-	-	-	1,756,225	-	500,889	2,381,477
Insurance	357,497	-	-	-	-	28,746	-	-	386,243
Employee Benefits	5,056,324	-	-	-	-	51,270	-	6,720	5,114,314
Capital outlay	391,076	-	-	-	1,615,127	-	-	1,342,500	3,348,703
Debt service									
Principal	-	-	-	803,464	-	-	-	-	803,464
Interest	-	-	-	163,593	-	-	-	-	163,593
TOTAL EXPENDITURES	18,167,119	-	-	967,057	2,323,724	1,848,682	-	5,495,641	28,802,223
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,699,107)	-	114,683	413,559	(1,160,325)	263,260	3,838,483	(222,879)	(452,326)
OTHER FINANCING SOURCES (USES)									
Proceeds from sale of fixed assets	10,089	-	-	-	-	-	-	250	10,339
Proceeds from leases	357,990	-	-	-	-	-	-	-	357,990
Transfers in	2,684,069	-	-	-	1,804,390	-	-	769,069	5,257,528
Transfers out	(54,069)	(39,390)	(2,465,000)	(361,688)	-	(15,000)	(1,175,000)	(54,069)	(4,164,216)
TOTAL OTHER FINANCING SOURCES (USES)	2,998,079	(39,390)	(2,465,000)	(361,688)	1,804,390	(15,000)	(1,175,000)	715,250	1,461,641
NET CHANGE IN FUND BALANCES	(701,028)	(39,390)	(2,350,317)	51,871	644,065	248,260	2,663,483	492,371	1,009,315
FUND BALANCES AT BEGINNING OF YEAR	3,525,154	39,390	4,166,024	92,194	(362,153)	(58,457)	26,607,522	3,048,610	37,058,284
FUND BALANCES AT END OF YEAR	$ 2,824,126	$ -	$ 1,815,707	$ 144,065	$ 281,912	$ 189,803	$ 29,271,005	$ 3,540,981	$ 38,067,599

The accompanying notes are an integral part of the financial statements

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
DECEMBER 31, 2025

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

Net change in fund balances - total governmental funds	$	1,009,315
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:		
Capital outlays		3,348,703
Depreciation expense		(784,147)
The issuance of long-term liabilities provides financial resources to governmental funds and contribute to the change in fund balance. However, the issuance of debt does not affect the Statement of Activities since it increases long-term liabilities in the Statement of Net Position. Accordingly, the repayment of principal and the proceeds of bond issuance are reported as an expenditure and revenue in the governmental funds, respectively, but reduce/increase the liability in the Statement of Net Position. The amounts related to the above items that make up differences are:		
Principal payments on long-term debt		803,464
Principal payments on leases		112,413
Lease proceeds		(357,990)
Pursuant to the modified accrual basis of accounting, governmental funds do not recognize expenditures for transactions that are not normally paid with expendable available financial resources. Pursuant to the accrual basis of accounting, the Statement of Activities reports expenses and liabilities regardless of when financial resources are available. In addition, interest on long-term debt is not recognized in the governmental funds until due, while it is accrued in the Statement of Activities. The net differences for the items discussed above are:		
OPEB expense		52,336
Pension Expense		(1,043,229)
Change in accrued interest payable		19,441
Change in bond premium		65,584
Change in accrued compensated absences		(88,113)
Change in net position of governmental activities	$	3,137,777

The accompanying notes are an integral part of the financial statements

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025

	Sewer Fund	Community Pool Fund	Golf Course Fund	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 7,415,569	$ 18,226	$ 1,796,966	$ 9,230,761
Accounts receivable	151,156	-	-	151,156
Inventory	-	-	125,544	125,544
Prepaid expenses	-	-	36,998	36,998
TOTAL CURRENT ASSETS	7,566,725	18,226	1,959,508	9,544,459
Capital Assets, Net	-	642,871	13,315,148	13,958,019
TOTAL ASSETS	7,566,725	661,097	15,274,656	23,502,478
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	2,275,799	218,529	101,961	2,596,289
Accrued expenses	2,400,000	40,866	65,326	2,506,192
Unearned revenue	-	215	509,450	509,665
Current portion of lease payable	-	-	21,996	21,996
TOTAL CURRENT LIABILTIES	4,675,799	259,610	698,733	5,634,142
LONG-TERM LIABILITIES				
Lease payable	-	-	60,779	60,779
TOTAL LONG-TERM LIABILITIES	-	-	60,779	60,779
NET POSITION				
Net investment in capital assets	-	642,871	13,232,373	13,875,244
Unrestricted	2,890,926	(241,384)	1,282,771	3,932,313
TOTAL NET POSITION	$ 2,890,926	$ 401,487	$ 14,515,144	$ 17,807,557

The accompanying notes are an integral part of the financial statements

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Sewer Fund	Community Pool Fund	Golf Course Fund	Total
OPERATING REVENUES				
Charges for services	$ 512,072	$ 1,164,772	$ 4,230,140	$ 5,906,984
TOTAL OPERATING REVENUES	512,072	1,164,772	4,230,140	5,906,984
OPERATING EXPENSES				
Operations	14,884	1,117,580	3,007,644	4,140,108
Depreciation	-	108,805	365,492	474,297
TOTAL OPERATING EXPENSES	14,884	1,226,385	3,373,136	4,614,405
OPERATING INCOME (LOSS)	497,188	(61,613)	857,004	1,292,579
NONOPERATING REVENUES (EXPENSES)				
Interest income	21,305	8,252	63,108	92,665
TOTAL NONOPERATING REVENUES (EXPENSES)	21,305	8,252	63,108	92,665
INCOME (LOSS) BEFORE INTERFUND TRANSFERS	518,493	(53,361)	920,112	1,385,244
INTERFUND TRANSFERS				
Transfers in	-	-	361,688	361,688
Transfers out	(1,000,000)	-	(455,000)	(1,455,000)
TOTAL INTERFUND TRANSFERS	(1,000,000)	-	(93,312)	(1,093,312)
CHANGE IN NET POSITION	(481,507)	(53,361)	826,800	291,932
NET POSITION AT BEGINNING OF YEAR	3,372,433	454,848	13,688,344	17,515,625
NET POSITION AT END OF YEAR	$ 2,890,926	$ 401,487	$ 14,515,144	$ 17,807,557

The accompanying notes are an integral part of the financial statements

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
STATEMENT OF CASH FLOWS
DECEMBER 31, 2025

	Sewer Fund	Community Pool Fund	Golf Course Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 360,916	$ 1,164,772	$ 4,269,400
Cash payments to suppliers	2,024,032	(904,695)	(3,384,614)
Cash payments to employees	-	10	(6,211)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	2,384,948	260,087	878,575
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to other funds	-	(139,359)	(234,791)
Interfund transfers	(1,000,000)	-	(93,312)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(1,000,000)	(139,359)	(328,103)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	-	(127,234)	(176,689)
Principal paid on lease payable	-	-	(94,648)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	(127,234)	(271,337)
CASH FLOWS FROM INVESTING ACTIVITIES			
Earnings from investments	21,305	8,252	63,108
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,406,253	1,746	342,243
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,009,316	16,480	1,454,723
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 7,415,569	$ 18,226	$ 1,796,966
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	$ 497,188	$ (61,613)	$ 857,004
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	-	108,805	365,492
(Increase) decrease in			
Accounts receivable	(151,156)	-	4,126
Inventory	-	-	(2,179)
Prepaid expenses	-	-	20,236
Increase (decrease) in			
Accounts payable	2,038,916	212,885	(395,027)
Accrued expenses	-	10	(6,211)
Unearned revenue	-	-	35,134
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 2,384,948	$ 260,087	$ 878,575

The accompanying notes are an integral part of the financial statements

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2025

	Pension Trust and Employee Benefit Funds	Custodial Fund
ASSETS		
Cash and cash equivalents	$ 248,379	$ 129,289
Investments	35,162,589	-
Accounts receivables	-	182,471
TOTAL ASSETS	35,410,968	311,760
LIABILITIES		
Accounts payable	-	24,605
TOTAL LIABILITIES	-	24,605
NET POSITION		
Net position restricted for pensions	35,207,152	-
Net position restricted for other purposes	203,816	-
Net position restricted for custodial purposes	-	287,155
TOTAL NET POSITION	$ 35,410,968	$ 287,155

The accompanying notes are an integral part of the financial statements

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
DECEMBER 31, 2025

	Pension Trust and Employee Benefit Funds	Custodial Fund
ADDITIONS		
Contributions		
Employer	$ 1,150,608	$ -
Member	930,585	-
State aid	753,221	-
Developers	-	40,465
TOTAL CONTRIBUTIONS	2,834,414	40,465
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	3,756,240	-
Interest income	10,056	-
Dividend income	860,023	-
TOTAL INVESTMENT INCOME (LOSS)	4,626,319	-
TOTAL ADDITIONS	7,460,733	40,465
DEDUCTIONS		
Administrative expenses	79	-
Benefits	2,912,666	-
Funds returned to developer	-	45,701
Other	102,699	-
TOTAL DEDUCTIONS	3,015,444	45,701
CHANGE IN NET POSITION	4,445,289	(5,236)
NET POSITION		
BEGINNING OF YEAR	30,965,679	292,391
END OF YEAR	$ 35,410,968	$ 287,155

The accompanying notes are an integral part of the financial statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Entity

The Township of Lower Makefield (the Township) is located in Bucks County, Pennsylvania, was formed in 1692; exists as a Second-Class Township and is a "local government unit" as defined under the Local Government Unit Debt Act of the General Assembly of the Commonwealth of Pennsylvania.

The five-member governing body of the Township is the Board of Supervisors. A Township manager is appointed by and serves at the direction of the Board of Supervisors to administer the daily operations of the Township. Principal services provided by the Township include public safety, maintenance of the roads and highways, culture and recreation, maintenance of the sewer system and general governmental administration.

The financial statements of the Township have been prepared in conformity with United States generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Financial Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the Township are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Township.

In evaluating the Township as a reporting entity, management has addressed all potential component units for which the Township may or may not be financially accountable and as such, be included in the Township's financial statements. In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus,* the Township is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burden on the Township. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Management has elected not to include the following potential component units in the December 31, 2025 annual financial report:

- Yardley Makefield Fire Company
- Lower Makefield Farmland Preservation, Inc.
- Yardley Makefield Rescue Squad

These entities are under the direction of a separate independent board and organized under a separate charter, and therefore, not included in the annual financial report.

Basis of Presentation and Accounting

The Township's basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities report information on all non-fiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. Government activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges to external customers for support.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Fund and Fiduciary Fund financial statements. Governmental Funds financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for Governmental Funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligible requirements imposed by the providers have been met.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues for each segment of the business type activities of the Township and for each function or program of the Township's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Administrative overhead charges of the general government are included in the direct expenses. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self- financing or draws from the general revenues of the Township.

As a general rule, the effect of the interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Separate Fund Financial Statements are provided for Governmental Funds, Proprietary Funds, and Fiduciary Funds, even though the latter are excluded from the government-wide financial statements. The focus of Fund Financial Statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column.

The accounting and financial reporting treatment applied to a fund is determined by the measurement focus. The Governmental fund financial statements are reported using the 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 collectible 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 sixty days of the end of the fiscal period. Those revenues generally susceptible to accrual are real estate taxes, real estate transfer taxes, and local services and per capita taxes. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to other postemployment benefits, compensated absences, and claims and judgments are recorded only when payment is due. The financial statements for Governmental Funds are balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which report on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

In applying the susceptible to accrual concept in intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Township. Therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Licenses and permits, fines, forfeitures, and costs, charges for services, rental income, and other miscellaneous income are generally recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are measurable and available.

All Proprietary Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position (deficit). The statement of revenues, expenses and changes in net position (deficit) presents increases (i.e., revenues) and decreases (i.e., expenses) in total Net Position. The statement of cash flows provides information about how the Township finances and meets the cash flow needs of its proprietary activities.

Proprietary Funds distinguished operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Proprietary Funds' ongoing operations. The principal operating revenues of the Township's Enterprise Funds are sewer charges, golf fees, and pool membership fees. Operating expenses for the Township's Enterprise Funds include supplies, administrative costs and depreciation on capital assets. All revenue or expenses not meeting this definition are reported as non-operating revenues and expenses.

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. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Township functions or activities. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net position, revenues, and expenditures or expenses, as appropriate.

The Township has the following funds:

Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance." The measurement focus is based upon the determination of changes in current financial resources, rather than upon net income determination.

The Township reports the following major Governmental Funds:

General Fund - The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund’s fund balance is available for any purpose provided it is expended or transferred according to the general laws of Pennsylvania.

Capital* Reserve *Fund (Capital Project Fund) - The Capital Reserve Fund is used to account for financial resources, including bond and loan proceeds, to be used for acquisitions or construction of major capital assets (other than those financed by the Special Project Fund, the 9-11 Memorial Fund, and Proprietary Funds).

Bond Fund - The Bond Fund contains bond proceeds restricted for capital projects.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term principal, interest and related costs.

Special Project Fund - The Special Project Fund is used to account for non-recurring financial resources that are not part of any other special revenue funds.

Park and Recreation Fund - Accounts for the costs associated with operating and maintaining Township parks, recreational facilities, and programs, financed primarily through dedicated revenues and user fees.

Sewer Sale Proceeds Fund - The Sewer Sale Proceeds Fund is used to account for the proceeds from the sale of the sewer system.

The Township reports the following non-major Governmental Funds:

Other Special Revenue Funds - The other special revenue funds of the Township are considered non-major (presented in a single column) and are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Township's Other Special Revenue Funds include: Liquid Fuels, Hydrant, Ambulance Rescue, Fire Protection, 9-11 Memorial, Street Light, Parks and Recreation Fee-in-Lieu, Traffic Impact, Regency Bridge, Tree, Road Machinery, Patterson Farm, Sidewalk Fee-in-Lieu, and Road Improvement Fund.

Other Capital Reserve Funds – The Other Capital Reserve Fund consist of the Garden of Reflection Capital Reserve Fund.

Proprietary Funds

Proprietary funds are used to account for operations that are organized to be self-supporting through user charges.

The Township reports the following major Proprietary Funds:

Sewer Fund - The Sewer Fund accounts for the activities of the sewer system infrastructure, sewage pumping stations and collection systems.

Community Pool Fund - The Community Pool Fund accounts for the operations of the Township's municipal pool.

Golf Course Fund - The Golf Course Fund accounts for the construction and operation of the Township's municipal golf course.

Fiduciary Funds

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

The Township reports the following Fiduciary Funds:

Component Unit Trust Funds - The Component Unit Trust Funds account for the Township and employees pension plan contributions and provide for the payment of retirement benefits.

Deferred Retirement Option Plan Fund - The Deferred Retirement Option Plan Fund accounts for the assets and liabilities held by the Township in a trustee capacity for policy officers within forty-eight months of retirement. (See Note J).

Custodial Fund - The Custodial Fund accounts for the assets held as an agent for the various developer escrows.

Fiduciary Component Units

The Township's Pension Trust Funds and Deferred Retirement Option Plan Fund were established to provide retirement benefits to eligible retirees of the Township. The Plans are included in the financial reporting entity as fiduciary component units because the Plans are (1) considered to be separate legal entities, (2) the Township Board of Supervisors functions as the governing board of the plans, and (3) the plans impose a financial burden on the Township as it is legally obligated to make contributions to the Plans.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Township considers all highly liquid investments with original maturities of three months or less from the date of purchase to be cash equivalents.

Investments

Investments are stated at fair value. State statutes authorize the Township to invest in obligations of the United States Treasury, short-term obligations of the United States Government or its agencies or instrumentalities, backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision and insured certificates of deposit.

As of December 31, 2025, only the Township's fiduciary funds held investments.

Interest earnings attributable to the Township's concentration accounts is allocated to the Township's various funds based on the ratio of each participating fund's average balance to the total pooled average balance.

Accounts Receivable

Real estate tax receivables are recognized when levied to the extent that they are available as current assets. Real estate taxes are levied March 1. An elected tax collector bills and collects all real estate taxes and remits them to the Township. Taxes unpaid in the current year are liened January 15 of the succeeding year. Taxes are paid as follows: two percent (2%) discount, March 1 through April 30; face amount May through June 30; and a ten percent (10%) penalty thereafter.

Other fees and assessments include franchise fees, transfer taxes, and street light and solid waste collection assessments and are recognized when billed.

Accounts receivable includes all invoices owed by other governments, individuals and private enterprises for services rendered and/or materials supplied. Revenue is recognized when the invoice is prepared.

Interfund Transactions

In connection with financing its operations, the Township conducts interfund transactions. Accordingly, to the extent that certain interfund transactions have not been paid or received as of the end of the year, appropriate interfund receivables or payables have been established. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are balances between the governmental activities and the business-type activities (internal balances). Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

Inventory and Prepaid Expenditures/Expenses

Inventories are valued using the average cost method. Inventory in the Golf Course Fund is capitalized under the consumption method, whereby expenditures are capitalized as inventory until used.

The balances on hand at the Golf Course Fund as of December 31, 2025, consist of the following:

ProShop	$	92,558
Food and beverage		32,986
	$	125,544

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide statements and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructures (e.g., roads, bridges, curbs, sidewalks, drainage systems and lighting systems) and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Township defines capital assets as assets with an initial, individual cost equal to or greater than $5,000 (amount not rounded) or purchased with debt proceeds and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest and real estate taxes incurred during the construction phase of capital assets of business type activities are included as part of the capitalized value of the assets constructed and associated land.

In the case of road, curb, sidewalk and bike path infrastructure, the Township has elected to use the modified approach and the assets are not depreciated.

Property, plant, and equipment of the Township are depreciated using the straight-line method over the following estimated useful lives:

	Years
Infrastructure	20
Land improvements	5-40
Plant and pools	4-40
Buildings and building improvements	40
Furniture and equipment	5
Vehicles	3-10

Leases

Lessee

In accordance with GASB 87, right to use leased assets are initially measured at an amount equal to the initial term, less lease incentives, and plus ancillary charges necessary to place the leased asset into service. The right to use leased assets are amortized on a straight-line basis over the life of the related lease. If the lease has a purchase option which is reasonably certain of being exercised, the leased asset is depreciated over the useful life of the underlying asset as if the lessee owns the underlying asset, using the lessee's depreciation policy, unless non-depreciable.

Lessor

The Township is the lessor for a noncancellable lease for a portion of the Township's property for communications facilities and cellular attachments. The Township recognizes a lease receivable and a deferred inflow of resources in the government-wide and government fund financial statements.

At commencement of a lease, the Township initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period(s) and thus will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has two items that qualify for reporting in this category. The deferred pension outflow is reported in the government-wide statement of net position. The deferred OPEB outflow is reported on the government-wide statement of net position.

In addition to liabilities, the statement of net position will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and thus will not be recognized as an inflow of resources (revenue) until that time. The Township has three items that qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the Governmental Funds balance sheet. The Governmental Funds and government-wide statement of net position report unavailable revenue from leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflow of resources related to pensions and OPEB is reported in the government-wide statement of net position.

Compensated Absences, Post-Employment Benefits and Net Pension Liability

The Township accounts for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*, which supersedes GASB Statement No. 16.

Under GASB 101, a liability for compensated absences is recognized when:

1. The leave is attributable to services already rendered;
2. The leave accumulates; and
3. The leave is more likely than not to be used for time off or otherwise paid or settled.

The liability is measured using the employee’s pay rate as of the financial statement date, including salary-related payments that are directly and incrementally associated with payments for leave (e.g., employer payroll taxes).

Certain Township employees are entitled to vacation leave based on years of service. Unused vacation leave accumulates and is payable upon separation from employment. Accordingly, the Township records a liability for earned but unused vacation leave as of December 31, 2025. The liability is reported in the government-wide financial statements. In proprietary funds, the liability is reported as accrued expenses or noncurrent liabilities, as applicable.

Police officers are entitled to payment for accumulated sick leave upon retirement, subject to contractual maximums (up to sixty days). Because these benefits are attributable to services already rendered and are more likely than not to be paid upon retirement, the Township recognizes a liability for earned sick leave in the government-wide financial statements.

Compensated absences are generally liquidated by the General Fund.

In addition to compensated absences, certain police and public works employees are entitled to post-retirement health benefits pursuant to collective bargaining agreements. These benefits include thirty-six months of medical, dental, prescription, and life insurance coverage for eligible retirees and their dependents. A collective bargaining settlement agreement (CSA) effective January 1, 2010, extended the eligibility period by an additional sixty months for officers who elected to retire by December 31, 2010.

These benefits are accounted for separately from compensated absences in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. See Note H – Post-Retirement Health Benefits for additional disclosures.

During 2015, the Township implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires recognition of the Net Pension Liability and related deferred outflows and inflows of resources. See Note G – Defined Benefit Pension Plans.

During 2018, the Township implemented GASB Statement No. 75, which requires recognition of the Total OPEB Liability. See Note H – Post-Retirement Health Benefits.

Long-term Obligations

In the government-wide financial statements and Proprietary Funds in the fund financial statements, long- term obligations are reported as liabilities in the applicable governmental activities, business type activities, or Proprietary Fund statement of net position. Deferred losses on early retirement of debt are deferred and amortized over the life of the bonds. Bond/note premiums and discounts are amortized over the life of the bonds. Bond/notes payable are reported net of the applicable bond premium or discount.

In the fund financial statements, Governmental Funds recognize bond/note premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in the government wide and Proprietary Funds financial statements. Net investment in capital assets, net of related debt, 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, net of related debt excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

All other net position amounts are considered unrestricted. The Township applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Equity

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:

Non-Spendable - 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 of 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. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board of Supervisors delegates the authority. The board has not delegated the authority to assign fund balance.

Unassigned - Amounts available for any purpose.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

Real Estate Tax Calendar

Property taxes are levied no later than the fourth Monday in March of each year based on assessed values as of the preceding January 1 for all real property located in the Township. Taxpayers are granted discounts if payments are made by April 30 and are subject to penalties if payments are not made by June 30. An elected tax collector monitors, collects and remits property taxes to the Township.

The Township also annually levies a $10 per capita tax on all residents over the age of eighteen. In addition, a Local Services Tax on all people employed within the township boundaries with annual salaries over $12,000 is assessed at a $52 annual charge. Real estate transfer taxes received by the Township are .05% on the transfer of title of real property in the Township.

The tax collector, who is responsible for collecting taxes on behalf of the Township, County and School District, is an elected official. The Township regards the tax collector's office as a separate entity and, therefore, does not account for its activity in the financial statements.

Adoption of Governmental Accounting Standards Board Statements

In 2025, the Township adopted the required provisions of GASB Statement No. 102, *Certain Risk Disclosures*. The adoption of this statement had no effect on previously reported amounts.

Pending Changes in Accounting Principles

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

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

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. The Township is required to adopt Statement No. 105 for its calendar year 2027 statements.

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

NOTE B - DEPOSITS AND INVESTMENTS

Deposits

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 statute as it relates to custodial credit risk. As of December 31, 2025, the Township’s deposit with a carrying value of $50,461,868 and bank balance of $50,703,540 were exposed to custodial credit risk as follows:

Insured by FDIC Insurance	$ 500,000
Uninsured	1,815,707
Uninsured, collateral held by pledging Bank not in the Township's name	48,387,833
Total Deposits	$ 50,703,540

Investments

As of December 31, 2025, the Township had the following investments and maturities in its Pension Trust and Deferred Retirement Option Plan Funds:

Investments by fair value level	12/31/25	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities				
Fixed Income Mutual Funds	$ 11,911,321	$ 11,911,321	$ -	$ -
Total debt securities	11,911,321	11,911,321	-	-
Equity securities				
Equity Mutual funds	23,047,453	23,047,453	-	-
Stable value/cash management funds	203,815	-	203,815	-
Total equity securities	23,251,268	23,047,453	203,815	-
Total investments at fair value	$ 35,162,589	$ 34,958,774	$ 203,815	$ -

Fair Value Level 1 Measurement — 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 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 those that lack significant observable inputs.

Interest Rate Risk

Interest Rate Risk is the risk that changes in interest rates will adversely affect an investment's value. The Township does not have a formal policy regarding interest rate risk. As of December 31, 2025, the Township's investments had the following weighted average maturities:

	Investment Maturities			
Investment Type	Less than One Year	One to Five Years	Five to Ten Years	Total
Fixed income mutual funds	$ -	$ -	$ 11,911,321	$ 11,911,321
	$ -	$ -	$ 11,911,321	$ 11,911,321

As a means of limiting its exposure to fair value losses arising from interest rates, the Township's Pension Trust Funds' investment policy limits investments to the following criteria:

	Minimum	Maximum
Cash	0%	10%
Fixed Income	30%	50%
Equities	50%	70%

Restrictions

Fixed income

- Average credit quality -AA, maximum of 10% in BBB.
- Minimum issuer credit quality - investment grade.
- Duration range - 80% to 120% of index duration
- No maturity may exceed 30 years.

Equities

- Mutual funds are acceptable vehicles for equity allocation.
- The allocation may include international and small cap funds.

The Township's Pension Trust Funds met these requirements. All other investments of the Township follow state statute as it relates to interest rate risk.

Credit Risk

The Township's Pension Trust Funds' credit risk policy is described under interest rate risk restrictions.

Concentration of Credit Risk

None of the Township’s Pension Trust Funds’ investment concentrations exceeded 5%.

NOTE C - ACCOUNTS RECEIVABLE

Accounts receivables are comprised of the following:

	Governmental Funds						
	General Fund	Debt Service Fund	Park and Recreation Fund	Other Governmental Funds	Total	Proprietary Funds	Fiduciary Funds
Real estate taxes	$ 239,483	$ 42,119	$ 41,390	$ 101,583	$ 424,575	$ -	$ -
Other fees and assessments	571,401	-	7,689	310	579,400	-	-
Golf Course	-	-	-	-	-	-	-
Sewer billings	-	-	-	-	-	151,156	-
Other	-	-	-	-	-	-	-
Due from developers	-	-	-	-	-	-	182,471
	$ 810,884	$ 42,119	$ 49,079	$ 101,893	$ 1,003,975	$ 151,156	$ 182,471

No bad debt expense was recorded for the year ended December 31, 2025.

NOTE D - CAPITAL ASSETS

Changes in capital asset activity for the year ended December 31, 2025, were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets not subject to depreciation				
Land	$ 23,959,951	$ -	$ -	$ 23,959,951
Infrastructure	50,289,307	-	-	50,289,307
Construction in Progress	2,125,405	700,474	-	2,825,879
Total Capital Assets not being Depreciated	76,374,663	700,474	-	77,075,137
Capital Assets subject to depreciation				
Infrastructure	1,512,088	-	-	1,512,088
Land Improvements	10,976,122	1,247,744	-	12,223,866
Building and Improvements	10,955,060	200,919	-	11,155,979
Vehicles	8,848,420	33,086	-	8,881,506
Right-to-use leased vehicles	604,282	357,990	-	962,272
Furniture and equipment	4,391,330	808,490	-	5,199,820
Total Capital Assets being Depreciated	37,287,302	2,648,229	-	39,935,531
Accumulated Depreciation	(25,819,628)	(784,147)	-	(26,603,775)
Total Capital Assets being Depreciated, Net	11,467,674	1,864,082	-	13,331,756
Governmental Activities Capital Assets, Net	$ 87,842,337	$ 2,564,556	$ -	$ 90,406,893

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital Assets not subject to depreciation				
Land	$ 7,751,552	$ -	$ -	$ 7,751,552
Construction in Progress	37,037	176,689	-	213,726
Total Capital Assets not being Depreciated	7,788,589	176,689	-	7,965,278
Capital Assets subject to depreciation				
Land Improvements	8,160,525	-	-	8,160,525
Sewer infrastructure and pools	4,473,198	-	-	4,473,198
Building and Improvements	3,187,185	-	-	3,187,185
Right-to-use leased golf equipment	505,072	-	-	505,072
Furniture and equipment	1,119,145	127,234	(85,957)	1,160,422
	17,445,125	127,234	(85,957)	17,486,402
Accumulated Depreciation	(11,105,321)	(474,297)	85,957	(11,493,661)
Total Capital Assets being Depreciated, Net	6,339,804	(347,063)	-	5,992,741
Business-Type Activities Capital Assets, Net	$ 14,128,393	$ (170,374)	$ -	$ 13,958,019

Depreciation/amortization expense was charged to governmental functions and business- type functions as follows:

Governmental Activities		
General government	$	160,295
Public safety		132,858
Public works		190,348
Parks and Recreation		300,646
Total Depreciation Expense	$	784,147
Business-Type Activities		
Golf Course Fund	$	365,492
Pool Fund		108,805
Total Depreciation Expense	$	474,297

NOTE E – LONG-TERM LIABILITIES

The following is a summary of long-term liability activity of the Township for the year ended December 31, 2025:

	Principal Outstanding January 1, 2025	Additions	Deletions/ Maturities	Principal Outstanding December 31, 2025	Due Within One Year
Governmental Activities					
General obligation bonds					
Series of 2016	$ 4,835,000	$ -	$ (360,000)	$ 4,475,000	$ 375,000
Series of 2018	690,000	-	(160,000)	530,000	165,000
General obligation notes					
Series of 2022	283,464	-	(283,464)	-	-
Deferred amounts					
Bond premiums	327,920	-	(65,584)	262,336	-
Total Bonds, Notes, and Loans	6,136,384	-	(869,048)	5,267,336	540,000
Leases	201,753	357,990	(112,413)	447,330	149,530
Other post-employment benefits	5,587,305	117,139	-	5,704,444	-
Compensated absences	1,731,444	88,113	-	1,819,557	-
Net pension liability	9,643,306	-	(766,264)	8,877,042	-
Total Governmental Activities	$ 23,300,192	$ 563,242	$ (1,747,725)	$ 22,115,709	$ 689,530
Business-Type Activities					
Leases	$ 177,423	$ -	$ (94,648)	$ 82,775	$ 21,996
Compensated absences	33,959	-	-	33,959	-
Total Business-Type Activities	$ 211,382	$ -	$ (94,648)	$ 116,734	$ 21,996

The following is a summary of principal outstanding of the Township for the year ended December 31, 2025:

Purpose	Balance Outstanding at December 31, 2025
Governmental Activities	
General Obligation Bonds, Series of 2016 Issued in 2016 for the purpose of refunding the townships 2011 general obligation bonds and the remaining proceeds to be used for future capital projects. The bond proceeds will be payable annually-beginning March 2017 at fixed intervals ranging from 2.00% to 5.00% with maturity scheduled for March	4,475,000
General Obligation Bonds, Series of 2018 Issued in 2018 for the purpose of refunding the townships 2002 general obligation bonds and 2004 general obligation bonds and the remaining proceeds to be used for the payment of related expenses to replace notes with bonds as permitted by the Debt Act. The bond proceeds will be payable annually beginning December 2018 at fixed intervals, ranging from 1.65% to 3.150% with a maturity scheduled for June 2033.	530,000
Total Governmental Activities	$ 5,005,000

Debt Service Requirements

A summary of long-term debt service requirements to maturity, including principal and interest are as follows:

Year Ending December 31, 2025	Principal	Interest	Total Debt Service
2026	$ 540,000	$ 142,306	$ 682,306
2027	565,000	120,288	685,288
2028	590,000	102,519	692,519
2029	410,000	88,400	498,400
2030	420,000	78,281	498,281
2031-2035	2,040,000	225,353	2,265,353
2036-2038	440,000	7,150	447,150
	$ 5,005,000	$ 764,297	$ 5,769,297

The Township is subject to the Local Governmental Unit Debt Act of the Commonwealth of Pennsylvania, which limits the amount of net bonded debt the Township may have outstanding as of any point of time. The Township's bonded indebtedness as of the statement of net assets date is not in excess of statutory limits. The various bond indentures contain limitations and restrictions on annual debt service requirements and maintenance of flow of monies through various sinking funds. Management believes the Township is in compliance with all such significant financial limitations and restriction

NOTE F - INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund transfers are summarized as follows for the year-ended December 31, 2025:

	Transfers In	Transfers Out
Governmental Funds		
General Fund	$ 2,684,069	$ 54,069
Capital Reserve Fund	-	39,390
Bond Fund	-	2,465,000
Debt Service Fund	-	361,688
Special Project Fund	1,804,390	-
Park and Recreation Fund	-	15,000
Sewer Sale Proceeds Fund	-	1,175,000
Other Government Funds	769,069	54,069
Total Governmental Funds	5,257,528	4,164,216
Enterprise Funds		
Sewer Fund	-	1,000,000
Golf Course Fund	361,688	455,000
	$ 5,619,216	$ 5,619,216

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

NOTE G - DEFINED BENEFIT PENSION PLANS

Description of Plans

The Township of Lower Makefield sponsors a single employer defined benefit pension plan for both police officers and non-uniformed employees of the Township. The Plans are presented in the statement of net position and the statement of changes in net position of the fiduciary funds as Component Unit – Trust Funds at December 31, 2025, plan membership consisted of the following:

	Non-Uniform	Police
Active Plan Members	5	41
Retirees and beneficiaries currently receiving benefits	51	31
Terminated employees entitled to benefits but not yet receiving them	5	1
	61	73

Police Pension Plan

The Township sponsors a Public Employee Retirement System (PERS) to provide retirement and disability benefits as well as the return of members' contributions in the event of death. For the year ended December 31, 2025, the plan's assets were managed by RBC Wealth Management.

Benefits Provided

The following table provides information concerning the Township's Police Pension Plan:

Covered Employees:	All full-time uniformed employees.
Normal Retirement Date:	Age 53 and the completion of 25 years of service for all participants.
Disability Retirement Date:	The first day of the month following the date on which the member incurs a total and permanent service-related disability. The Township Supervisors shall determine if a member is eligible to receive a disability benefit under the Plan after securing the opinion of one or more practicing physicians licensed to practice medicine.
Drop Retirement Date:	The first day of the month following eligibility for a normal retirement date.
Vesting:	None for the first 12 years of service; thereafter, 100%.
Retirement Benefit:	The monthly pension shall be 50% of the average compensation of the participant's last 36 months of employment, plus a service increment of $100 per month, if officer completes 25 years or more of benefit service. The monthly benefit attributable to the contractually limited service increment shall not exceed $500 per month. The normal retirement benefit is payable monthly during the lifetime of the retired officer.
Death Benefit:	
Pre-Retirement	Upon the death of a member, the beneficiary shall receive a lump sum death benefit equal to a refund of the member's contributions plus interest earned at the rate of five percent (5%) per annum.
Post-Retirement Survivors Benefit	The widow of a member who has attained eligibility for retirement, or a member who retired on pension, shall receive during the spouse's lifetime, seventy-five percent (75%) of the pension the member was receiving or would have been receiving had he been retired at the time of his death. If no such widow survives, or if the spouse survives and subsequently dies or remarries, then the children under the age of eighteen (18) [or are attending college and have not yet attained age twenty-three (23)], shall be entitled to the same benefit described above.
Disability Benefit Service Related:	A disability pension shall be provided to an officer with a total and permanent service-related disability equal to 50% of the officer's average monthly salary at the time of disability, reduced by Social Security disability benefits provided for the same illness or injury.

Deferred Retirement Option Program (DROP) (See Note J)

As of December 31, 2025, one Police Pension Plan member is participating in the DROP and is considered retired for pension purposes. The DROP is in accordance with pre Act 44. Therefore, assets and liabilities associated with the DROP accounts are not included for purposes of GASB 68.

Non-Uniform Pension Plan

The Township sponsors a Public Employee Retirement System (PERS) to provide retirement benefits as well as death and disability benefits. For the year ended December 31, 2025, the plan's assets were managed by RBC Wealth Management.

The following table provides information concerning the Township's Non-Uniform Employees' Pension Plan:

Covered Employees:	All full-time non-uniformed employees. Participation is frozen effective January 1, 2012.
Normal Retirement Date:	The later of the first day of the month following the attainment of age sixty-five (65) or the fifth (5th) anniversary of his date of employment.
Early Retirement Date:	The first day of the month following the latter of the attainment of age fifty-five (55) or the completion of five (5) years of service.
Vesting:	None for the first five years of service; thereafter 100%
.	
Normal Retirement Benefit:	2.0% of the Average Monthly Compensation of a member multiplied by years of benefit service not exceeding thirty (30) years of service. The minimum monthly benefit shall not be less than $200.00 provided the participant works until the Normal Retirement Date.
Early Retirement Benefit:	The accrued Normal Retirement Benefit actuarially reduced by five-tenths percent (.5%) for each month that a member's Early Retirement Date precedes the Normal Retirement Date.

The Township is required by statute, principally Pennsylvania Act 205, to contribute the amounts necessary to fund the plans. Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law.

Summary of Significant Accounting Policies

Basis of Accounting

Pension plan financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenue in the period in which employee services are performed.

Method Used to Value Investments

Investments are reported at fair value. Market related value of assets is used to determine the indicated contribution.

Financial Reporting

A separate financial statement is not issued on the pension plans.

Contributions

Act 205 requires that annual contributions to the plans be based upon the plan's minimum municipal obligation (MMO). The MMO is based upon the plan's biennial actuarial valuation.

Non-Uniform: In accordance with the plan's governing document, all employees are required to contribute 3% of compensation to the plan.

Police: In accordance with the plan's governing document, employees are required to contribute the following to the plan.

- *Command Officers* – 2% of compensation
- *Non-Command Officers* – 4.5% on compensation

The plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program, which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the municipality in accordance with Act 205.

Plan Expenses

Plan expenses are paid from plan assets.

Investments

Investment Policy

The police and non-uniform pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board. The investment policy of the plan is to maximize the total rate of return over the long term, subject to preservation of capital, by diversifying the allocation of capital among various investments in domestic equity securities, international equity securities; domestic fixed instruments and other asset classes as may be deemed prudent.

The plan's investment policy establishes that the portfolio may be invested in the following asset classes with the following target asset allocation:

Non-Uniform		Police	
Asset Class	Target	Asset Class	Target
Domestic Equity - Large Cap	41.0%	Domestic Equity - Large Cap	47.0%
Domestic Equity - Small Cap	5.0%	Domestic Equity - Small Cap	4.0%
International Equity	15.0%	International Equity	13.0%
Fixed Income	37.0%	Fixed Income	36.0%
Cash	2.0%	Cash	0.0%

Rate of Return

For the year ended December 31, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.51% for the Police Pension Plan and 15.03% for the Non-Uniform Pension Plan. The money- weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liabilities of the Township at December 31, 2025, were as follows:

	Non-Uniform	Police
Total Pension Liability	$ 13,916,660	$ 27,844,114
Plan Fiduciary Net Position	11,905,298	20,978,434
Net Pension Liability	$ 2,011,362	$ 6,865,680
Plan fiduciary net position as a percentage of the total pension liability	85.5%	75.3%

Actuarial Assumptions

An actuarial valuation of the total pension liability is performed biannually. The total pension liability was determined as part of an actuarial valuation at January 1, 2025. Update procedures were used to roll forward to the plan's fiscal year ended December 31, 2025. This report was based upon the plan's actuarial assumptions, asset valuation method, and cost method described below:

Police Pension Plan

- Liabilities - All plan benefits are valued using the entry age normal cost valuation method.
- Economic Assumptions
  - Investment Return – 7.5% per annum, net of investment expenses.
  - Salary Increases - 5.0% compounded annually.
- Demographic Assumptions
  - Mortality
    - Mortality: PUBS-2010 Mortality projected 5 years past the valuation date using Scale MP-2021.
  - Retirement Age - Normal retirement age or age on valuation date if greater.
  - Marital Status - 80% of active members are assumed to be married. Female spouse is assumed to be 3 years younger than male spouse.
  - Form of Annuity - Joint & 75% survivor.

Non-Uniformed Pension Plan

- Liabilities - All plan benefits are valued using the entry age normal cost valuation method.
- Economic Assumptions
  - Investment Return – 7.0% per annum, net of investment expenses.
  - Salary Increases - 4.0% compounded annually.
- Demographic Assumptions
  - Mortality - PUBG-2010 Mortality projected 5 years past the valuation date using the Scale MP-2021.
  - Termination - T-1 table of the pension Actuary's Handbook.
  - Disability - None assumed.
  - Retirement Age - Normal retirement age, or age on valuation date if greater.
  - Form of Annuity - Single life annuity.

Police and Non-Uniformed Pension Plan

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 on the 2025 Horizon Survey. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2025 are summarized in the following table:

Asset Class	Long-Term Expected Real Rates of Return
Domestic Equity - Large Cap	5.88%
Domestic Equity - Mid Cap	6.94%
Domestic Equity - Small Cap	6.94%
International Equity	6.55%
Fixed Income	3.64%
Real Estate	5.18%
Cash	1.20%

Changes in the Net Pension Liability

Changes in the Police Defined Benefit Pension Plan net pension liability recognized over the measurement period are as follows:

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
BALANCES AT DECEMBER 31, 2024	$ 25,960,612	$ 17,970,000	$ 7,990,612
Changes for the year			
Service cost	657,546	-	657,546
Interest	1,989,545	-	1,989,545
Changes in benefit terms	-	-	-
Differences between expected and actual experience	581,800	-	581,800
Changes in assumptions	-	-	-
Contributions - employer	-	760,595	(760,595)
Contributions - state aid	-	753,221	(753,221)
Contributions - member	-	204,990	(204,990)
Net investment income	-	2,635,017	(2,635,017)
Benefit payments	(1,345,389)	(1,345,389)	-
Administrative expense	-	-	-
Other changes	-	-	-
NET CHANGES	1,883,502	3,008,434	(1,124,932)
BALANCE AT DECEMBER 31, 2025	$ 27,844,114	$ 20,978,434	$ 6,865,680

Changes in the Non-Uniformed Defined Benefit Plan net pension liability recognized over the measurement period are as follows:

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
BALANCES AT DECEMBER 31, 2024	$ 12,436,187	$ 10,783,493	$ 1,652,694
Changes for the year			
Service cost	87,319	-	87,319
Interest	893,751	-	893,751
Changes in benefit terms	1,077,515	-	1,077,515
Differences between expected and actual experience	(160,962)	-	(160,962)
Changes in assumptions	474,577	-	474,577
Contributions - employer	-	390,013	(390,013)
Contributions - state aid	-	-	-
Contributions - member	-	37,760	(37,760)
Net investment income	-	1,585,759	(1,585,759)
Benefit payments	(891,727)	(891,727)	-
Administrative expense	-	-	-
Other changes	-	-	-
NET CHANGES	1,480,473	1,121,805	358,668
BALANCE AT DECEMBER 31, 2025	$ 13,916,660	$ 11,905,298	$ 2,011,362

Discount Rate

The discount rate used to measure the total pension liability is 7.50% for the Police Pension Plan and 7.00% for the Non-Uniformed Pension Plan. The projections 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 on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

For the year ended December 31, 2025, the Township recognized pension expense of $1,390,096 (Police) and $1,556,962 (Non-Uniformed). At December 31, 2025, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Police Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 676,527	$ 56,752
Changes in assumptions	1,071,358	-
Net difference between projected and actual earnings on pension plan investments	-	1,237,455
Total	$ 1,747,885	$ 1,294,207

Non-Uniformed Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 683,576
Total	$ -	$ 683,576
Total - Both Plans	$ 1,747,885	$ 1,977,783

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

	Police	Non-Uniform
Year ending December 31,		
2026	$ 444,536	$ 129,285
2027	(340,226)	(406,072)
2028	(58,791)	(246,447)
2029	48,226	(160,342)
2030	276,819	-
Thereafter	83,114	-

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liabilities of the Township, calculated using the discount rate of 7.50% (Police) and 7.00% (Non-Uniform), as well as what the Township's net pension liabilities would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability - Police	$ 10,248,091	$ 6,865,680	$ 4,031,364
Net Pension Liability - Non-Uniform	3,186,489	2,011,362	2,011,362

NOTE H - POST RETIREMENT HEALTH BENEFITS

Plan Description

The Township provides health benefits to eligible employees and retirees through three separate single-employer defined benefit plans for benefits other than pension. The retiree group health plan provides the first thirty months of benefits for eligible retirees and their dependents. Benefit coverage includes medical, dental, prescription, and life insurance.

Plan Membership — At January 1, 2024, plan membership consisted of the following:

	Administrative	Public Works	Police
Inactive plan members, or beneficiaries currently receiving benefits	17	4	17
Active plan members	24	18	40
Total	41	22	57

Investments

The Township does not have a GASB qualified trust, and therefore, there are no investments.

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation at January 1, 2024 with update procedures used to roll forward the plan's fiscal plan year ending December 31, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Administrative Plan

Actuarial Methods

- Liabilities - All plan benefits are valued using the entry age normal cost valuation method as a level percent of pay.

Economic Assumptions

- Investment return - There are no invested assets.
- Salary increases - 5% compounded annually.
- Discount rate - 4.43%. The discount rate is based on the S&P 20 year high grade municipal bond rate.

Demographic Assumptions

- Mortality - 2010 Public General Amount Based Mortality Tables for Male and Female Employees projected 5 years using Scale MP-2021.
- Termination - T-1 Table of Pension Actuary's Handbook.
- Disability – None assumed.
- Retirement is assumed to occur at a minimum of age 65 with 5 years of service.

Public Works Plan

Actuarial Methods

- Liabilities - All plan benefits are valued using the entry age normal cost valuation method as a level percent of pay.

Economic Assumptions

- Investment return - There are no invested assets.
- Salary increases - 5% compounded annually.
- Discount rate - 4.43%. The discount rate is based on the S&P 20 year high grade municipal bond rate.

Healthcare Cost Trend Rate

- Non-Medicare Medical and Rx costs are assumed to decrease by 0.25% per year thereafter to an ultimate level of 4% per year.
- Medicare Medical and Rx costs are assumed to increase by 5% per year.
- Dental and vision costs are assumed to increase by 3% per year.

Demographic Assumptions

- Mortality - 2010 Public General Amount Based Mortality Tables for Male and Female Employees projected 5 years using Scale MP-2021.
- Termination - T-1 Table of Pension Actuary's Handbook.
- Disability - None assumed.
- Retirement is assumed to occur at a minimum of age 65 with 5 years of service.
- Participation - 100% of retirees, spouses and eligible dependents who are eligible to participate are assumed to do so. No retirees are assumed to participate in Township coverage beyond the Township-paid period.
- 80% of all future retirees are assumed to have a spouse participating in coverage. Female spouses are assumed to be 3 years younger than male spouses.

Police Plan

Actuarial Methods

- Liabilities - All plan benefits are valued using the entry age normal cost valuation method as a level percent of pay.

Economic Assumptions

- Investment return - There are no invested assets.
- Salary increases - 5% compounded annually.
- Discount rate – 4.43%. The discount rate is based on the S&P 20 year high grade municipal bond rate.

Healthcare Cost Trend Rate

- Non-Medicare Medical and Rx costs are assumed 6.50% in fiscal 2025, grading down to the ultimate trend rate of 4.00% in fiscal 2074.
- Medicare Medical and Rx costs are assumed to increase by 5% per year.
- Dental and vision costs are assumed to increase by 3% per year.

Demographic Assumptions

- Mortality - 2010 Public Safety Amount Based Mortality Tables for Male and Female Employees projected 5 years using Scale MP-2021.
- Termination - T-1 Table of Pension Actuary's Handbook.
- Disability - 100% of the United Auto Workers Table.
- Retirement is assumed to occur at a minimum of age 55 with 25 years of service.
- Participation - 100% of retirees, spouses and eligible dependents who are eligible to participate are assumed to do so. No retirees are assumed to participate in Township coverage beyond the Township paid period.
- 80% of all future retirees are assumed to have a spouse participating in coverage. Female spouses are assumed to be 3 years younger than male spouses.

Changes in Assumptions: For the Administrative Plan, Public Works Plan and Police Plan, the discount rate changed from 4.28% for the reporting period ended December 31, 2024, to 4.43% for the reporting period ended December 31, 2025.

	Total OPEB Liability		
	Administrative	Public Works	Police
Balance at 1/1/2025	$ 248,370	$ 789,032	$ 4,549,903
Changes for the year:			
Service Cost	6,088	35,309	228,612
Interest	10,583	34,332	198,770
Differences between Expected and actual Experience	-	-	-
Changes in Assumptions and Cost Method	(4,444)	(7,394)	(53,767)
Changes in Benefit Terms	-	-	-
Benefit Payments	(14,539)	(44,846)	(271,565)
Net Changes	(2,312)	17,401	102,050
Balance at 12/31/2025	$ 246,058	$ 806,433	$ 4,651,953

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the township, calculated 4.43% as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (3.43%) or 1 percent higher (5.43%) than the current rate:

	1% Decrease (3.43%)	Current Discount Rate (4.43%)	1% Increase (5.43%)
Administrative Plan	$ 278,325	$ 246,058	$ 219,482
Public Works Plan	858,131	806,433	759,987
Police Plan	5,023,489	4,651,953	4,310,094

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following is a sensitivity analysis of the net OPEB liability to changes in the healthcare trend rate. The table below presents the total OPEB liability calculated using the current trend rate as well as what the total OPEB liability would be if it were calculating a healthcare trend rate that is 1 percent higher and 1 percent lower than expected.

	1% Decrease (3.00% - 5.75%)	Healthcare Cost Trend Rate (4.00% - 6.75%)	1% Increase (5.00% - 7.75%)
Public Works Plan	246,058	246,058	246,058
Police Plan	4,153,089	4,651,953	5,233,139

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended December 31, 2025, the Township recognized OPEB expense of $17,242 (Administrative Plan), $35,696 (Public Works Plan), and $225,676 (Police Plan). At December 31, 2025, The Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		
	Administrative	Public Works	Police
Differences between Expected and actual Experience	$ 20,683	$ 40,467	$ 26,279
Change in Assumptions	17,519	40,363	328,736
Total	$ 38,202	$ 80,830	$ 355,015

	Deferred Inflows of Resources		
	Administrative	Public Works	Police
Differences between Expected and actual Experience	$ -	$ 107,195	$ 169,393
Change in Assumptions	56,852	297,495	2,000,286
Total	$ 56,852	$ 404,690	$ 2,169,679

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Administrative	Public Works	Police
2026	$ 571	$ (33,945)	$ (201,706)
2027	(316)	(33,945)	(201,706)
2028	(7,124)	(37,927)	(201,706)
2029	(5,664)	(42,132)	(201,706)
2030	(5,671)	(40,710)	(219,402)
Thereafter	(446)	(135,201)	(788,438)

NOTE I - DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Contributions are invested with an outside trustee, ICMA Retirement Corporation.

On August 21, 2000, the Board of Supervisors passed a resolution to comply with GASB Statements No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans,* reestablishing the ICMA Retirement Corporation Deferred Compensation Plan and Trust. The resolution directs that the assets of the plan shall be held in trust, with the Township serving as Trustee, for the exclusive benefit of plan participants and their beneficiaries, and the assets shall not be diverted to any other purpose. The assets have been removed from the Township's financial statements.

NOTE J - DEFERRED RETIREMENT OPTION PLAN

The Township sponsors a Deferred Retirement Option Plan (DROP) for members of the police department who have not retired prior to the implementation date (May 2005) of the DROP. Employees may enter into the DROP on the first day of any month following completion of twenty-five years of credited service and attaining the age of fifty-five. When electing to participate in the DROP, the employee must resign from employment no less than twelve months and no more than forty-eight months from the execution of the DROP option. An employee may elect in writing to terminate participation in the DROP any time up to six months before the previously selected resignation date. Once termination is elected, the employee is barred from any future participation in the program.

After the effective date of the DROP option, the employee shall no longer earn or accrue additional years of continuous service for pension purposes. Earnings or increases in earnings thereafter shall not be recognized or used for the calculation or determination of any benefits payable by the Police Pension Fund. The monthly retirement benefits that would have been payable had the employee elected to cease employment and receive a normal retirement benefit shall, upon the employee commencing participation in the DROP, be paid into the separate account established to receive that participant's monthly pension payments. All other contractual benefits shall continue to accrue, with the exception of those provisions relating to the Police Pension Plan.

Upon the termination date set forth in the employee's DROP option notice or such date as the Township separates the employee from employment, the retirement benefits payable to the employee or employee's beneficiary, if applicable, shall be paid to the employee or beneficiary and shall no longer be paid to the employee's DROP account. Within thirty days following termination of an employee's employment, the balance in the employee's DROP account shall be paid to the employee in a single lump-sum payment or, at the employee's option, in any fashion permitted by law.

The Township has entered into an administrative service agreement with The International City Management Association Retirement Corporation (RC). RC acts as investment adviser to the Vantage Trust (the Trust). The Trust is a common law trust governed by an elected Board of Trustees for the commingled investment of retirement funds held by state and local government units for their employees. The Township has adopted the Declaration of Trust of the Trust and agrees to the commingled investments of assets of the DROP within the Trust. Cost of management of the DROP shall be paid directly from the Police Pension Fund and not by the Township.

Any amendments to the DROP Ordinance shall be consistent with the provisions covering deferred retirement option plans set forth in the collective bargaining agreement and shall be binding upon all future DROP participants and existing participants.

No DROP payment shall be made unless and until the Pennsylvania Legislature authorizes the adoption of the DROP program for police officers employed by a Township of the Second Class or a final judicial determination issues from the Pennsylvania Appellate Court that such DROP benefits are lawful for police officers employed by a Township of the Second Class. In the event that either of these two situations occurs, the DROP will be modified only to the extent necessary to become compliant with the maximum then allowed by law for DROP programs. If neither of these occurs by the DROP date, the participant shall receive his full pension benefits as set forth in the Police Pension Ordinance as if no such DROP election were made.

NOTE K - TRANSACTIONS WITH DEVELOPERS

In connection with the development agreements for the construction of residential housing within the Township, the Township receives contributions from developers to finance various infrastructure and related costs and to fund legal, engineering and other costs of administering regulatory responsibilities concerning development of real estate.

The Township also receives developer deposits applicable to plan review and development billing activities. In such instances, the Township is required to hold such deposits in escrow and refund amounts not ultimately required to fund anticipated administrative costs. Potentially refundable deposits are accounted for in Custodial Funds, which reflects a net position balance of $287,155 as of December 31, 2025.

NOTE L - LEASES, COMMITMENTS AND CONTINGENT LIABILITIES

Lessor - Governmental Activities

In June 2018, the Township entered into a thirty-five year communication easement agreement with a third party over real property currently leased by the Company from the Township. A one-time payment in the sum of $2,020,000 was made to the Township in advance to execute the agreement for the thirty-five year term. Upon payment, rent for the balance of the thirty-five year period was satisfied. The advance payment to the Township will be recognized as lease revenue over the term of the lease. As of December 31, 2025, $1,551,348 has yet to be recognized into revenue. This amount is included in deferred inflows of resources from leases on the General Fund Balance Sheet. The Township recognized $57,564 in lease revenue from this agreement in the year ended December 31, 2025.

Lessee – Governmental

The Township leases various vehicles through separate agreements into 2030. The value of the right-to-use assets as of December 31, 2025 was $962,272 and had accumulated amortization of $527,114. As of December 31, 2025, the lease liability was $447,330. During the year ended December 31, 2025, the Township recorded amortization expense of $112,413 and interest expense of $19,256 related to these leases. The leases were discounted using the Township's incremental borrowing rates in effect at the commencement of each lease, which ranged from 2.5% to 10% based on lease term and economic conditions. The future principal and interest lease payments as of December 31, 2025, were as follows:

Year Ending December 31, 2025	Principal	Interest	Total
2026	$ 149,530	$ 24,865	$ 174,395
2027	116,191	14,417	130,608
2028	81,704	8,835	90,539
2029	54,156	4,442	58,598
2030	45,749	1,415	47,164
	$ 447,330	$ 53,974	$ 501,304

Lessee - Business-Type Activities

The Township leases various equipment to be used at the Makefield Highlands Golf Club as needed. The leases extend into 2029. The value of the right-to-use assets as of December 31, 2025, was $505,068 and had accumulated amortization of $416,378. As of December 31, 2025, the lease liability was $82,775. During the year ended December 31, 2025, the Township reported a reduction in the liability of $94,648 and interest expense of $8,232 related to these leases. The leases were discounted using the Township's incremental borrowing rates in effect at the commencement of each lease, which ranged from 2.5% to 10% based on lease term and economic conditions. The future principal and interest lease payments as of December 31, 2025, were as follows:

Year Ending December 31, 2025	Principal	Interest	Total
2026	$ 21,996	$ 4,456	$ 26,452
2027	23,281	3,170	26,451
2028	24,642	1,810	26,452
2029	12,856	370	13,226
	$ 82,775	$ 9,806	$ 92,581

Management agreement

The Township has a management agreement with Highland Golf Management Company, LLC and Spirit Golf, LLC to manage the day-to-day operations of the Makefield Highlands Golf Club. During the year, the agreement was extended through December 31, 2026 and calls for monthly management fee payments of approximately $8,357 per month. The remaining future minimum management fee payments are $100,284 for 2026.

Self-Insured Unemployment Compensation

The Township is self-insured for unemployment compensation coverage. During 2025, the Township made no payments for claims.

Litigation

The Township is not currently involved in any litigation or claims that management believes would have a material effect on the Township's financial position as of December 31, 2025.

NOTE M - RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township participates in a public entity risk pool (Delaware Valley Insurance Trust (DVIT)) operated as a common risk management and insurance program for municipalities. The Trust retains the first $250,000 of each general liability, police professional liability and automobile liability loss. OVIT assumes the first $100,000 of each first party property loss public official liability claim. Reinsurance coverage is through commercial companies. The Trust also serves a group purchaser of boiler and machinery and crime and public official policies for its members.

The calculation of premium contributions, loss assessments and any redistribution or surplus is predicated on each participant's individual loss history. An experience modification factor is applied to annual membership contributions.

The Township continues to carry commercial insurance for all other risk of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from all risks have not exceeded commercial and OVIT insurance coverage in any of the past three years.

NOTE N - SUBSEQUENT EVENTS

The Township has evaluated all subsequent events through the report issuance date of June 3, 2026 and is not aware of items that would require recognition or disclosure in the financial statements

TOWNSHIP OF LOWER MAKEFIELD PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts	Actual	Variance with Final Budget
Revenues			
Taxes	$ 9,723,754	$ 9,875,415	$ 151,661
Licenses, permits and fees	2,074,912	1,996,187	(78,725)
Fines, forfeits and costs	56,200	60,087	3,887
Interest and rent	710,000	662,468	(47,532)
Intergovernmental revenues	1,121,832	950,622	(171,210)
Charges for services	579,450	768,599	189,149
Miscellaneous	265,500	154,634	(110,866)
Total Revenues	14,531,648	14,468,012	(63,636)
Expenditures:			
General government	2,121,754	2,066,579	(55,175)
Public safety	7,443,880	7,535,515	91,635
Public works	2,705,262	2,635,765	(69,497)
Parks and recreation	72,750	124,363	51,613
Insurance	361,515	357,497	(4,018)
Employee Benefits	5,328,189	5,056,324	(271,865)
Capital outlay	-	391,076	391,076
Total Expenditures	18,033,350	18,167,119	133,769
Excess of Revenues over (under) Expenditures	(3,501,702)	(3,699,107)	70,133
Other Financing sources/(uses):			
Proceeds from sale of fixed assets	2,500	10,089	7,589
Proceeds from leases	-	357,990	357,990
Transfers In	2,630,000	2,684,069	54,069
Transfers out	-	(54,069)	(54,069)
Total Other Financing sources/(uses)	2,632,500	2,998,079	365,579
Net Change in Fund Balance	$ (869,202)	(701,028)	$ 435,712
Fund Balance - Beginning of Year		3,525,154	
Fund Balance - End of Year		$ 2,824,126	

TOWNSHIP OF LOWER MAKEFIELD PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL (BUDGETARY BASIS) - SPECIAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts	Actual	Variance with Final Budget
Revenues			
Intergovernmental revenues	$ 3,216,308	$ 1,130,143	$ (2,086,165)
Interest Revenue	2,500	33,256	30,756
Total Revenues	3,218,808	1,163,399	(2,055,409)
Expenditures:			
Public works	4,530,300	708,597	3,821,703
Capital outlay	-	1,615,127	(1,615,127)
Total Expenditures	4,530,300	2,323,724	2,206,576
Excess of Revenues over (under) Expenditures	(1,311,492)	(1,160,325)	151,167
Other Financing sources/(uses):			
Transfers In	3,121,360	1,804,390	1,316,970
Total Other Financing sources/(uses)	3,121,360	1,804,390	1,316,970
Net Change in Fund Balance	$ 1,809,868	644,065	$ 1,468,137
Fund Balance - Beginning of Year		(362,153)	
Fund Balance - End of Year		$ 281,912	

TOWNSHIP OF LOWER MAKEFIELD PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL (BUDGETARY BASIS) - SEWER SALE FUND
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts	Actual	Variance with Final Budget
Revenues			
Interest and rent	$ 1,175,000	$ 3,838,483	$ 2,663,483
Total Revenues	1,175,000	3,838,483	2,663,483
Other Financing sources/(uses):			
Transfers Out	(1,175,000)	(1,175,000)	-
Total Other Financing sources/(uses)	(1,175,000)	(1,175,000)	-
Net Change in Fund Balance	$ -	2,663,483	$ 2,663,483
Fund Balance - Beginning of Year		26,607,522	
Fund Balance - End of Year		$ 29,271,005	

NOTE A – BUDGETARY INFORMATION

The Township's process for establishing its annual operating budget involves submission of the budget by the Township Manager to the Board of Supervisors for its approval and adoption. The Township Manager, Finance Director and Budget Review Committee are responsible for the preparation of the annual budget.

The budgetary process consists of the evaluation and review of appropriate requests of the operating directors and various Township departments. Revenue estimates are made throughout the process to determine the amount of Township property taxes and other revenue is required to balance the budget.

The Board of Supervisors is required to introduce the budget for the following year by twenty days prior to the end of the fiscal year, after which it is advertised and reviewed at public hearings held by the Board of Supervisors of the Township. After the close of the public hearings, the Board of Supervisors approves and adopts the budgets on or before December 31, the cost of the Township's fiscal year.

The Township Supervisors may authorize supplemental appropriations for any lawful purpose via resolution. In addition, the Supervisors are permitted to transfer funds from one Township account to another; however, such transfers are not permitted during the first three months of the fiscal year. Appropriations lapse at the close of the fiscal year to the extent by which they have not been expended. It is the Township's policy to maintain budgetary control at the fund level.

The Township prepares budgets for Governmental Funds on a basis of accounting, which is consistent with United States generally accepted accounting principles.

NOTE B – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following major funds had an excess of actual expenditures over budget for the year ended December 31, 2025:

	Appropriations	Expenditures	Excess over Appropriations
General Fund	$ 18,033,350	$ 18,167,119	$ 133,769

The excess expenditures over appropriation were funded by prior year fund balance in the General Fund.

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION -
POLICE PENSION PLAN - SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS

	Police									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	$ 657,546	$ 671,689	$ 639,704	$ 519,909	$ 458,349	$ 399,965	$ 380,919	$ 345,035	$ 328,605	$ 324,509
Interest	1,989,545	1,853,349	1,760,202	1,649,850	1,486,254	1,307,074	1,243,678	1,195,846	1,128,769	1,066,588
Changes of Benefit Terms	-	-	13,768	902,284	673,919	-	-	-	-	-
Differences Between Actual and Expected Experience, if any	581,800	-	284,550	-	(22,155)	-	(244,432)	-	(251,682)	-
Assumptions Changes	-	-	1,265,125	-	688,463	-	-	-	359,941	-
Benefit Payments, Including Refunds of Employee Contributions	(1,345,389)	(1,208,110)	(1,171,754)	(841,765)	(885,246)	(846,540)	(855,849)	(613,022)	(657,652)	(794,727)
Net change in Total Pension Liability	1,883,502	1,316,928	2,791,595	2,230,278	2,399,584	860,499	524,316	927,859	907,981	596,370
Total Pension Liability - Beginning	25,960,612	24,643,684	21,852,089	19,621,811	17,222,227	16,361,728	15,837,412	14,909,553	14,001,572	13,405,202
Total Pension Liability - Ending (a)	$ 27,844,114	$ 25,960,612	$ 24,643,684	$ 21,852,089	$ 19,621,811	$ 17,222,227	$ 16,361,728	$ 15,837,412	$ 14,909,553	$ 14,001,572
Plan Fiduciary Net Position										
Contributions - Employer	$ 760,595	$ 298,583	$ 382,832	$ 483,943	$ 350,537	$ 348,046	$ 176,743	$ 223,063	$ 176,857	$ 209,735
Contributions - State Aid	753,221	736,112	687,691	569,850	527,701	526,850	553,014	459,070	449,649	406,842
Contributions - Member	204,990	180,893	167,413	114,934	116,361	92,179	72,666	69,493	61,862	46,495
Net Investment Income	2,635,017	1,954,515	2,320,660	(2,700,170)	1,972,800	1,695,866	1,958,084	(1,039,024)	1,403,735	473,031
Benefit Payments	(1,345,389)	(1,208,110)	(1,171,754)	(841,765)	(885,246)	(846,540)	(855,849)	(613,022)	(657,652)	(794,727)
Administrative Expense	-	-	-	(800)	(6,475)	(800)	(6,268)	(2,210)	(6,050)	(1,000)
Net Change in Plan Fiduciary Position	$ 3,008,434	$ 1,961,993	$ 2,386,842	$ (2,374,008)	$ 2,075,678	$ 1,815,601	$ 1,898,390	(902,630)	1,428,401	340,376
Plan Fiduciary Net Position - Beginning	17,970,000	16,008,007	13,621,165	15,995,173	13,919,495	12,103,894	10,205,504	11,108,034	9,679,633	9,339,257
Plan Fiduciary Net Position - Ending (b)	$ 20,978,434	$ 17,970,000	$ 16,008,007	$ 13,621,165	$ 15,995,173	$ 13,919,495	$ 12,103,894	$ 10,205,404	$ 11,108,034	$ 9,679,633
Net Pension Liability (a) - (b)	$ 6,865,680	$ 7,990,612	$ 8,635,677	$ 8,230,924	$ 3,626,638	$ 3,302,732	$ 4,257,834	$ 5,632,008	$ 3,801,519	$ 4,321,939
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.3%	69.2%	65.0%	62.3%	81.5%	80.8%	74.0%	64.4%	74.5%	69.1%
Covered Payroll	$ 4,715,143	$ 4,574,029	$ 4,793,196	$ 4,285,475	$ 4,044,206	$ 3,777,569	$ 3,594,354	$ 3,363,814	$ 3,276,201	$ 3,164,517
Net Pension Liability as a Percentage of Covered Payroll	145.6%	174.7%	180.2%	192.1%	89.7%	87.4%	118.5%	167.4%	116.0%	136.6%

Notes to schedule

Assumption changes:

In 2017, the mortality assumption was changed from the RP-2000 Table to the RP-2000 Table projected to 2017 using Scale AA. In 2021, the mortality assumption was changed from the Blue Collar RP-2000 Table projected to 2017 using Scale AA to the PubS-201
past the valuation date using most recent MP Scale. In 2023, the interest rate assumption was changed from 8.0% to 7.50%.

Benefit Change:

In 2021, the Normal Retirement Age changed from age 55 and 25 years of service to age 53 and 25 years of service. In 2022, the definition of compensation changed to include overtime. In 2023, the service increment provision was extended for the period 1/1/2023 - 1

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS -
POLICE PENSION PLAN
10 YEARS ENDED DECEMBER 31, 2025

	POLICE PENSION									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
ACTUARIALLY DETERMINED CONTRIBUTION	$ 1,513,816	$ 1,034,695	$ 1,070,523	$ 1,053,793	$ 878,238	$ 874,896	$ 729,757	$ 682,133	$ 626,506	$ 616,577
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED	1,513,816	1,034,695	1,070,523	1,053,793	878,238	874,896	729,757	682,133	626,506	616,577
CONTRIBUTION (EXCESS) DEFICIENCY	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
COVERED PAYROLL	$ 4,715,143	$ 4,574,029	$ 4,793,196	$ 4,285,475	$ 4,044,206	$ 3,777,569	$ 3,594,354	$ 3,363,814	$ 3,276,201	$ 3,164,517
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	32.1%	22.6%	22.3%	24.6%	21.7%	23.2%	20.3%	20.3%	19.1%	19.5%

NOTES TO SCHEDULE
Assumption changes - In 2017, the mortality assumption was changed from the RP-2000 Table to the RP-2000 Table projected to 2017 using Scale AA. In 2021, the mortality assumption was changed from the Blue Collar RP-2000 Table projected to 2017 using Scale AA to the PubS-2010 projected 5 years past the valuation date using most recent MP Scale. In 2023, the interest rate assumption was changed from 8.0% to 7.50%.

Change in benefit terms - In 2021, the Normal Retirement Age changed from age 55 and 25 years of service to age 53 and 25 years of service. In 2022, the definition of compensation changed to include overtime. In 2023, the service increment provision was extended for the period 1/1/2023 - 12/31/2026.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Asset valuation method	Market value of assets
Inflation	2.44%
Salary increases	5.00%
Investment rate of return	7.50%
Retirement age	Normal retirement age
Mortality	
Pre-Retirement:	PubS-2010 Employee Mortality projected 5 years past the valuation date using the most recent projection scale.
Post-Retirement:	PubS-2010 Healthy Retiree Mortality projected 5 years past the valuation date using the most recent projection scale.

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION -
NON-UNIFORM PENSION PLAN - SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS

	Non-Uniform									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	$ 87,319	$ 100,565	$ 95,776	$ 118,876	$ 113,215	$ 137,318	$ 130,779	$ 158,556	$ 151,006	$ 189,059
Interest	893,751	893,508	877,233	891,704	865,477	841,232	812,727	771,817	738,351	721,329
Changes of Benefit Terms	1,077,515	-	-	-	-	-	-	-	220,140	-
Differences Between Actual and Expected Experience, if any	(160,962)	-	(232,608)	-	(468,137)	-	168,807	-	(806,422)	-
Assumptions Changes	474,577	-	509,585	-	452,753	-	-	-	321,965	-
Benefit Payments, Including Refunds of Employee Contributions	(891,727)	(741,528)	(780,053)	(648,597)	(664,430)	(607,567)	(579,911)	(540,124)	(417,055)	(373,431)
Net change in Total Pension Liability	1,480,473	252,545	469,933	361,983	298,878	370,983	532,402	390,249	207,985	536,957
Total Pension Liability - Beginning	12,436,187	12,183,642	11,713,709	11,351,726	11,052,848	10,681,865	10,149,463	9,759,214	9,551,229	9,014,272
Total Pension Liability - Ending (a)	$ 13,916,660	$ 12,436,187	$ 12,183,642	$ 11,713,709	$ 11,351,726	$ 11,052,848	$ 10,681,865	$ 10,149,463	$ 9,759,214	$ 9,551,229
Plan Fiduciary Net Position										
Contributions - Employer	$ 390,013	$ 400,253	$ 403,262	$ 411,075	$ 416,889	$ 468,595	$ 381,418	$ 390,176	$ 385,095	$ 404,119
Contributions - Member	37,760	34,081	32,240	26,669	38,027	41,949	45,274	48,182	53,292	41,322
Net Investment Income	1,585,759	1,156,559	1,440,514	(1,823,594)	1,373,884	1,201,386	1,439,548	(610,498)	1,126,696	333,001
Benefit Payments	(891,727)	(741,528)	(780,053)	(648,597)	(664,430)	(607,567)	(579,911)	(540,124)	(417,055)	(373,431)
Administrative Expense	-	-	-	(1,400)	(6,075)	(2,300)	(5,950)	(1,450)	(6,750)	(1,850)
Refund of Member Contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Position	1,121,805	849,365	1,095,963	(2,035,847)	1,158,295	1,102,063	1,280,379	(713,714)	1,141,278	403,161
Plan Fiduciary Net Position - Beginning	10,783,493	9,934,128	8,838,165	10,874,012	9,715,717	8,613,654	7,333,275	8,046,989	6,905,711	6,502,550
Plan Fiduciary Net Position - Ending (b)	$ 11,905,298	$ 10,783,493	$ 9,934,128	$ 8,838,165	$ 10,874,012	$ 9,715,717	$ 8,613,654	$ 7,333,275	$ 8,046,989	$ 6,905,711
Net Pension Liability (a) - (b)	$ 2,011,362	$ 1,652,694	$ 2,249,514	$ 2,875,544	$ 477,714	$ 1,337,131	$ 2,068,211	$ 2,816,188	$ 1,712,225	$ 2,645,518
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.5%	86.7%	81.5%	75.5%	95.8%	87.9%	80.6%	72.3%	82.5%	72.3%
Covered Payroll	$ 1,136,537	$ 1,133,557	$ 1,187,577	$ 1,327,848	$ 1,438,958	$ 1,476,752	$ 1,597,351	$ 1,696,430	$ 1,757,346	$ 1,984,189
Net Pension Liability as a Percentage of Covered Payroll	177.0%	145.8%	189.4%	216.6%	33.2%	90.5%	129.5%	166.0%	97.4%	133.3%

Notes to schedule

Assumption changes:
In 2017, the mortality assumption was changed from the RP-2000 Table to the RP-2000 Table projected to 2017 using Scale AA. In 2021, the mortality assumption was changed from the RP-2000 Table projected to 2017 using Scale AA to the PubG-2010 projected 5 years past the valuation date using most recent MP Scale. In 2023, the interest rate assumption was changed from 8.0% to 7.5%.

Benefit Changes:

In 2017, Participants who meet the eligibility of Rule of 80 (minimum of age 60) during January 1, 2017 to December 31, 2018 are eligible for a special early retirement window

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS -
NON-UNIFORM PENSION PLAN
10 YEARS ENDED DECEMBER 31, 2025

	NON-UNIFORM									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
ACTUARIALLY DETERMINED CONTRIBUTION	$ 390,013	$ 400,253	$ 403,262	$ 411,075	$ 416,889	$ 468,595	$ 381,418	$ 390,176	$ 385,095	$ 404,119
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED	390,013	400,253	403,262	411,075	416,889	468,595	381,418	390,176	385,095	404,119
CONTRIBUTION (EXCESS) DEFICIENCY	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
COVERED PAYROLL	$ 1,136,537	$ 1,133,557	$ 1,187,577	$ 1,327,848	$ 1,438,958	$ 1,476,752	$ 1,597,351	$ 1,696,430	$ 1,757,346	$ 1,984,198
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	34.3%	35.3%	34.0%	31.0%	29.0%	31.7%	23.9%	23.0%	21.9%	20.4%

NOTES TO SCHEDULE

Assumption changes - In 2017, the mortality assumption was changed from the RP-2000 Table to the RP-2000 Table projected to 2017 using Scale AA. In 2021, the mortality assumption was changed from the Blue Collar RP-2000 Table projected to 2017 using Scale AA to the PubS-2010 projected 5 years past the valuation date using most recent MP Scale. In 2023, the interest rate assumption was changed from 8.0% to 7.50%.

Change in benefit terms - In 2017, Participants who meet the eligibility of Rule of 80 (minimum of age 60) during January 1, 2017 to December 31, 2018 are eligible for a special early retirement window.

Methods and assumptions used to determine contribution rates:

Asset valuation method	Market value of assets
Salary increases	5.00%
Investment rate of return	7.50%
Retirement Age	Normal retirement age
Termination	T-1 table actuary handbook
Mortality	
Pre-Retirement:	PubG-2010 Employee Mortality projected 5 years past the valuation date using the most recent projection scale.
Post-Retirement:	PubG-2010 Healthy Retiree Mortality projected 5 years past the valuation date using the most recent projection scale.

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS -
POLICE AND NON-UNIFORM PENSION PLANS

	Police									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	14.51%	12.21%	17.00%	-16.71%	14.12%	13.94%	19.24%	-9.30%	14.48%	5.12%

	Non-Uniformed									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	15.03%	11.83%	16.62%	-16.94%	14.30%	14.03%	19.80%	-7.64%	16.30%	5.11%

TOWNSHIP OF LOWER MAKEFIELD PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF CHANGES IN THE ADMINISTRATIVE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 YEARS

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	$ 6,088	$ 6,475	$ 4,559	$ 7,609	$ 10,123	$ 10,467	$ 6,379	$ 6,075
Interest	10,583	10,062	9,968	6,962	6,454	5,685	7,861	7,740
Differences Between Expected and Actual Experience	-	7,433	-	20,201	-	14,687	-	-
Changes of Assumptions	(4,444)	(6,401)	9,231	(77,349)	(13,003)	47,498	-	-
Benefit Payments	(14,539)	(13,564)	(12,129)	(12,551)	(10,841)	(10,264)	(10,797)	(10,517)
Net Change in Total OPEB Liability	(2,312)	4,005	11,629	(55,128)	(7,267)	68,073	3,443	3,298
Total OPEB Liability - Beginning	248,370	244,365	232,736	287,864	295,131	227,058	223,615	220,317
Total OPEB Liability - Ending	$ 246,058	$ 248,370	$ 244,365	$ 232,736	$ 287,864	$ 295,131	$ 227,058	$ 223,615
Covered Payroll	$ 2,058,223	$ 1,960,212	$ 1,389,047	$ 1,389,047	$ 1,419,922	$ 1,352,307	$ 1,004,206	$ 956,387
Total OPEB Liability as a Percentage of Covered Payroll	12.0%	12.7%	17.6%	16.8%	20.3%	21.8%	22.6%	23.4%

Notes to Schedule

This schedule is presented to illustrate the requirement to show information for ten years. However, until a 10-year trend is complete, available information is presented.

TOWNSHIP OF LOWER MAKEFIELD PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF CHANGES IN THE PUBLIC WORKS TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 YEARS

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	$ 35,309	$ 38,479	$ 38,400	$ 60,349	$ 56,314	$ 56,758	$ 41,009	$ 39,056
Interest	34,332	33,126	31,585	20,796	23,170	19,561	30,435	28,650
Changes of Benefit Terms	-	122,042	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	52,029	-	(147,171)	-	(17,704)	-	-
Changes of Assumptions	(7,394)	(167,585)	14,614	(219,062)	(21,422)	97,107	-	-
Benefit Payments	(44,846)	(52,894)	(30,068)	(33,199)	(50,755)	(25,622)	(19,653)	(17,648)
Net Change in Total OPEB Liability	17,401	25,197	54,531	(318,287)	7,307	130,100	51,791	50,058
Total OPEB Liability - Beginning	789,032	763,835	709,304	1,027,591	1,020,284	890,184	838,393	788,335
Total OPEB Liability - Ending	$ 806,433	$ 789,032	$ 763,835	$ 709,304	$ 1,027,591	$ 1,020,284	$ 890,184	$ 838,393
Covered Payroll	$ 1,687,919	$ 1,607,542	$ 1,658,757	$ 1,658,757	$ 1,403,228	$ 1,336,408	$ 1,561,031	$ 1,486,696
Total OPEB Liability as a Percentage of Covered Payroll	47.8%	49.1%	46.0%	42.8%	73.2%	76.3%	57.0%	56.4%

Notes to Schedule

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TOWNSHIP OF LOWER MAKEFIELD PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF CHANGES IN THE POLICE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 YEARS

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	$ 228,612	$ 288,818	$ 269,517	$ 337,999	$ 326,133	$ 328,371	$ 222,666	$ 212,063
Interest	198,770	212,579	212,426	114,631	113,125	93,634	139,072	131,080
Changes of Benefit Terms	-	1,228,889	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	32,849	-	(224,552)	-	(20,637)	-	-
Changes of Assumptions	(53,767)	(2,051,602)	116,213	(346,486)	(119,084)	544,416	-	-
Benefit Payments	(271,565)	(305,865)	(223,823)	(184,904)	(135,410)	(113,380)	(113,037)	(137,728)
Net Change in Total OPEB Liability	102,050	(594,332)	374,333	(303,312)	184,764	832,404	248,701	205,415
Total OPEB Liability - Beginning	4,549,903	5,144,235	4,769,902	5,073,214	4,888,450	4,056,046	3,807,345	3,601,930
Total OPEB Liability - Ending	$ 4,651,953	$ 4,549,903	$ 5,144,235	$ 4,769,902	$ 5,073,214	$ 4,888,450	$ 4,056,046	$ 3,807,345
Covered Payroll	$ 6,693,220	$ 6,374,495	$ 5,606,954	$ 5,606,954	$ 4,945,784	$ 4,710,270	$ 4,462,044	$ 4,249,566
Total OPEB Liability as a Percentage of Covered Payroll	69.5%	71.4%	91.7%	85.1%	102.6%	103.8%	90.9%	89.6%

Notes to Schedule

This schedule is presented to illustrate the requirement to show information for ten years. However, until a 10-year trend is complete, available information is presented.

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS) - DEBT SERVICE FUND
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts	Actual	Variance with Final Budget
Revenues			
Real estate taxes	$ 1,383,056	$ 1,373,944	$ 9,112
Interest earnings	3,000	6,672	(3,672)
Total Revenues	1,386,056	1,380,616	9,112
Expenditures:			
Debt Service			
Principal Retirement	806,071	803,464	2,607
Interest	170,806	163,593	7,213
Total Expenditures	976,877	967,057	9,820
Excess of Revenues over (under) Expenditures	409,179	413,559	(4,380)
Other Financing Sources/(Uses):			
Transfers Out	-	(361,688)	(361,688)
Total Other Financing Sources/(Uses)	-	(361,688)	(361,688)
Net Change in Fund Balance	$ 409,179	51,871	$ (356,956)
Fund Balance - Beginning of Year		92,194	
Fund Balance - End of Year		$ 144,065	

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Street Light Fund	9-11 Memorial Fund	Fire Protection Fund	Hydrant Fund	Park and Recreation FIL Fund	Traffic Impact Fund	Regency Bridge Fund	Tree Fund	Liquid Fuels Fund	Ambulance Rescue Fund	Road Machinery Fund	Patterson Farm Fund	Sidewalk FIL Fund	Road Improvement Fund	Garden of Reflection Capital Reserve Fund	Total Nonmajor Governmental Funds
Assets																
Cash and Cash Equivalents	$ 257,610	$ -	$ 244,268	$ 34,382	$ 73,844	$ 523,470	$ 162,512	$ 238,307	$ 841,660	$ 24,564	$ 139,090	$ 533,464	$ 105,294	$ 882,911	13,096	$ 4,074,472
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	310	-	-	-	310
Taxes receivable	245	-	17,489	4,748	-	-	-	-	-	7,506	4,554	-	-	67,041	-	101,583
Total Assets	$ 257,855	$ -	$ 261,757	$ 39,130	$ 73,844	$ 523,470	$ 162,512	$ 238,307	$ 841,660	$ 32,070	$ 143,644	$ 533,774	$ 105,294	$ 949,952	$ 13,096	$ 4,176,365
Liabilities and Fund Balances																
Liabilities																
Accounts Payable	$ 33,861	$ 1,865	$ 4,485	$ 15,514	$ -	$ 314,508	$ -	$ 3,641	$ 85,233	$ -	$ -	$ 4,505	$ -	$ 4,871	$ -	$ 468,483
Accrued Expenses	-	-	8,047	-	-	-	-	-	1,038	-	-	-	-	-	-	9,085
Unearned revenue	-	-	9,428	2,357	-	-	-	-	-	4,714	2,357	-	-	37,710	-	56,566
Escrows Payable			100,000													100,000
Security Deposits	-	-	-	-	-	-	-	-	-	-	-	1,250	-	-	-	1,250
Total Liabilities	33,861	1,865	121,960	17,871	-	314,508	-	3,641	86,271	4,714	2,357	5,755	-	42,581	-	635,384
Fund Balances																
Restricted:																
Street Lights	223,994	-	-	-	-	-	-	-	-	-	-	-	-	-	-	223,994
Fire Protection	-	-	139,797	-	-	-	-	-	-	-	-	-	-	-	-	139,797
Hydrant Fund	-	-	-	21,259	-	-	-	-	-	-	-	-	-	-	-	21,259
Park and Recreation FIL	-	-	-	-	73,844	-	-	-	-	-	-	-	-	-	-	73,844
Traffic Impact	-	-	-	-	-	208,962	-	-	-	-	-	-	-	-	-	208,962
Regency Bridge	-	-	-	-	-	-	162,512	-	-	-	-	-	-	-	-	162,512
Tree Fund	-	-	-	-	-	-	-	234,666	-	-	-	-	-	-	-	234,666
Highway Aid	-	-	-	-	-	-	-	-	755,389	-	-	-	-	-	-	755,389
Ambulance Rescue	-	-	-	-	-	-	-	-	-	27,356	-	-	-	-	-	27,356
Road Machinery	-	-	-	-	-	-	-	-	-	-	141,287	-	-	-	-	141,287
Patterson Farm												528,019				528,019
Sidewalk FIL	-	-	-	-	-	-	-	-	-	-	-	-	105,294	-	-	105,294
Road Improvement	-	-	-	-	-	-	-	-	-	-	-	-	-	907,371	-	907,371
Garden of Reflection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,096	13,096
Unassigned	-	(1,865)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,865)
Total Fund Balances (Deficit)	223,994	(1,865)	139,797	21,259	73,844	208,962	162,512	234,666	755,389	27,356	141,287	528,019	105,294	907,371	13,096	3,540,981
Total Liabilities and Fund Balances	$ 257,855	$ -	$ 261,757	$ 39,130	$ 73,844	$ 523,470	$ 162,512	$ 238,307	$ 841,660	$ 32,070	$ 143,644	$ 533,774	$ 105,294	$ 949,952	$ 13,096	$ 4,176,365

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES- NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Street Light Fund	9-11 Memorial Fund	Fire Protection Fund	Hydrant Fund	Park and Recreation FIL Fund	Traffic Impact Fund	Regency Bridge Fund	Tree Fund	Liquid Fuels Fund	Ambulance Rescue Fund	Road Machinery Fund	Patterson Farm Fund	Sidewalk FIL Fund	Road Improvement Fund	Garden of Reflection Capital Reserve Fund	Total Nonmajor Governmental Funds
Revenues																
Real Estate Taxes	$ -	$ -	$ 597,061	$ 172,208	$ -	$ -	$ -	$ -	$ -	$ 206,703	$ 162,775	$ -	$ -	$ 2,169,592	$ -	$ 3,308,339
Licenses and permits			25,171	-	-	-	-	-	-	-	-	-	-	-	-	25,171
Interest Earnings	16,967	97	23,963	5,621	29,428	1,866	10,726	14,176	41,593	16,274	13,068	104,085	8,258	50,988	2,548	339,658
Intergovernmental Revenues	-	-	335,749	-	-	-	-	-	1,041,663	-	-	-	-	-	-	1,377,412
Charges for Services	73,745	-	62,352	-	-	-	-	-	-	-	-	-	-	-	-	136,097
Miscellaneous	-	53,249	-	-	10,628	6,818	-	-	-	-	-	-	15,390	-	-	86,085
Total Revenues	90,712	53,346	1,044,296	177,829	40,056	8,684	10,726	14,176	1,083,256	222,977	175,843	104,085	23,648	2,220,580	2,548	5,272,762
Expenditures																
Public Safety	-	-	1,068,028	-	-	-	-	-	-	210,000	-	-	-	-	-	1,278,028
Public Works	82,272	-	-	194,599	-	12,421	-	-	936,788	-	144,963	-	-	996,461	-	2,367,504
Parks and Recreation	-	67,388	-	-	250,000	-	3,300	101,172	-	-	-	79,029	-	-	-	500,889
Employee Benefits	-	-	6,720	-	-	-	-	-	-	-	-	-	-	-	-	6,720
Capital Outlays	-	-	-	-	514,770	-	-	-	74,500	-	-	200,919	-	552,311	-	1,342,500
Total Expenditures	82,272	67,388	1,074,748	194,599	764,770	12,421	3,300	101,172	1,011,288	210,000	144,963	279,948	-	1,548,772	-	5,495,641
Excess (Deficiency) of Revenues Over Expenditures	8,440	(14,042)	(30,452)	(16,770)	(724,714)	(3,737)	7,426	(86,996)	71,968	12,977	30,880	(175,863)	23,648	671,808	2,548	(222,879)
Other Financing Sources (Uses)																
Proceeds from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	250	-	-	-	-	250
Transfers In	-	69,069	-	-	-	-	-	-	-	-	-	700,000	-	-	-	769,069
Transfers Out	-	(54,069)	-	-	-	-	-	-	-	-	-	-	-	-	-	(54,069)
Total Other Financing Sources (Uses)	-	15,000	-	-	-	-	-	-	-	-	250	700,000	-	-	-	715,250
Net Changes in Fund Balance	8,440	958	(30,452)	(16,770)	(724,714)	(3,737)	7,426	(86,996)	71,968	12,977	31,130	524,137	23,648	671,808	2,548	492,371
Fund Balances at Beginning of Year	215,554	(2,823)	170,249	38,029	798,558	212,699	155,086	321,662	683,421	14,379	110,157	3,882	81,646	235,563	10,548	3,048,610
Fund Balances at End of Year	$ 223,994	$ (1,865)	$ 139,797	$ 21,259	$ 73,844	$ 208,962	$ 162,512	$ 234,666	$ 755,389	$ 27,356	$ 141,287	$ 528,019	$ 105,294	$ 907,371	$ 13,096	$ 3,540,981

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST AND EMPLOYEE BENEFIT FUNDS
DECEMBER 31, 2025

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	Pension Trust Funds				
	Police Pension	Non-Uniform Pension	Deferred Contribution Plan	Deferred Retirement Option Plan Fund	Total Pension Trust and Employee Benefit Funds
ASSETS					
Cash and cash equivalents	$ 65,284	$ 183,095	$ -	$ -	$ 248,379
Investments	20,913,150	11,722,203	2,323,420	203,816	35,162,589
TOTAL ASSETS	20,978,434	11,905,298	2,323,420	203,816	35,410,968
NET POSITION					
Net position restricted for pensions	20,978,434	11,905,298	2,323,420	-	35,207,152
Net position restricted for other purposes	-	-	-	203,816	203,816
TOTAL NET POSITION	$ 20,978,434	$ 11,905,298	$ 2,323,420	$ 203,816	$ 35,410,968

TOWNSHIP OF LOWER MAKEFIELD, PENNSYLVANIA
COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST AND EMPLOYEE BENEFIT FUNDS
YEAR ENDED DECEMBER 31, 2025

	Pension Trust Funds				
	Police Pension	Non-Uniform Pension	Deferred Contribution Plan	Deferred Retirement Option Plan Fund	Total Pension Trust and Employee Benefit Funds
ADDITIONS					
Contributions					
Employer	$ 760,595	$ 390,013	$ -	$ -	$ 1,150,608
Member	204,990	37,760	610,913	76,922	930,585
State aid	753,221	-	-	-	753,221
TOTAL CONTRIBUTIONS	1,718,806	427,773	610,913	76,922	2,834,414
Investment income (loss)					
Net appreciation (depreciation) in fair value of investments	2,159,888	1,293,508	289,419	13,425	3,756,240
Interest income	6,077	3,979	-	-	10,056
Dividend income	533,612	326,411	-	-	860,023
TOTAL INVESTMENT INCOME (LOSS)	2,699,577	1,623,898	289,419	13,425	4,626,319
TOTAL ADDITIONS	4,418,383	2,051,671	900,332	90,347	7,460,733
DEDUCTIONS					
Administrative expenses	-	-	-	79	79
Benefits	1,345,389	891,727	3,000	672,550	2,912,666
Other	64,560	38,139	-	-	102,699
TOTAL DEDUCTIONS	1,409,949	929,866	3,000	672,629	3,015,444
CHANGE IN NET POSITION	3,008,434	1,121,805	897,332	(582,282)	4,445,289
NET POSITION					
BEGINNING OF YEAR	17,970,000	10,783,493	1,426,088	786,098	30,965,679
END OF YEAR	$ 20,978,434	$ 11,905,298	$ 2,323,420	$ 203,816	$ 35,410,968