

TOWNSHIP OF
—MIDDLETOWN—
BUCKS COUNTY



2026
Proposed Budget

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ELECTED & APPOINTED OFFICIALS

ELECTED OFFICIALS

Board of Supervisors

Mike Ksiazek, Chairperson
Bernadette Hannah, Vice Chairperson
Dawn Quirple, Secretary
Dana Kane

Tax Collector

Ray Chapman

Elected Auditors

Hannah Stackawitz, Chairperson
Matthew Diaz, Vice Chairperson
Susan Corcoran, Secretary

APPOINTED OFFICIALS

Executive Officials

Eden Ratliff, Township Manager
Nick Valla, Assistant Township Manager
Joseph Bartorilla, Chief of Police
Laura Hucklebridge, Director of Finance
Miranda Colon, Executive Assistant
Jim Ennis, Director of Building and Zoning
Melissa Gargan, Director of Human Resources
Eric Gartenmayer, Director of Public Works
Paul Kopera, Director of Parks and Recreation

Professional Consultants

Jim Esposito, Esq., Curtin & Heefner, Township Solicitor
Isaac Kessler, P.E., Remington & Vernick, Township Engineer
Matthew Johnston, P.E., Pennoni, Township Traffic Engineer



BOARD OF SUPERVISORS

Mike Ksiazek, Chairperson

Elected to the Board of Supervisors in 2017, Mr. Ksiazek has previously served as Chairperson in 2020, 2022, and 2024, and Vice Chairperson in 2018 and 2019. He was re-elected to a second term in 2023. In addition to his community activism, Mr. Ksiazek is an attorney for Stark & Stark in Yardley. He resides in Langhorne with his wife Chrissy and their children Cole, Caylie, and Caden. Mr. Ksiazek's term expires in 2029.



Bernadette Hannah, Vice Chairperson

Elected to the Board of Supervisors in 2021, Ms. Hannah has served as Vice Chairperson since 2024, and served as Secretary in 2023. She also serves as the Supervisor of Elementary Curriculum for the Bristol Township School District. Prior to her role as a Supervisor, Ms. Hannah was the inaugural chairperson of the Middletown Township Human Relations Commission. She resides with her daughters in Levittown. Ms. Hannah's term expires in 2027.



Dawn Quirple, Secretary

Elected to the Board of Supervisors in 2019, Ms. Quirple served as Secretary in 2021 & 2022 before being appointed Vice Chairperson in 2023. Ms. Quirple is a Legislative Assistant for Representative Tina Davis (PA-141). She resides in Levittown with her husband Danny and their children, Drew and Brie. Ms. Quirple's term expires in 2025.



Dana Kane

Elected to the Board of Supervisors in 2021, Ms. Kane is the Director of Medical Economics and Value Based Care at Clover Health. In her free time, she volunteers with the Actuaries Club of Philadelphia. She resides with her husband Michael and their children Carlyn, Alexander, and Sean, and black lab Libby in Langhorne. Ms. Kane's term expires in 2027.



Remembering Supervisor Anna Payne

1985 - 2025



Middletown Township honors the life, leadership, and legacy of Supervisor Anna Payne, whose courage, compassion, and dedication to public service continues to inspire our community.

After being elected Auditor in 2017, Anna was elected to the Board of Supervisors in 2019. Anna was a passionate advocate for inclusivity, equity, and community connection. She championed

initiatives that strengthened the Township's outreach, transparency, and engagement with residents. Among her many accomplishments, Anna was instrumental in establishing the Middletown Township Human Relations Committee, fostering dialogue and understanding across our diverse community.

Her work on numerous Township projects—including expanding accessibility in public facilities, supporting first responders, and enhancing recreation and human services—reflects her steadfast belief in building a more compassionate, connected, and accessible community.

Anna's kindness, empathy, and spirit of service touched all who had the privilege of working with her. Though she is no longer with us, her legacy continues through every program, partnership, and policy shaped by her vision for a better Middletown Township.

Anna will forever be an inspiration to all of Middletown Township.

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Township of Middletown
Pennsylvania**

For the Fiscal Year Beginning

January 01, 2025

Christopher P. Morrell

Executive Director

AWARDS AND ACCREDITATIONS



Distinguished Budget Presentation Award

GFOA Distinguished Budget Presentation Award (2025)

The Government Finance Officers Association (GFOA) establishes nationally-recognized standards for governmental budgeting. Middletown Township received this award for the seventh time in 2025. **Middletown Township is among fewer than 1% of governmental bodies in Pennsylvania to earn this achievement.**



Certificate of Achievement FOR EXCELLENCE IN Financial Reporting

GFOA Certificate of Achievement for Excellence in Financial Reporting (2023)

First awarded in 1996, Middletown Township is an **twenty-one time recipient** of the GFOA Certificate of Achievement for Excellence in Financial Reporting. The Township has earned this award for the last ten consecutive years. This award recognizes governmental bodies for preparing their annual audited financial report in accordance with nationally-recognized standards for financial reporting. The award status is pending for the 2024 submission.

MOODY'S Aaa Bond Rating

Aaa Bond Rating by Moody's (2023)

In 2021, Middletown Township earned its second consecutive triple-A credit rating by Moody's, the highest possible credit rating issued by the agency. Moody's reaffirmed Middletown's credit rating in 2023 and cited the Township's financial outlook as stable. Moody's issued the Township a triple-A credit rating for its strong management, financial health, and vibrant local economy.



Certified Platinum Sustainable Community (2022)

Middletown Township became the tenth Certified Platinum Sustainable Community through the Sustainable Pennsylvania Community Certification program in 2022, the highest possible honor. This program indicates the Township deploys sustainable practices within its organization and throughout the community. Middletown Township is proud to be one of only two municipalities in Southeastern Pennsylvania to earn this achievement.



Pennsylvania Police Chief's Association Accredited Law Enforcement Agency (2023)

The Middletown Township Police Department became the 43rd law enforcement agency to earn accreditation by the Pennsylvania Chiefs of Police Association, and the second in Bucks County in 2008. Reaccredited for the fifth time in 2023, the Middletown Township Police Department is one of 194 law enforcement agencies in Pennsylvania and one of 25 in Bucks County to earn and maintain this achievement. This accreditation adds authority and legitimacy to the Middletown Township Police Department when working with other local, state, and federal law enforcement authorities.



MEET OUR MANAGEMENT TEAM

Eden Ratliff, Township Manager



Appointed in 2025, Mr. Ratliff brings more than a decade of municipal management experience to Middletown Township. He has served as Township Manager in three Pennsylvania communities, leading efforts to strengthen financial controls, advance infrastructure investment, and enhance public transparency. During his tenure in Kennett Township, he implemented organizational reforms that restored community trust and modernized township operations. Prior to his appointment in Middletown Township, he served as Deputy City Manager for Administration in Charlottesville, Virginia. Mr. Ratliff remains dedicated to fostering transparent, efficient, and community-focused government.

Nick Valla, Assistant Township Manager

Mr. Valla was appointed as the Assistant Township Manager in January 2021 after beginning with the Township in June 2018 as a Management Intern and as the Management Analyst. Originally from Central California, Mr. Valla earned his Bachelor's degree in Political Science from Fresno Pacific University and his Master of Public Administration from Villanova University. In his spare time, Mr. Valla serves as the Treasurer of the Middletown Community Foundation, Second Vice President of the Bucks County Consortium, Chairperson of the Membership Committee of the Association for Pennsylvania Municipal Management (APMM) and a member of the Assistant Chief Administrative Officer (ACAO) Committee for the International City/County Management Association (ICMA).



Joseph Bartorilla, Chief of Police



Chief Bartorilla was appointed Chief of the Middletown Township Police Department in 2014. Prior to Middletown, he worked in the Philadelphia Police Department and Philadelphia Housing Police Department for a combined 23 years. Chief Bartorilla has his Bachelor's and Master's degrees from Fairleigh-Dickinson University, and is a graduate of the FBI National Academy, Northwestern SPSC, and PERF's Senior Management Institute. Chief Bartorilla currently serves on the Bucks County Police Chiefs Association executive board as the second vice president.

Laura Hucklebridge, Director of Finance

Ms. Hucklebridge was appointed in 2024 and joins Middletown Township as the Director of Finance. She has 22 years of experience as an auditor and accountant with public, private and governmental organizations. She is a responsible steward of the Township's financial resources. She most recently served as the Director of Finance at the Warminster Municipal Authority. Ms. Hucklebridge has a Bachelor's degree in accounting from Lehigh University and holds a CPA license in the Commonwealth of Pennsylvania.





Jim Ennis, Director of Building & Zoning



Jim Ennis joined Middletown Township in 2022 as the Director of Building & Zoning after working in similar roles for several years in Upper Dublin Township and New Hope Borough. Prior to his tenure in municipal government, Mr. Ennis worked for the Montgomery County Planning Commission and a third-party inspection agency. He has a Master in Community and Regional Planning from Temple University and a Bachelor's degree in geography from Kutztown University. Mr. Ennis also holds a certification from the American Institute of Certified Planners (AICP).

Melissa Gargan, Director of Human Resources

Melissa Gargan was appointed as Middletown Township's first Human Resources Director in 2025. Prior to joining Middletown, she served the Abington Township Police Department for 17 years, advancing through several leadership positions including Director of Youth Programs, Manager of Administrative Services, and Human Resources Manager. Melissa holds a Bachelor of Science in Business Administration from Kutztown University and is a graduate of Abington High School. She brings extensive experience in public sector administration, employee relations, and organizational development, and looks forward to building a strong, people-centered HR Department that supports the Township's dedicated workforce.



Eric Gartenmayer, Director of Public Works



Eric Gartenmayer began working for the Middletown Township Department of Public Works as an equipment operator in 2006. Prior to Middletown Township, he worked for the Upper Southampton Municipal Authority and the Neshaminy School District for a combined 20 years. Since being appointed Director in 2024, Mr. Gartenmayer has been instrumental in working with other departments on various infrastructure projects. In addition to his professional achievements, Eric is a lifetime member and former Chief of the Lower Southampton Fire Company, where he has demonstrated his commitment to community service and leadership.

Paul Kopera, Director of Parks & Recreation

Paul Kopera has been the Director of Parks & Recreation for Middletown Township since March 2018. Mr. Kopera started in the Department of Parks & Recreation in 2006 and is a 37-year resident of Middletown Township. Paul's two children were very active in the community, familiarizing him with the township's parks and other amenities. Being active with his children fueled his desire to become a parks & recreation professional. In the last few years, he has doubled the department's program revenue and has overseen several major capital improvement projects. Mr. Kopera earned his bachelor's degree in economics from Fordham University in 1982.





M E E T T H E B U D G E T T E A M

The Middletown Township Budget Team is dedicated to maintaining transparency, fiscal responsibility, and excellence in public service. Formed for the development of the 2026 Annual Budget, this cross-departmental group collaborated to produce a comprehensive and balanced plan that aligns Township resources with community priorities.

The Budget Team works year-round to monitor financial trends, evaluate department needs, and ensure that every dollar is spent responsibly. Their collective expertise supports long-term stability, operational efficiency, and strategic investments in Middletown Township's future.

Budget Team

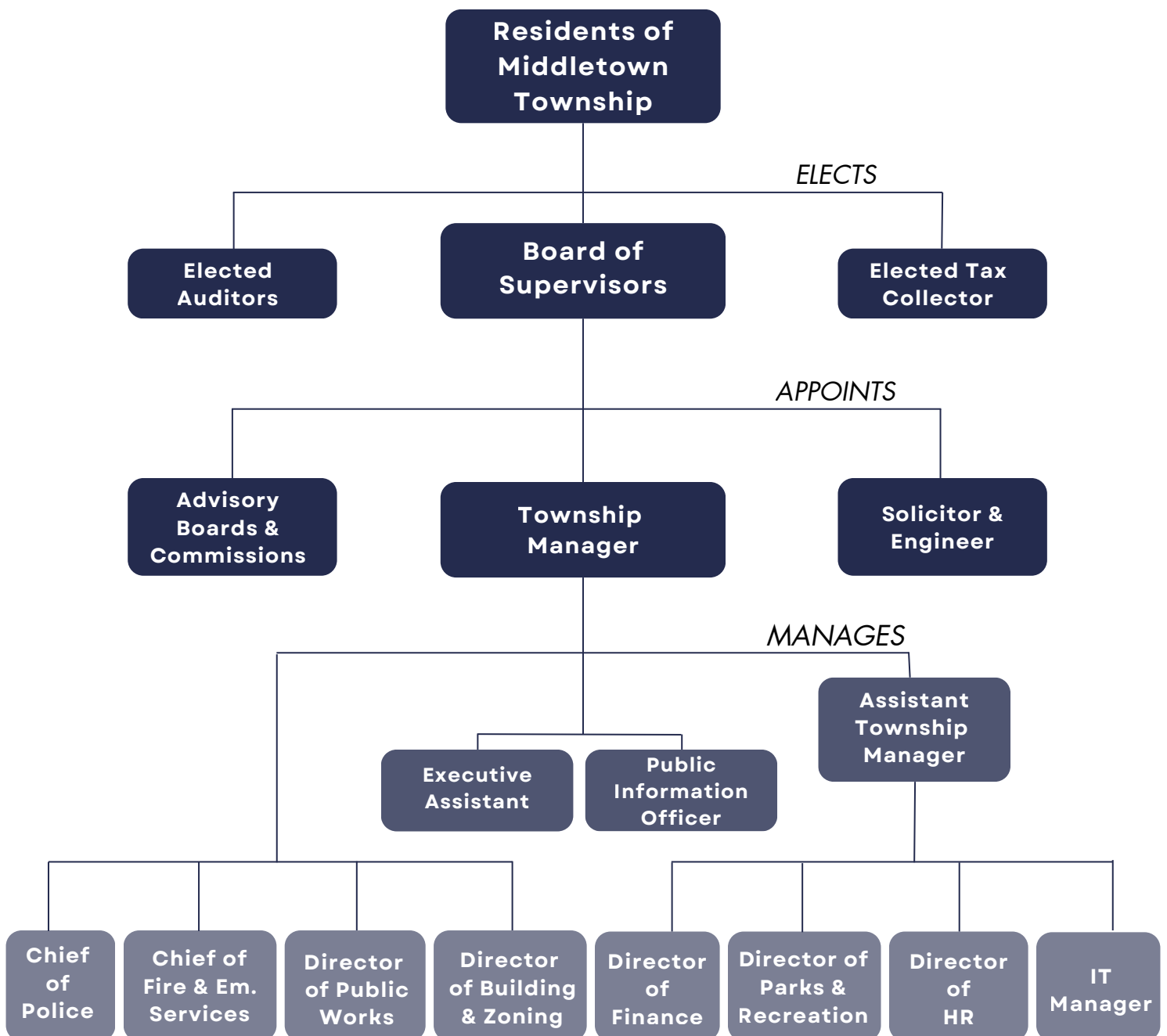
Eden Ratliff, Township Manager
Nick Valla, Assistant Township Manager
Laura Hucklebridge, Director of Finance
Miranda Colon, Executive Assistant
Jim Ennis, Director of Building and Zoning
Mary Hendershot, Accountant
Liz Martin, Public Information Officer (PIO)
Nicole Tener, Program Coordinator/Acting PIO

.....
Committed to fiscal transparency, accountability, and service excellence.



ORGANIZATION CHART

TOWNSHIP OF
—MIDDLETOWN—
BUCKS COUNTY



Boards and Commissions

In addition to the Board of Supervisors, Middletown Township has ten standing boards and commissions with membership appointed by the Board of Supervisors. Each board and commission serves a unique role advising the Board of Supervisors on key issues and interest areas. A staff member typically acts as a liaison between the board and the administration. Some boards convene consistently while others convene as topics arise. Please check the [Township website](#) for meeting dates.

Board of Code Appeals

The Board of Code Appeals exists to adjudicate appeals to the Township's adopted building code and meets on as-needed basis. The Board consists of five members.

Citizens Traffic Commission

The Citizens Traffic Commission advises the Board of Supervisors on transportation, pedestrian connectivity, and other traffic issues on Township roads. The Citizens' Traffic Commission consists of five resident members and several Township staff, led by the Assistant Township Manager. The Commission works with the Township Traffic Engineer and Police Department to prioritize resident concerns and recommend solutions to the Board of Supervisors.

Environmental Advisory Council

The Environmental Advisory Council advises the Board of Supervisors on matters concerning the conservation and preservation of natural resources (i.e. wetlands, flood plain areas) located in the Township. The Environmental Advisory Council consists of seven members, led by the Director of Parks and Recreation.

Financial Advisory Committee

The Financial Advisory Committee makes recommendations to the Board of Supervisors on the management of the Township's Investment Fund. The Financial Advisory Committee consists of seven members, led by the Director of Finance.

Historic Preservation Commission

The Historic Preservation Commission identifies and encourages preservation of historically significant structures in the Township, meeting on an as-needed basis. Requests can be made to have a property designated as historically significant by the Township. The Historic Preservation Commission consists of nine members, led by the Township Manager.

Human Relations Commission

Formerly known as the Disabled Persons Advisory Board and established in 2020, the Human Relations Commission acts as a local subsidiary of the Pennsylvania Human Relations Commission and is charged with reviewing and mediating allegations of discrimination in housing, employment, public accommodation, and access to education within the Township. The Human Relations Commission consists of seven members, led by the Township Manager's Office.

Parks & Recreation Board

The Park and Recreation Board is responsible for advising the equipping, supervision, and maintenance of the Townships' parks, establishing and conducting a variety of recreation activities, and planning for recreation opportunities in the Township. The Parks and Recreation Board consists of seven members, led by the Director of Parks and Recreation.

Planning Commission

The Planning Commission reviews subdivision and land development applications that have been submitted to the Township. The Commission acts as an advisory body to the Board of Supervisors regarding all planning and zoning issues. The Planning Commission consists of seven members, led by the Director of Building and Zoning.

Stormwater Advisory Committee

Established in 2025, the Stormwater Advisory Committee provides oversight of the Township's Stormwater Fund, where proceeds from the Stormwater Impact Fee are managed. The Committee also advises on planned improvement projects, adjudicating appeals of the Stormwater Impact Fee from property owners, and making recommendations on changes to the Fee. The Stormwater Advisory Committee consists of five members and is led by the Assistant Township Manager.

Youth Aid Panel

The Youth Aid Panel provides an alternative to the juvenile court system in dealing with first time summary and misdemeanor offenders, working to prevent juvenile offenders from becoming more involved in delinquent activities. The Youth Aid Panel consists of seven members and is led by a civilian coordinator and liaison from the Police Department.

Zoning Hearing Board

The Zoning Hearing Board serves as an appellate board for those seeking relief from decisions of the Zoning Officer and is empowered by state law to grant variances and special exceptions from requirements of the zoning ordinance. The Zoning Hearing Board consists of five members, guided by the Director of Building & Zoning and the Zoning Hearing Board Solicitor.

Budget Purpose & Reader's Guide

Budget Purpose

The purpose of Middletown Township's budget is for the Board of Supervisors, the Township's governing body, to establish its priorities for the disbursement of funds to accomplish its goals. It is also the legal authorization for a Township government to spend money during a fiscal year for specific purposes. The budget is a financial, operations, communications, and policy guide which reflects the allocation of limited resources among competing uses and community needs. Additionally, it serves as an ongoing guide to staff about how funds are to be expended in accordance with the public's needs. To the public, the budget describes and details how the Township accumulates and dispenses its resources.

Reader's Guide

This reader's guide outlines the Township's budget process, clarifies format and content, and helps navigate this document. Middletown Township prepares its budget and associated contextual information in accordance with Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award standards, empowering all stakeholders—the Board of Supervisors, Township staff, taxpayers, business owners, patrons, and neighbors—to be more informed and make more informed decisions. Readers are encouraged to take advantage of this document to find additional information related to the Middletown Township annual budget.

First-time readers should review the Executive Summary, which includes a high-level overview of the Township's finances, services, and the various factors impacting both. It also identifies how the Township's finances are allocated to support the Board of Supervisors' goals.

The line-item budget contains past, present, and planned revenues and expenditures across all areas of the Township, organized by fund. Here, individual expenses are organized into common categories, making it easier for decision-makers to monitor changes from year to year. This is commonly used to anticipate future trends and concerns so that decision-makers can plan accordingly to mitigate or plan for these changes.

Following the line-item budget is an analysis of revenues and expenditures, organized by type. Each section dissects individual revenue sources and expenditures, showing trends over time and the underlying factors driving those trends. In some cases, a comparative analysis to similar or nearby communities is included. Following this section is an overview of the Township's debts.

The next section includes a comprehensive five-year Capital Improvement Plan, with detailed descriptions for 2026 projects. The budget document concludes with a glossary of terms.

Reading the Line-Item Budget

		2026 BUDGET						
		1 GENERAL FUND						
		2 EXPENDITURES						
		6						
3	8	4	5	6	7	7		
ACCOUNT NUMBER	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
FIRE PROTECTION SERVICES								
01-411-112	Salaries and Wages	\$ 607,237	\$ 167,383	\$ 210,000	\$ 248,660	\$ 182,000	(28,000)	-13.3%
01-411-149	Holiday Pay	-	-	8,000	6,000	6,000	(2,000)	-25.0%
01-411-180	Overtime Salaries	79,533	39,200	20,000	25,600	25,000	5,000	25.0%
01-411-192	FICA/Medicare	56,248	15,716	20,000	20,950	16,300	(3,700)	-18.5%
01-411-196	Medical Insurance	180,586	63,213	55,000	75,000	62,000	7,000	12.7%

- Fund name.** Each of the Township's funds has its own line-item budget.
- Section of budget.** This label will read either "revenues," "expenditures," or "summary."
- Account number.** These numbers allow Township funds to be categorized in the correct fund and fund category.
- Prior years' numbers.** These numbers show money actually collected/spent in the given year. Providing actual numbers from prior years helps show growth and decline within individual accounts over time after adjustments are made.
- Budgeted Funds.** This is the amount of money budgeted by Township staff to be collected/spent for each fiscal year.
- 2025 Projection.** This is the amount of money Township staff estimates will actually be collected/spent by the end of 2025.
- Variance.** This figure, expressed in dollars and percentages, depicts the change from the current budget to the proposed budget.
- Fund department.** Within each fund, there are several categories of revenues and expenditures. These departments summarize related line items.
- Account description.** Each account number has an associated account description which describes the activity of the associated account number.
- Fund number.** The first two digits of the account number correspond to each fund. Because this fund above is considered Fund 01, the first two numbers are "01."
- Fund department number.** The middle three numbers correspond to the fund department, each of which aligns with the Commonwealth's Chart of Accounts. Generally, department numbers beginning with a "3" refer to revenue items, and department numbers beginning with a "4" refer to expenditure items.
- Fund category number.** The final three digits correspond to each line item. Matching line items in different fund categories will have the same final three digits. This number indicates where transactions occur.

For more information, review the [Pennsylvania Chart of Accounts](#).

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November 17, 2025

In accordance with Chapter 62-105 B.(3) of the Middletown Township Code of Ordinances, I hereby present a balanced budget to the Board of Supervisors and residents of Middletown Township for the year 2026. As required by code, the proposed budget represents an accounting of expected and needed revenues, as well as expenditures, for the budget year and incorporates feedback provided from the Board of Supervisors, community, and Township Department Heads. The proposed budget is a policy document designed to allocate resources needed to support local government operations and services, address unmet needs of the community, and make substantial progress in achieving the policy priorities of the Board of Supervisors.

The proposed 2026 Budget contemplates a tax increase to fund the government that has been balancing its operations by spending down its fund balance for the past several budget years. The 2025 Budget was adopted with a \$2.8 million structural deficit in the General Fund which historically grows by \$1 million per year. Additionally, the Township has steadily reduced investment in infrastructure as a means to lessen the impact of the structural deficit, creating a backlog of maintenance issues that need to be addressed.

The proposed 2026 Budget contemplates an increase to the Earned Income Tax (EIT) from the current 0.5% to 1.0% as well as a Real Estate Tax increase of 6.08 mills to support the rising costs of public safety, fire protection, infrastructure maintenance, and our parks and open spaces.

Without a tax increase, significant reductions in service—nearly 20% of all staff—will be necessary to balance the budget. In hearing the feedback from the community and the Board of Supervisors, it is clear that residents demand a high level of service from their municipal government. This budget contemplates a funding plan to fulfill that expectation.

Additional revenue proposed for the 2026 Budget will represent significant investments into the Township's aging infrastructure including roads, curb ramps, and stormwater drainage, volunteer and career fire services, internal efficiency gains, and Board of Supervisor policy priorities.

This proposed budget and supplemental budget book will be submitted for the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the 8th consecutive time, an award only provided to organizations who go above and beyond to provide detailed supplemental data to support the proposed budget. Middletown Township has received this award each of the last seven years demonstrating its commitment to strong financial planning and transparency. For those who want to understand the municipal budget, how the government is funded, why costs are changing, and the justification for a tax increase, I recommend you read this budget book in full.

Transparency in government operations is a cornerstone priority for the Board of Supervisors and leadership team of Middletown Township. The Township is obligated to provide certain services to its residents, maintain our vast infrastructure, enhance the existing quality of life, and be responsive to the community. The 2026 budget process was built on these principles with four public budget workshops designed to provide information and education about the budget to the community and

elected body and receive real time feedback in return. The workshops focused on capital planning, operations, revenues, and modeling of different scenarios so participants could weigh in on various options including reducing or eliminating existing services, providing additional funding to the Township, and hybrid combinations. [All meetings were recorded and are available for viewing on the Township website.](#)

Local government funding is a challenge, especially when it comes to increasing taxes, and I am proud of the exhaustive efforts of our team to identify and secure grant funding from many different sources to keep the costs of Middletown Township government low. Grants have funded many recreational facilities, vehicles, equipment, curb ramps compliant with the Americans with Disabilities Act (ADA), stormwater infrastructure, and more. The 2026 Budget contemplates earned and potential grant awards of more than \$10 million from a variety of different sources. These grants help the Board of Supervisors advance their priorities while keeping the costs to the taxpayers as low as possible. I commend our Township staff for the work they put in to aggressively pursue grant funding.

The Township's fund balance policy requires the General Fund to maintain a balance of at least 25% of annual operating costs in reserves. The Township has far exceeded this percentage in the past and had used that fund balance to supplement infrastructure improvements in the past, and more recently to offset the operating deficit over the past couple of years. **At the end of 2025, the fund balance of the General Fund is at the minimum balance permitted by this policy.**

Continuing the practice of using General Fund reserves to offset the structural deficit in 2026 will violate the fund balance policy, and more crucially, jeopardize the Township's Aaa bond rating. The current budget proposes to balance the budget through strategic efficiency gains and increased tax revenue to end this practice.

The Township is also holding \$40 million in the Investment Fund that is the result of selling the water and wastewater systems to Bucks County Water & Sewer Authority in 2002. The investment returns from this fund have been rightly used to fund capital projects in the past. Long-term, the Investment Fund creates an unparalleled ability for the Township to finance future capital investments and rebuild the principal over time for future strategic priorities. I do not recommend that the Township use this one-time money to offset the costs of general operations because once the one-time money is gone, the budget would be structurally out of balance and headed toward a major fiscal cliff. It is a priority for each operating and enterprise fund to be structurally balanced, which can be achieved with the tax strategy laid out in this proposed budget.

The story of the 2026 proposed budget is told throughout the remainder of the budget book and is one of investment into local government services. For example, the Township will be paving roads at four times the current rate with nine (9) miles planned for 2026. ADA curb ramps will be replaced at three and a half times the current rate, putting the Township on a replacement schedule mirroring the life cycle of this infrastructure. Additionally, there will be three times more stormwater inlets replaced allowing for proactive maintenance which our aged drainage network sorely needs.

Additional investments into the Township include:

- Strategic transparency focused on educating the public about the budget, funding, capital projects, and investments into the community and government services;
- Investment into volunteer firefighter retention and the existing career fire program to ensure Township residents consistently receive professional emergency services;
- Achieving structural balance in the General Fund, other operating funds, and enterprise funds, ensuring revenues match or exceed expenditures;
- Strengthening our investments into Township infrastructure including road paving, ADA curb ramps, stormwater drainage, parks, and Township-owned facilities; and
- Enhancing our financial strength by maintaining our minimally-required fund balance in the General Fund, achieving structural operating balances, and preserving invested funds.

Local government is the form of government that is closest to the people that it serves and has the obligation to engage and educate its residents about its government, the services it provides, and the impact it has on the community. The budget workshops and this budget book are created for the community with those obligations in mind.

The creation of a municipal budget is a monumental task that involves too many people to mention and thank. The proposed budget was developed by a dedicated budget team that consisted of myself and:

- Laura Hucklebridge, Director of Finance
- Nick Valla, Assistant Township Manager
- Jim Ennis, Director of Building and Zoning
- Mary Hendershot, Accountant
- Nicole Tener, Acting Public Information Officer
- Miranda Colon, Executive Assistant to the Township Manager
- Elizabeth Martin, Public Information Officer

The budget team had the responsibility of hearing every budget proposal and making recommendations regarding its inclusion as well as developing the strategy for both building and funding the budget as well as how to facilitate public discussions during its development and now after its proposal. Cumulatively they spent over a thousand hours hearing proposals, attending meetings, evaluating options, researching comparables, exploring alternatives to budget cuts and additions, and developing the strategy for the development and production process. Their dedication is unmatched and something I cannot be more appreciative for. The product is stronger because of their diverse perspectives and input as well as their commitment to providing first-class services to the community. To the budget team, thank you for getting us through this process as I know it was anything but easy.

To the Board of Supervisors, thank you for the honor to lead a team in developing the proposed budget aimed at achieving your policy priorities. Your engagement and leadership at this point have served as a strong guide in compiling this policy priority document. We look forward to your review process in the coming weeks.

To the community, we encourage you to thoughtfully engage the contents of this proposed budget book and interact with the Township in the review period. The Township strives to be transparent and responsive and seeks your informed feedback about what is being proposed.

Thank you.

A handwritten signature in black ink, appearing to read 'Eden Ratliff', with a stylized, flowing script.

Eden Ratliff
Township Manager

Budget Overview

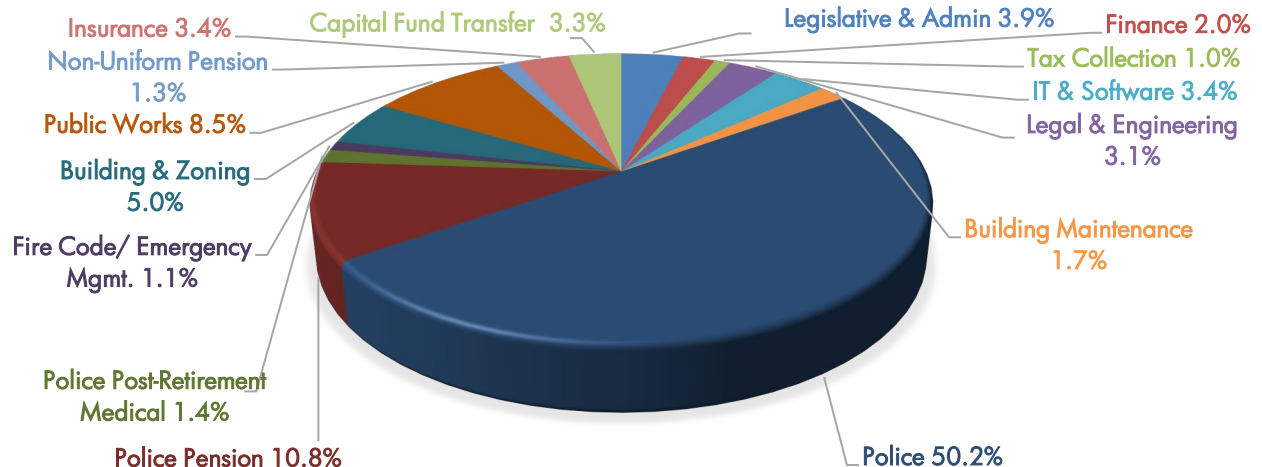
The overall 2026 Budget includes \$52,839,700 in operational expenditures across the Township's 15 operating and enterprise funds as well as \$5,132,100 in capital expenditures:

<i>FUND</i>	<i>2026 EXPENDITURES</i>
General	\$ 30,515,300
Street Lighting Tax	545,100
Fire Protection Tax	2,530,500
Parks and Recreation	2,640,200
Ambulance and Rescue	386,600
Road Machinery Tax	927,500
Fire Hydrant Tax	67,200
Fire Apparatus	-
Sanitation	5,652,500
Middletown Country Club	145,000
Farm	99,500
Stormwater	2,830,900
Debt Service	2,820,700
Investment	1,390,000
Highway Aid	2,568,000
TOTAL	\$ 53,119,000
Capital	\$ 5,132,100

Most of the Township's funds have restrictions on how revenues can be spent. For example, the Street Lighting Tax Fund can only incur expenses related to providing street lighting services to the Township. Unlike the other limited-purpose funds, the General Fund can be utilized for any operational expenses of the Township.

More than 57% of all budgeted operating expenses in 2026 will be incurred in the General Fund, which supports all operations of the Township with the exception of firefighting and parks and recreation.

2026 General Fund Expenditures by Category



Half of all expenditures in the General Fund are to support the cost of the daily operations of the Middletown Township Police Department. In addition, another 12.2% of all General Fund expenditures support the cost of police pensions and the post-retirement medical insurance benefit. Overall, 62.4% of every dollar in the General Fund is spent on police services.

“ Overall, 62.4% of every dollar in the General Fund is spent on police services. ”

The remaining 37.6% of the General Fund budget goes to support nearly all other services provided by Middletown Township. This includes Administration, Finance, Tax Collection, Legal, Engineering, Information Technology, Building Maintenance, Fire Code/Emergency Management, Building & Zoning, Public Works, Non-Uniform Pension, Insurance, and a transfer of \$1 million to the Capital Fund in 2026.

Within the General Fund, the overwhelming majority of expenses are related to the personnel providing services to the community. Salaries and wages, employee benefits, and pensions comprise more than 81% of all budgeted expenditures in the General Fund.

Across all service areas, the vast majority of expenses in the General Fund are attributable to salaries and wages to compensate personnel. The below chart outlines that 81.03% of all General Fund expenditures are attributed to personnel.

<i>EXPENDITURES</i>	<i>BUDGET</i>	<i>% OF TOTAL</i>	
Salaries & Wages	\$15,601,600	51.13%	PERSONNEL COSTS \$24,725,900 81.03%
Medical Cost	4,012,000	13.15%	
Other Benefits	1,408,000	4.61%	
Pension	3,704,300	12.14%	
Building Maintenance	100,000	0.33%	
Communications	121,200	0.40%	
Contracted Services	1,143,100	3.75%	
Engineering	145,000	0.48%	
Equipment	171,800	0.56%	
Fleet Maintenance	374,100	1.23%	
Legal	660,000	2.16%	
Memberships and Training	312,400	1.02%	
Operating Supplies	306,800	1.01%	
Property and Liability	475,000	1.56%	
Software	450,000	1.47%	
Tax Collection Fees	176,000	0.58%	
Utilities	280,000	0.92%	
Other Expenses	74,000	0.24%	
Capital Fund Transfer	1,000,000	3.28%	
TOTAL	\$30,515,300	100.00%	

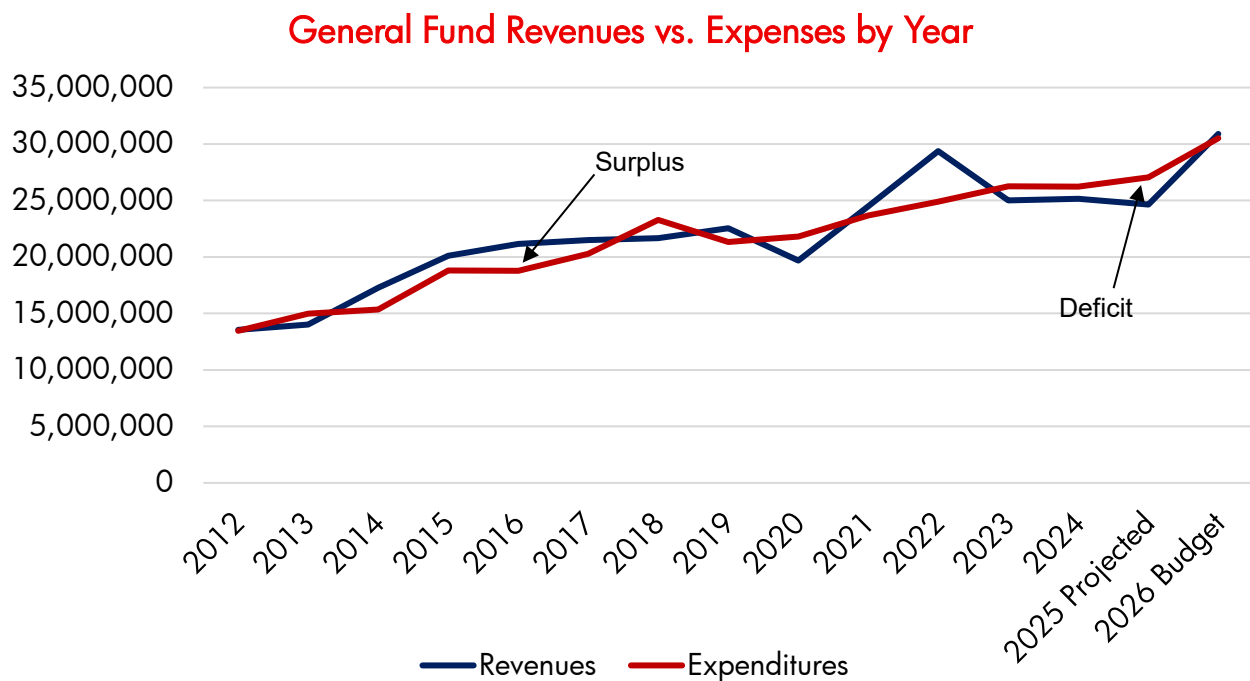
Extensive efforts are made on a routine basis to control costs. Examples include requesting proposals for professional services periodically to assure market alignment and finding service providers to offer comparable or better services for less cost.

Additionally, opportunities for efficiency gains are also routinely investigated and implemented where practical. Modern software systems that streamline workflows are one of the most common examples.

The Board of Supervisors and staff must continuously monitor spending on a monthly, quarterly, and annual basis. A continued commitment to improving service efficiency and controlling costs is crucial to maintaining the stability of the General Fund.

The General Fund does not have sufficient revenue to continue supporting the cost of Middletown Township's services to the community.

The General Fund does not have sufficient revenue to continue supporting the cost of Middletown Township's services to the community. A structural deficit—a persistent imbalance where expenses consistently exceed revenues, even when the economy is performing well—is clearly present in the General Fund. The cost of providing services generally grows by \$1 million per year in the General Fund just to maintain the existing level of service. Adequate investments in infrastructure have been sacrificed in recent years in an effort to focus resources on providing core services.



Critical Budgeting Details, Trends, and Assumptions

Many variables and assumptions are relevant in developing any budget. The 2026 Middletown Budget accounts for dozens of key factors, including the following:

Investing in Infrastructure

- The 2026 Budget proposes a significantly higher investment in road repaving. A total of \$2 million, which is four times the 2025 budgeted amount, is planned in the Highway Aid Fund for 2026. This will allow the Township to pave nine (9) miles of Township-owned roadways. Paving efforts will be focused in several neighborhoods within the Levittown section of the Township. This effort will be supported by three and a half times more ADA curb ramp installations in an ongoing effort to make Middletown more accessible to residents of all abilities.
- The Stormwater Fund, funded by proceeds from the Stormwater Impact Fee, will be playing a vital role in bolstering expanded stormwater management efforts in 2026. Three times as many stormwater inlets are planned in 2026 than were completed in 2025. Enhanced stormwater maintenance plays a critical role in minimizing the impact of large rain events.
- The 2026 Capital Improvement Plan details priority capital maintenance and capital improvements to the community in the coming five years, \$59.3 million in investments planned through 2030, with more than \$10.4 million in projects contemplated for 2026 across all funds.
- The Township's vehicle and equipment replacement needs have been consistently supported by the Bucks County Redevelopment Authority (RDA) Grant Program with supplemental funding from the Capital Fund and the Road Machinery Fund. Vehicle replacement has been streamlined through strategic oversight and implementation of departmental vehicle replacement plans, reflected in the Capital Improvement Plan.

The Township will pave nine miles of roadway —
a fourfold increase from 2025.

Township Staff

- In recent years, the Township has made minimal expansions to staff. Most changes since the COVID-19 pandemic have been in the Police Department and Department of Fire & Emergency Services. As staff have retired, departments have been reorganized and restructured to prioritize efficiency in an effort to control costs.



- Township employees are represented by four separate collective bargaining units. Contractual wage increases in 2026 will be 4% for the Police Benevolent Association (PBA), Independent Association of the Department of Public Works (DPW), Teamsters Local 107, and Crossing Guard Association.
- The 2026 Budget proposes the following staff changes:
 - Addition of five equipment operators in the Department of Public Works to focus on stormwater maintenance operations.
 - Addition of one fire lieutenant to provide structure to the Department of Fire & Emergency Services.
 - Addition of one professional engineer to reduce the cost to develop and implement infrastructure maintenance and improvement projects.
 - Reclassification of a part-time Information Technology to full-time to prioritize cybersecurity.
- All vacant positions across the organization are contemplated to be filled in 2026.

Fire Services

- Middletown Township is served by four volunteer fire companies. Dedicated volunteers from each of the four fire companies provide fire suppression services to township properties with daytime support from the Department of Fire and Emergency Services. Maintaining the viability of the four volunteer fire companies is critical to avoiding the potential cost of a fully paid department. The Township is actively collaborating with the fire companies to evaluate the level of response each company provides to assure taxpayers receive the fire protection services they expect.
- In an effort to retain existing volunteers and recruit new volunteers, an increase to both the volunteer stipend and tax credit programs are proposed. This budget contemplates a stipend increase from \$250 to \$599 per volunteer per year. The tax credit program is also being expanded from a maximum \$500 tax credit to a 100% credit from both Real Estate and Earned Income Taxes for active firefighters.
- Staff and fire company leaders are also collaborating to evaluate how much fire apparatus is needed to serve the Township and where it is to be deployed from, with the goal of maximizing response efficiency and reducing costly redundancy. A fire protection study to investigate this matter further is budgeted in the Fire Protection Fund in 2026.



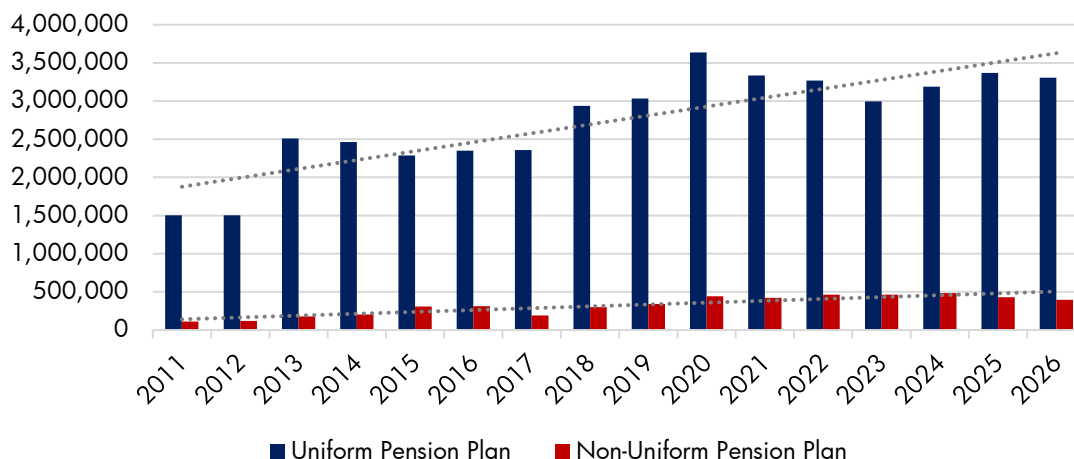
Insurance Coverages

- Middletown Township participates in two separate municipal insurance pools, the Delaware Valley Health Insurance Trust (DVHT) and Delaware Valley Workers' Compensation Trust (DVWCT). Municipal insurance pooling has been critical to stabilizing insurance costs in these two categories.
- The 2026 renewal from DVHT for health insurance is 6.6%, a fraction of the typical renewal rates experienced by the Township in the commercial market. The DVWCT 2026 renewal of 13.3% is impacted by an increased frequency in Workers' Compensation claims over the past year as well as the reclassification of fire inspectors to firefighters.
- Property and Liability Insurance is currently out to market. Premiums are expected to be stable due to a low claim volume.

Pension

- The Minimum Municipal Obligation (MMO) for 2026 was certified to the Board of Supervisors in September at \$3,306,700 for the Police Pension Plan and \$397,600 for the Non-Uniformed Pension Plan. The following chart details historical payments on the Township's pension obligation over the past fifteen years.
- New plan valuations are due soon and will guide future contribution requirements. Currently, the Police Pension Plan is 86.2% funded and the Non-Uniform Pension Plan is 94.6% funded. Though the Township has a long practice of only contributing the MMO to the pension plans, additional contributions may be required to curtail potential funding status declines.
- In 2026, it is recommended that a proposal process be administered for pension investment management services. With more than \$70 million in combined assets, the Township currently pays approximately \$500,000 to manage these plans, which is a key driver to the cost of the pension plans.

Minimum Municipal Obligation (MMO) by Year



Focusing on the Future

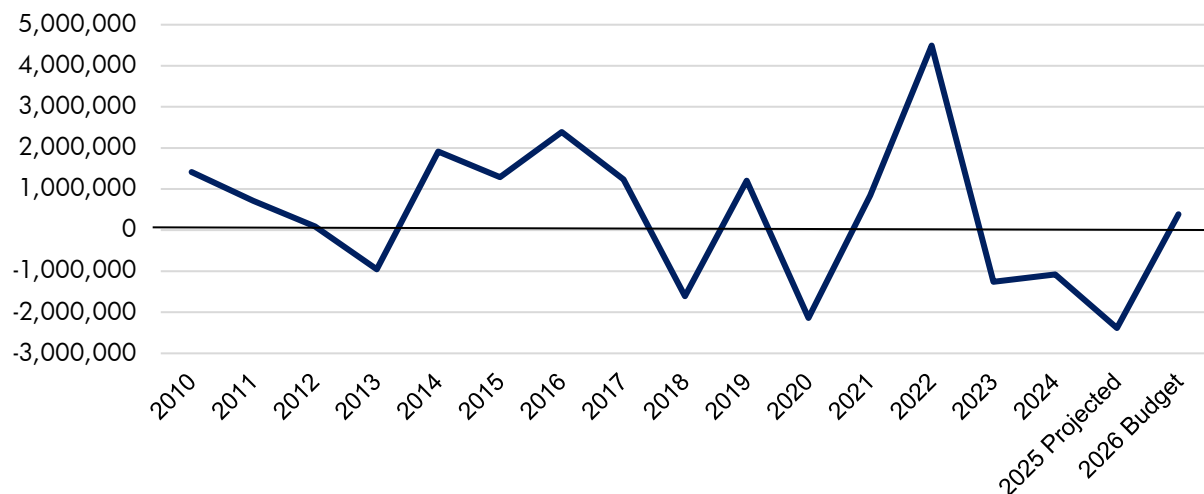
- Middletown Township has a tremendous amount of opportunity for revolutionizing the level of service residents receive in the coming years. While significant enhancements are programmed for 2026, there are several long-term opportunities the Board of Supervisors plans to investigate for the future. One such example is the Middletown Country Club, a Township-owned golf course with a lease agreement set to expire in December 2028. A feasibility study is planned in the Country Club Fund in 2026 to evaluate all possible options for the property once the lease expires.
- Significant planning efforts for future projects are underway. By the end of the decade, more than \$9 million in stormwater improvements are planned. Much of 2026 will be spent building out the details of those plans for eventual implementation. With the addition of an engineer, extra attention will be focused on designing improvements that maximize resources.
- At the Public Works Facility in Levittown, a significant overhaul of the rear garage building is planned in the coming years, with extensive design work planned in 2026. Several grant applications have been submitted to multiple sources to secure funding for construction, expected to start in 2027.



Revenues and Proposed Tax Increase

Increases to the two primary sources of revenue for the Township—the Earned Income Tax (EIT) and Real Estate Tax—are proposed in 2026. Expenditures in the General Fund outpace any revenue growth. When allowed to persist long enough, a structural deficit emerges.

General Fund Income/Loss by Year



Earned Income Tax

The EIT, currently at a rate of 0.5%, is among the lowest of all municipalities in Bucks County. An increase to the EIT to 1.0% is contemplated in the 2026 Budget. Additional legislation will be required to effectuate this change.

Of all 31 townships in the County, Middletown Township was tied at 29th with Bristol Township for the second-lowest total EIT rate in Bucks County paid by residents. Middletown Township residents who work in another municipality with a higher EIT rate pay the difference to the municipality in which they work. For residents working in most other municipalities, they are typically paying a 1.0% and will not experience a tax increase, but rather will now see their tax dollars invested in their own community.

<i>RANK</i>	<i>TOWNSHIP</i>	<i>TWP EIT*</i>	<i>SCHOOL DISTRICT</i>	<i>SD EIT*</i>	<i>TOTAL EIT</i>
1	Milford	0.75%	Quakertown	1.00%	1.75%
1	East Rockhill	0.75%	Pennridge	1.00%	1.75%
1	Bedminster	0.75%	Pennridge	1.00%	1.75%
1	West Rockhill	0.75%	Pennridge	1.00%	1.75%
5	Richland	0.60%	Quakertown	1.00%	1.60%
6	Haycock	0.50%	Quakertown	1.00%	1.50%
6	Hilltown	0.50%	Pennridge	1.00%	1.50%
8	Springfield	0.75%	Palisades	0.50%	1.25%
8	Tinicum	0.75%	Palisades	0.50%	1.25%
8	Nockamixon	0.75%	Palisades	0.50%	1.25%
11	New Britain	0.63%	Central Bucks	0.50%	1.13%
12	Falls	1.00%	Pennsbury	0.00%	1.00%
12	Bensalem	1.00%	Bensalem	0.00%	1.00%
12	Lower Southampton	1.00%	Neshaminy	0.00%	1.00%
15	Upper Southampton	0.50%	Centennial	0.50%	1.00%
15	Warminster	0.50%	Centennial	0.50%	1.00%
15	Northampton	0.50%	Council Rock	0.50%	1.00%
15	Warrington	0.50%	Central Bucks	0.50%	1.00%
15	Doylestown	0.50%	Central Bucks	0.50%	1.00%
15	Warwick	0.50%	Central Bucks	0.50%	1.00%
15	Plumstead	0.50%	Central Bucks	0.50%	1.00%
15	Wrightstown	0.50%	Council Rock	0.50%	1.00%
15	Newtown	0.50%	Council Rock	0.50%	1.00%
15	Upper Makefield	0.50%	Council Rock	0.50%	1.00%
15	Buckingham	0.50%	Central Bucks	0.50%	1.00%
15	Solebury	0.50%	NH/Solebury	0.50%	1.00%
15	Durham	0.50%	Palisades	0.50%	1.00%
15	Bridgeton	0.50%	Palisades	0.50%	1.00%
29	Bristol	0.50%	Bristol Twp	0.00%	0.50%
29	Middletown	0.50%	Neshaminy	0.00%	0.50%
31	Lower Makefield	0.00%	Pennsbury	0.00%	0.00%

<i>MUNICIPALITY</i>	<i>MUNI EIT*</i>	<i>SCHOOL DISTRICT</i>	<i>SD EIT*</i>	<i>TOTAL EIT</i>
Langhorne Borough	1.00%	Neshaminy	0.00%	1.00%
Penndel Borough	1.00%	Neshaminy	0.00%	1.00%
Hulmeville Borough	1.00%	Neshaminy	0.00%	1.00%
Lower Southampton Township	1.00%	Neshaminy	0.00%	1.00%
Middletown Township	0.50%	Neshaminy	0.00%	1.00%
Langhorne Manor Borough	0.00%	Neshaminy	0.00%	0.00%

*Denotes current rates as of November 2025.

While some school districts in Bucks County have an EIT, Neshaminy School District, along with most other school districts in lower Bucks County, do not have an EIT. Conversely, it is typical for municipalities in the area to have a 1.0% EIT. Of the eight municipalities in Bucks County with a 1.0% municipal EIT, six of them border Middletown Township: Bensalem Township, Falls Township, Lower Southampton Township, Langhorne Borough, Penndel Borough, and Hulmeville Borough. The other two, Morrisville Borough and Tullytown Borough, are also communities in lower Bucks County.

In 2026, an increase to the EIT would generate an additional \$6.2 million for a total of \$16 million in revenue. By 2027, the EIT will effectively double to approximately \$19 million in total revenue. The additional EIT revenue is necessary to correct the existing structural deficit in the General Fund and support the Township's need to invest in improving aging infrastructure. Additionally, unlike any other tax levied by the Township, the EIT is the only tax that trends closely to the cost of living.

An increase to the EIT is minimally impactful to retirees as forms of retirement income are generally not subject to the EIT. Additionally, the Township presently has and will maintain a policy that exempts those earning less than \$12,000 per year (the maximum allowed by state law) from paying the EIT at all.

Additional information about historical EIT income is detailed in the "Revenues" section of the budget document.

Real Estate Tax

The Real Estate Tax rate has only been increased once since 2010. In 2024, a small increase was made to the Fire Protection Fund to support the cost of providing daytime fire protection services with Township-employed firefighters. Aside from this, only small shifts in millage (the unit of measure for the Real Estate Tax) have been made between funds from time to time without a net tax increase.

The 2026 Budget proposes a net increase of 6.08 mills across all funds, for a combined tax rate of 25.105 mills. The following tax rate changes are proposed:

Fund	Millage Rate Change	2026 Rate	Additional Revenue (Loss)
Fire Protection	3.080	5.000	\$ 1,601,600
Fire Apparatus	1.420	2.500	738,400
Ambulance & Rescue	0.300	0.740	156,000
Parks & Recreation	1.580	3.500	821,600
General Fund	(0.300)	7.025	(156,000)

These additional tax levies are expected to generate an additional \$3.16 million in 2026 entirely to support public safety and park maintenance.

All proposed Real Estate Tax increases will support specific service areas of critical importance to the Township with existing or anticipated structural deficits. Three-quarters of the proposed Real Estate Tax increase will specifically support fire protection services, which has been the single

fastest-growing service area in the Township as career firefighters are hired to offset the decline in volunteerism.

Prior to 2024, Middletown Township levied the maximum possible 3.00 mill rate for fire protection services (the combined total of the Fire Protection Fund and Fire Apparatus Fund) as allowed by the [Second Class Township Code](#). A change in state law ([Act 54 of 2024](#)) allows select municipalities, including Middletown, to raise their tax rates for fire protection (currently limited at 3.00 mills) and for ambulance and rescue services (currently limited at 0.5 mills) beyond these limits to new maximums of 10.00 mills and 5.00 mills, respectively. Additional legislation will be required to effectuate this change for the 2026 Budget.



The Parks & Recreation Fund has operated in a structural deficit nearly every year since 2020, driven largely to the rising cost of maintaining parks and open spaces, including mowing more than 800 acres of grass at dozens of locations around the Township. Additionally, this fund does not have adequate resources to invest true capital maintenance projects beyond basic landscaping. An increase in revenue is necessary to provide adequate resources for parks and open spaces to be properly maintained into the future. As a result, all planned capital maintenance

projects will be expended from the Parks & Recreation Fund in 2026. Recreation programming is also managed from this fund but is generally self-sustaining.

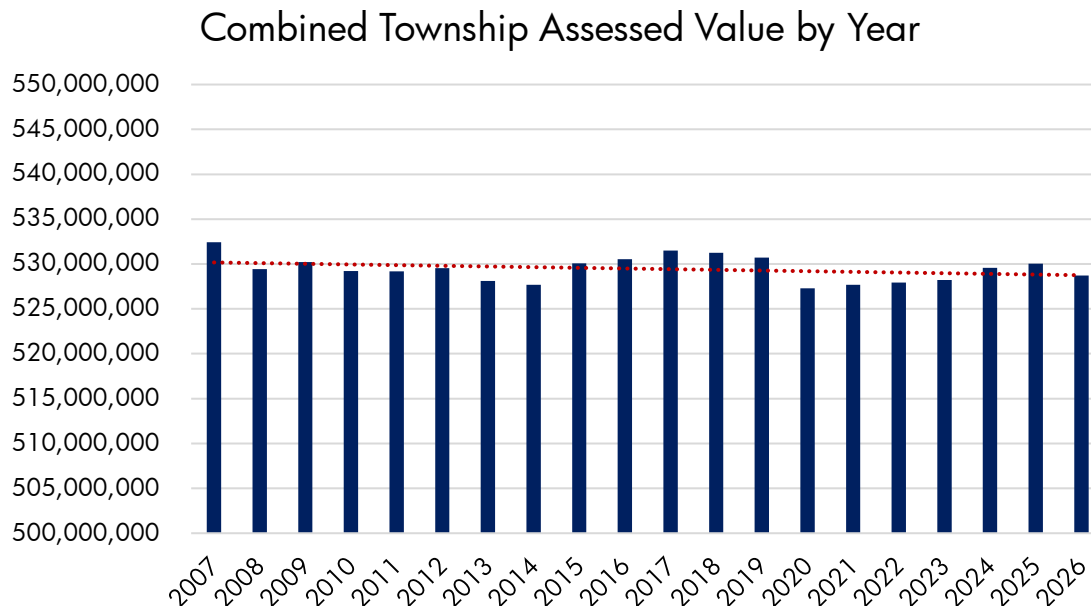
A small amount of Real Estate Tax millage is proposed to be shifted from the General Fund to the Ambulance & Rescue Fund in 2026 to support the cost of providing emergency medical services to the community. Currently, the PennDel-Middletown Emergency Squad (PMES) is the only service provider in the area and is among a shrinking number of volunteer-supported providers in the region. This change will direct an additional \$150,000 annually to PMES to support their operations.

Bucks County has not reassessed properties since 1972. As a result, assessed values (taxable values) of properties have not changed during this time. Properties built or improved since this time have to have their assessed values artificially deflated by 17 times to align with the rest of the County. Bucks County's failure to reassess properties induces both artificially high tax rates and a higher frequency of tax increases. Because the tax base does not change, taxpayers are susceptible to significant tax rate increases.

Despite a steady pipeline of land development in recent years, the total combined assessed value of all properties in Middletown Township has decreased by 0.7% since 2007. While new development and redevelopment causes this number to increase, appeals by large properties petitioning for a lower tax liability has consistently offset any increases. For example, during this period of time, the combined parcels

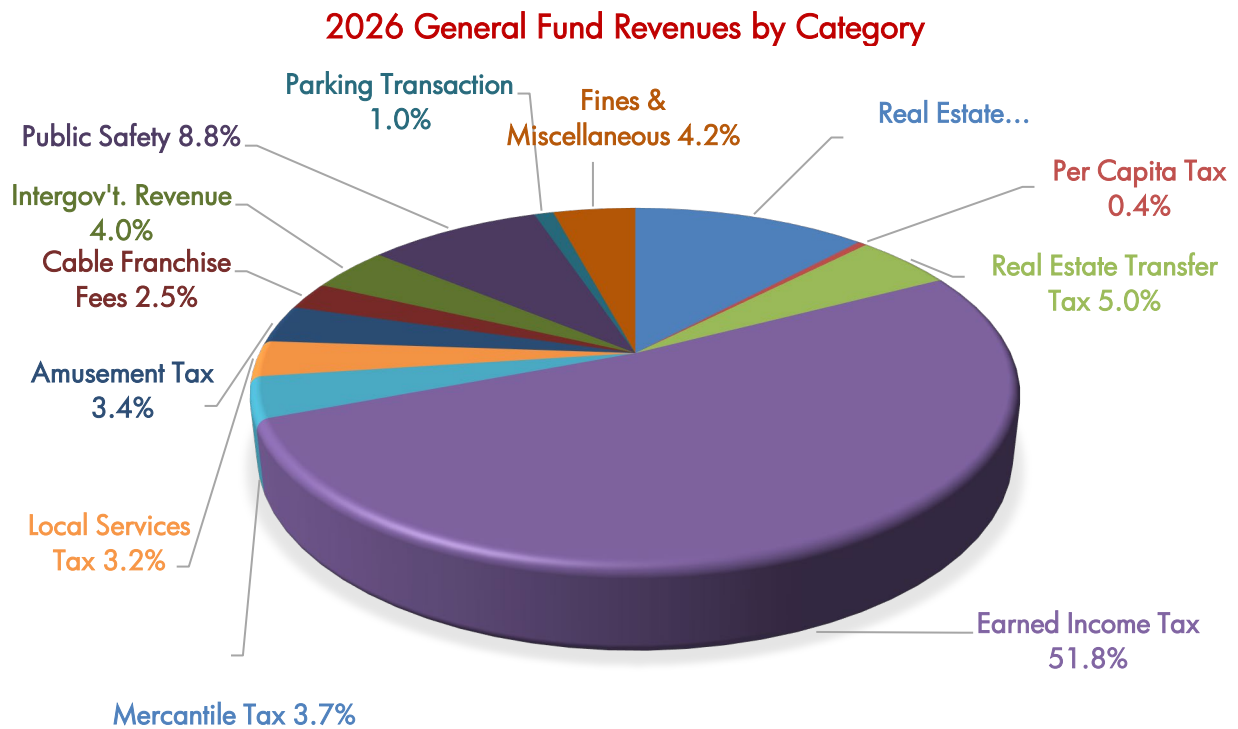
“
With assessed values declining, Middletown can no longer rely on property taxes to keep pace with the true cost of services.
”

that comprise the Oxford Valley Mall have reduced in taxable value from \$18,210,060 (2009) to \$4,110,340 (2025), a 78% reduction, resulting in more than \$500,000 in lost Real Estate Tax revenue during this period to Middletown Township, \$200,000 to Bucks County, and more than \$1,300,000 to Neshaminy School District. The below chart depicts the relatively unchanged total combined assessed value of all properties in the Township.



In 2025, Middletown Township Real Estate Tax levy of 19.025 mills was the eleventh-highest among the 31 townships in Bucks County behind Northampton Township (32.50), Upper Southampton Township (27.66), Solebury Township (25.91), Warrington Township (25.79), Bristol (24.98), Lower Makefield (24.95), Warminster (24.06), Bensalem (23.00), and Doylestown (21.85). The proposed increase to 25.105 mills would place Middletown Township as having the fifth-highest Real Estate Tax levy in the County, assuming no other municipalities increased tax rates. A chart depicting the tax levies of all townships in Bucks County can be found in the “Revenues” section of the budget document.

Reflecting the proposed tax changes, the General Fund is expected to generate \$30.9 million in total revenue in 2026. 51.8% of this revenue would be derived from the Earned Income Tax (\$16,000,000). The second largest source of General Fund revenue would be the Real Estate Tax at 11.9% (\$3,680,000). The third largest source of revenue in the General Fund is the Public Safety category, representative of fees derived from permits and inspections, as well as reimbursements for police services. Public Safety comprises 8.8% (\$2,722,200) of revenues in the General Fund. An update to the fee schedule driving revenues in this category is also proposed for 2026.



Comparison of Similar Municipalities

Comparing Middletown Township against similar communities provides valuable perspective when considering potential significant budgetary or operational changes. While every community has a unique tax base or level of service, comparing statistics on a per-resident basis demonstrates a true comparison across municipal boundaries.

Several townships across Bucks and Montgomery Counties were identified as comparable communities based upon their population, proximity, level of service, and economic diversity as compared to Middletown Township. In Bucks County, Northampton, Bensalem, Warrington, Lower Makefield, Warminster, Bristol, and Falls Townships were identified in this comparison. In Montgomery County, Abington, Montgomery, Plymouth, Upper Merion, and Upper Moreland Townships were identified as comparable communities.

The average household in Middletown Township has an assessed value of \$29,410. At the current 19.025 mill Real Estate Tax levy, the average household pays \$560 per year to Middletown Township. An increase to a 25.105 mill levy would increase a resident's tax burden to \$738, an increase of approximately \$179 per year.

The average Middletown Township resident pays approximately \$323 per year in EIT at the current 0.5% rate. An increase to a 1.0% rate would effectively double tax liability to \$646 per year per working taxpayer, an increase of approximately \$323 per taxpayer per year.

When combining both, residents would be looking at their combined Real Estate Tax and EIT bill increasing from \$882 per year to \$1,384 per year—an increase of \$502 per year or 57%.

As a comparison to other municipalities, neighboring Northampton Township pays significantly more per year at a combined tax bill of \$1,711 per year. At the proposed rates, Middletown Township taxpayers would have a comparable tax liability to Warrington Township (\$1,418), Upper Moreland Township (\$1,327), Plymouth Township (\$1,302), and Abington Township (\$1,232).

County	Township	Average Real Estate Tax Paid	Average EIT Paid	Total Real Estate + EIT Paid
Bucks	Middletown - PROPOSED	\$ 738	\$ 646	\$1,384
Bucks	Middletown - CURRENT	\$ 560	\$ 323	\$ 882
Bucks	Northampton	\$ 1,300	\$ 411	\$1,711
Bucks	Bensalem	\$ 548	\$ 573	\$1,121
Bucks	Warrington	\$ 985	\$ 433	\$1,418
Bucks	Lower Makefield	\$ 1,033	\$ 0	\$1,033
Bucks	Warminster	\$ 556	\$ 293	\$ 849
Bucks	Bristol	\$ 500	\$ 272	\$ 772
Bucks	Falls	\$ 198	\$ 570	\$ 768
Montgomery	Abington	\$ 922	\$ 310	\$1,232
Montgomery	Montgomery	\$ 491	\$ 442	\$ 933
Montgomery	Plymouth	\$ 530	\$ 772	\$1,302
Montgomery	Upper Merion	\$ 925	\$ 0	\$ 925
Montgomery	Upper Moreland	\$ 1,014	\$ 313	\$1,327

Important to note, nearly every single one of these communities has a higher (adjusted) average real estate tax assessment than Middletown Township. Put more simply, each of these communities has a stronger overall tax base than Middletown Township. This becomes clearer when looking at the total (adjusted) assessed value per resident. This statistic captures the taxable value of residential and commercial properties as it compares to the population of the community. Despite having a robust and diverse local economy, Middletown's tax base on a resident-by-resident basis slightly below average among these comparable communities. When translated into revenue, most municipalities generate more from their total Real Estate Tax levies as compared to Middletown.

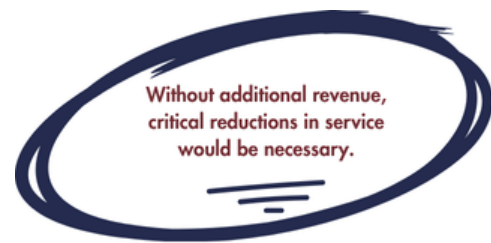
County	Township	Adjusted Avg. Residential Assessed Value*	Total Adjusted Assessed Value Per Resident*	Tax Rate	Effective Tax Rate*	Value of 1 Mill	Total RE Tax Revenue
Bucks	Middletown - PROPOSED	\$501,735	\$195,914	19.025	1.115	\$ 528,714	\$ 13,273,363
Bucks	Middletown - CURRENT	501,735	195,914	25.105	1.472	528,714	10,058,782
Bucks	Northampton	682,554	255,692	32.500	1.905	598,237	19,442,712
Bucks	Bensalem	406,284	177,148	23.000	1.348	651,139	14,976,197
Bucks	Warrington	651,436	253,095	25.790	1.512	380,414	9,810,872
Bucks	Lower Makefield	706,386	284,598	24.950	1.462	553,514	13,810,173
Bucks	Warminster	394,238	176,790	24.060	1.410	348,223	8,378,253
Bucks	Bristol	341,200	135,903	24.980	1.464	432,493	10,803,674
Bucks	Falls	375,781	167,251	8.970	0.526	340,346	3,052,901
Montgomery	Abington	505,762	189,827	5.922	1.822	3,417,005	20,235,505
Montgomery	Montgomery	542,692	273,598	2.940	0.905	2,177,165	6,400,866
Montgomery	Plymouth	585,000	297,735	2.945	0.906	1,672,444	4,925,347
Montgomery	Upper Merion	674,242	400,339	4.461	1.373	4,140,495	18,470,748
Montgomery	Upper Moreland	450,746	191,116	7.309	1.000	1,535,753	11,224,816

*To compare Real Estate Taxes across counties, the Common Level Ratio is used to create an “apples-to-apples” comparison. More information about the Common Level Ratio and how it is utilized can be found in the “Revenues” section of the budget document.

Because there is less variety among EIT rates, the amount of revenue is heavily influenced by the tax rate of the municipality. As shown, the municipalities with a 1.0% EIT rate generate more overall revenue as compared to municipalities with a 0.5% rate.

County	Township	Municipal EIT Rate	Total EIT Revenue
Bucks	Middletown - PROPOSED	1.0%	16,000,000
Bucks	Middletown - CURRENT	0.5%	9,661,463
Bucks	Northampton	0.5%	9,835,978
Bucks	Bensalem	1.0%	21,559,170
Bucks	Warrington	0.5%	6,659,782
Bucks	Lower Makefield	0.0%	-
Bucks	Warminster	0.5%	5,909,613
Bucks	Bristol	0.5%	8,874,507
Bucks	Falls	1.0%	11,877,935
Montgomery	Abington	0.5%	10,879,421
Montgomery	Montgomery	0.5%	6,863,379
Montgomery	Plymouth	0.6%	8,454,855
Montgomery	Upper Merion	0.0%	-
Montgomery	Upper Moreland	0.5%	4,908,953

In addition to comparing tax revenues between communities, levels of services were also compared. Without additional tax revenue, Middletown Township would be forced to reduce its overall workforce by nearly 20% to put forth a balanced budget. While this would effect the entire organization, public safety services such as Police, Fire, and Public Works would be most directly impacted as these areas are the most expensive to provide.



County	Township	Population	Total Employees Per 1,000 Residents*	Police Per 1,000 Residents	Public Works Per 1,000 Residents*	Hour Per Week of Career Firefighting Services	Township Road Miles	Square Miles
Bucks	Middletown PROPOSED	46,040	2.80	1.32	0.59	60	138.6	19.3
Bucks	Middletown W/O INCREASE	46,040	2.13	1.11	0.37	40	138.6	19.3
Bucks	Northampton	39,915	3.48	1.08	0.75	168	162.9	26.0
Bucks	Bensalem	62,707	3.05	1.71	0.33	50	142.7	21.0
Bucks	Warrington	25,642	2.81	1.52	0.47	50	85.5	13.8
Bucks	Lower Makefield	33,180	2.50	1.27	0.60	0	134.0	17.9
Bucks	Warminster	33,603	2.50	1.34	0.27	40	110.8	10.2
Bucks	Bristol	54,291	2.17	1.12	0.35	50	172.2	17.1
Bucks	Falls	34,716	2.59	1.33	0.46	0	85.9	28.0
Montgomery	Abington	58,502	3.54	1.61	0.75	0	173.4	15.5
Montgomery	Montgomery	25,862	3.63	1.47	0.81	50	74.2	10.0
Montgomery	Plymouth	18,256	4.88	2.74	0.99	0	49.1	8.5
Montgomery	Upper Merion	33,613	4.25	2.20	0.45	168	83.8	17.0
Montgomery	Upper Moreland	26,116	3.37	1.57	0.84	168	65.5	7.5

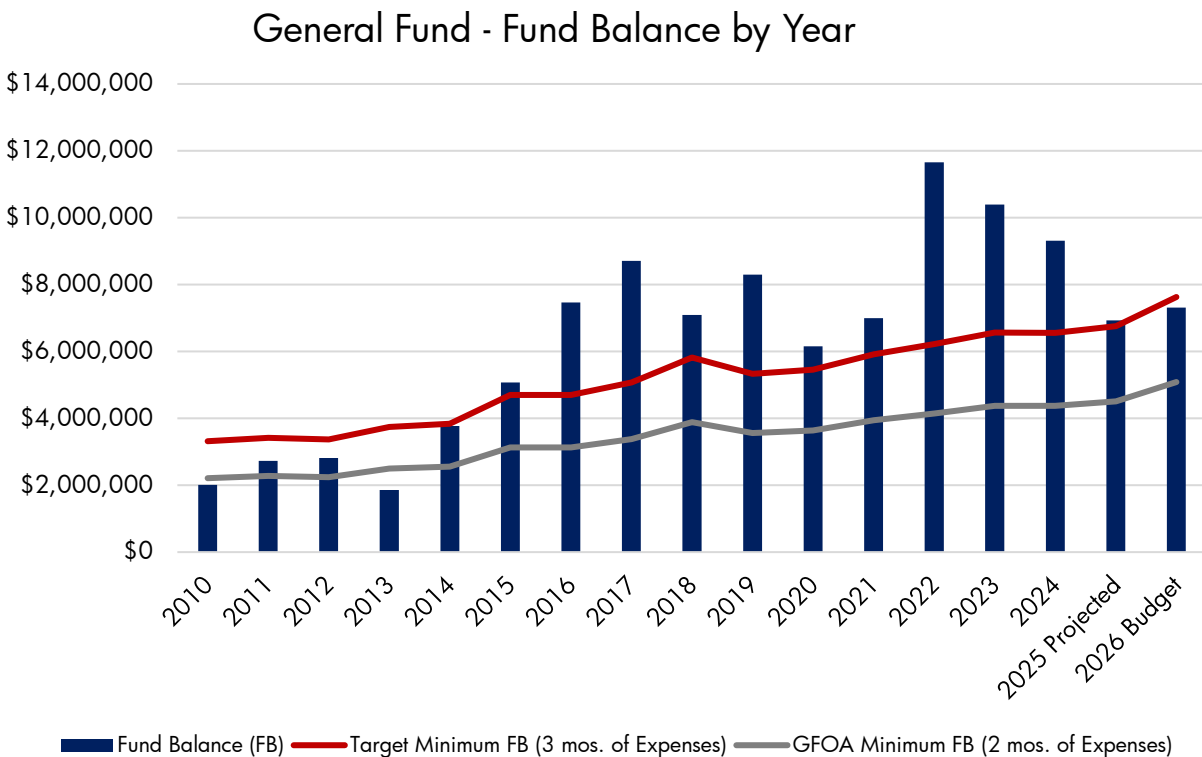
*In an effort to show truly comparable data, employees associated with service areas not provided directly by Middletown Township employees (i.e. trash service, sewer) were excluded from this comparison.

In comparing staff sizes, Middletown Township currently has an average-sized staff on a per-resident basis as compared to most other communities. **The reduction in force necessary to balance the budget would make Middletown Township the most undersized staff among comparable communities in nearly every category.** Residents would also notice a significant downgrade in the level of service they receive. Not only would there be less investment in infrastructure, but there would be few Police patrolling streets, fewer Public Works staff plowing snow and maintaining roads, and fewer hours of coverage by Township-employed firefighters. Importantly, the amount of infrastructure cannot be reduced in the same way as staff can. There will still be 138.6 miles of roads, hundreds of miles of stormwater pipes, hundreds of ADA curb ramps, and thousands of inlets to maintain.



Fund Balance

Fund Balance is a net accumulation of revenues and expenses within a given fund. In the General Fund, this is commonly referred to as a “rainy day fund” as it can be utilized during unexpected times of revenue shortfalls, such as during an economic recession, or when expenses temporarily surge, like during a prolonged emergency. The Township’s fund balance policy calls for the fund balance of the General Fund to be approximately 25%, or three months’ worth, of annual expenses—50% higher than the Government Finance Officers Association (GFOA) recommendation of two months’ worth of annual expenses.



Since implementing the Earned Income Tax (EIT) in 2014, the fund balance of the General Fund was rebuilt over the following several years, even with significant transfers to support the Capital Fund. As the cost of providing government services has increased, the Township no longer had the ability to invest in the Capital Fund and grow reserves as it once did.

In recent years, the fund balance of the General Fund has been utilized to sustain operational expenses and offset the structural deficit. As of the end of 2025, the Township will have officially reached the minimum fund balance for the General Fund.

The Township plans to invest additional tax revenue in infrastructure to begin to counteract the backlog in investment in recent years. As a result, General Fund expenses are budgeted to increase, as will the target/minimum fund balance for the General Fund. As additional EIT revenue stabilizes in future years, the Township will be positioned to begin rebuilding the fund balance toward targeted levels.

As of 2026, Middletown Township holds more than \$57.4 million in fund balances across all accounts. While some of these funds are earmarked for specific purposes or carry restrictions based on their designated use, others are designed to accumulate over time to support larger initiatives or respond to needs as they arise. In 2026, surpluses in several funds will be used to support expanded infrastructure investment. Most notably, the fund balance of the Highway Aid Fund will be used to support additional road repaving operations.



The table on the following page outlines each fund's projected beginning and ending balances, along with the dollar and percentage changes. Further details on the budgetary impacts for each fund are provided in the individual budget sections later in this document.

Fund	Beginning Balance	Ending Balance	\$ Change	% Change
General	\$ 6,931,482	\$ 7,313,382	\$ 381,900	5.5%
Street Lighting	580,395	462,795	(117,600)	-20.3%
Fire Protection	601,936	1,052,436	450,500	74.8%
Parks & Recreation	104,793	78,593	(26,200)	-25.0%
Ambulance & Rescue	1,010	2,410	1,400	138.6%
Road Machinery	577,150	(181,550)	(758,700)	-131.5%
Fire Hydrant	28,433	34,033	5,600	19.7%
Fire Apparatus	861,443	3,171,043	2,309,600	268.1%
Sanitation	846,052	1,065,152	219,100	25.9%
Middletown Country Club	396,743	329,543	(67,200)	-16.9%
Farm Fund	396,856	412,456	15,600	3.9%
Stormwater	639,000	306,100	(332,900)	-52.1%
Debt Service	533,763	560,063	26,300	4.9%
Capital Reserve	1,986,224	624	(1,985,600)	-99.9%
Investment	40,976,306	40,561,306	(415,000)	-1.0%
Highway Aid	1,491,550	187,450	(1,304,100)	-87.4%

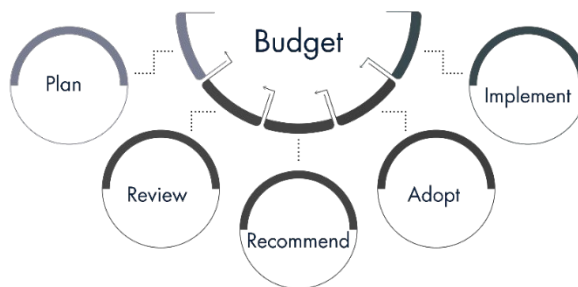
Budget Process and Calendar



The budget process is an ongoing effort throughout the year, involving the Board of Supervisors, Budget Team, and Department Directors who closely monitor revenues and expenditures on a monthly basis in comparison to the budget. The formal development of the 2026 Proposed Budget commenced in July with the establishment of the Budget Team and departmental budget requests being submitted to the Township Manager, Assistant Township Manager, and Finance Director.

A discussion about capital maintenance and improvement projects was held with the Board of Supervisors at a public workshop meeting in August. After a comprehensive assessment and substantial revisions in September and October, a draft budget was formulated and presented to the Board of Supervisors during three public Budget Workshops held on October 6th, 13th, and 20th. These meetings encompassed a review of the proposed budget and deliberations on long-term objectives and capital improvement planning.

Extra efforts were made to engage the public in the budget process, including interactive engagement questions asked during each meeting for the public and Board of Supervisors to provide real-time feedback.



Public participation in the budget process is not only welcomed but encouraged. The Second-Class Township Code mandates the Board of Supervisors to approve the annual budget by December 31st each year.

Opportunities for providing input and engaging in discussions regarding the 2026 Budget are available during the Board of Supervisors meetings scheduled for November 17th and December 15th. An additional workshop meeting will also be held on Thursday, December 4th, for residents to engage in greater detail.

Copies of the budget are available for inspection at the Municipal Center and through the Township website: www.middletonbucks.org/2026Budget.

The proposed preparation and adoption schedule for the 2025 Budget is as follows:



Conclusion

The preparation of the proposed 2026 Budget reflects a remarkable team effort, made possible by the collaboration of many dedicated individuals from the Board of Supervisors, residents, and staff.

The annual budget is not only a financial document but a significant policy statement that reflects the Board's priorities and vision for Middletown Township. This document plays a vital role in driving daily decisions about the delivery of services to residents, workers, and visitors.

The proposed 2026 budget addresses years of structural deficits across multiple funds and contemplates the most significant investment in public safety and infrastructure in the history of Middletown Township. It represents a commitment to achieving structural balance across all operating funds and position the Township to remain in strong financial position for years to come.

“ The proposed 2026 budget addresses years of structural deficits across multiple funds and contemplates the most significant investment in public safety and infrastructure in the history of Middletown Township. ”

Without the increased investment made possible by proposed increases to the EIT and Real Estate Tax, the Township will be forced to reduce its workforce and level of services by nearly 20% just to deliver a balanced budget in 2026.



Township residents, employees, and the Board of Supervisors are all encouraged to read the remainder of the proposed 2026 Budget document in its entirety, as it contains a significant amount of history, context, assumptions, and plans that outlines where Middletown Township has been, and where Middletown Township plans to go in 2026.

We are proud of the extensive and transparent process that created this document, including four public budget workshops that welcomed community and Board feedback. Residents are encouraged to

participate in the remaining steps of the budget approval process on November 17, December 4, and December 15 as the Board of Supervisors takes the final steps in reviewing and adopting the 2026 Budget.

Please reach out and engage with us about your questions and feedback about this document at any time:

Eden Ratliff, Township Manager – eratliff@middletownbucks.org

Nick Valla, Assistant Township Manager – nvalla@middletownbucks.org

Laura Hucklebridge, Finance Director – lhucklebridge@middletownbucks.org

2026 BUDGET FUND OVERVIEW

REVENUE

<u>FUND</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
General	\$ 25,004,314	\$ 25,113,801	\$ 24,836,275	\$ 24,654,199	\$ 30,897,200	6,060,925	24.4%
Street Lighting	442,280	438,292	430,600	430,484	427,500	(3,100)	-0.7%
Fire Protection	858,974	1,948,459	1,878,600	1,685,992	2,981,000	1,102,400	58.7%
Parks and Recreation	1,625,380	1,733,745	1,774,000	1,756,931	2,614,000	840,000	47.4%
Ambulance and Rescue	230,915	231,736	233,300	231,808	388,000	154,700	66.3%
Road Machinery	182,318	177,419	173,700	172,124	168,800	(4,900)	-2.8%
Fire Hydrant	72,208	71,295	72,550	72,731	72,800	250	0.3%
Fire Apparatus	339,256	586,078	577,900	590,366	2,309,600	1,731,700	299.7%
Sanitation	5,042,141	5,017,699	5,858,000	5,877,100	5,871,600	13,600	0.2%
Middletown Country Club	50,565	54,354	51,000	55,710	52,800	1,800	3.5%
Farm	120,039	122,269	87,200	91,200	99,600	12,400	14.2%
Stormwater	-	-	2,539,427	1,605,000	2,498,000	(41,427)	-1.6%
Debt Service	2,850,658	2,871,956	2,845,500	2,841,970	2,847,000	1,500	0.1%
Investment	1,966,981	1,740,440	701,000	921,338	975,000	274,000	39.1%
Highway Aid	1,354,530	1,344,930	1,283,924	1,308,748	1,263,900	(20,024)	-1.6%
	<u>\$ 40,140,559</u>	<u>\$ 41,452,473</u>	<u>\$ 43,342,976</u>	<u>\$ 42,295,701</u>	<u>\$ 53,466,800</u>	<u>10,123,824</u>	<u>23.4%</u>
Capital Fund	\$ 8,917,090	\$ 4,010,324	\$ 1,655,813	\$ 589,475	\$ 3,146,500	1,490,687	90.0%

EXPENDITURES

<u>FUND</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
General	\$ 26,265,906	\$ 26,229,929	\$ 27,649,435	\$ 27,037,961	\$ 30,515,300	2,865,865	10.4%
Street Lighting	467,762	472,502	540,000	479,760	545,100	5,100	0.9%
Fire Protection	968,211	1,786,514	2,015,550	1,836,871	2,530,500	514,950	25.5%
Parks and Recreation	1,761,443	1,702,650	1,842,350	1,957,451	2,640,200	797,850	43.3%
Ambulance and Rescue	232,270	247,737	233,000	228,600	386,600	153,600	65.9%
Road Machinery	420,055	33,449	113,000	100,000	927,500	814,500	720.8%
Fire Hydrant	62,250	61,997	64,000	65,000	67,200	3,200	5.0%
Fire Apparatus	-	-	-	654,257	-	-	0.0%
Sanitation	5,198,440	5,280,616	5,328,250	5,261,210	5,652,500	324,250	6.1%
Middletown Country Club	32,917	32,917	35,000	33,000	145,000	110,000	314.3%
Farm	15,763	23,198	52,968	16,040	99,500	46,532	87.8%
Stormwater	-	-	2,530,000	966,000	2,830,900	300,900	11.9%
Debt Service	2,824,067	2,821,318	2,819,600	2,818,360	2,820,700	1,100	0.0%
Investment	2,045,218	2,441,253	47,500	43,140	1,390,000	1,342,500	2826.3%
Highway Aid	699,611	1,606,595	1,907,300	1,310,599	2,568,000	660,700	34.6%
	<u>\$ 40,993,913</u>	<u>\$ 42,740,675</u>	<u>\$ 45,177,953</u>	<u>\$ 42,808,249</u>	<u>\$ 53,119,000</u>	<u>7,941,047</u>	<u>17.6%</u>
Capital Fund	\$ 7,567,421	\$ 5,323,199	\$ 3,509,000	\$ 2,521,155	\$ 5,132,100	1,623,100	46.3%
Income/(Loss) from Operations (Excluding Capital)	\$ (853,354)	\$ (1,288,202)	\$ (1,834,977)	\$ (512,548)	\$ 347,800	2,182,777	-119.0%

General Fund

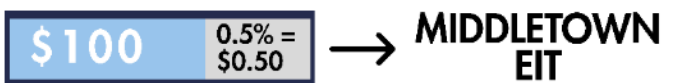
Fund Overview

The General Fund, an appropriated governmental fund, is the largest Township fund. In nearly all governments, the General Fund is a flexible account where non-restricted revenues can be spent on general government expenditures. The General Fund covers nearly all aspects and needs of the Township that do not have their own fund or need supplementary funds. Most personnel costs and day-to-day operating expenditures are accounted for in the General Fund. 62.4% of the General Fund is spent on Police.



The primary revenues of Middletown Township's General Fund come from taxes, permits, charges for service and intergovernmental revenue. The Earned Income Tax (EIT) is the largest source of revenue in the General Fund. The EIT has grown as a result of increasing

HOW EIT WORKS - PER \$100 EARNED



WORKS IN MIDDLETOWN



Employer withholds 0.5% → Middletown receives \$0.50

WORKS IN OTHER TOWN (1% EIT)



Employer withholds 1.0% → Other Town keeps \$0.50 + Middletown receives \$0.50

THOSE WHO WORK IN PHL → PHL KEEPS ENTIRE 3.43% EIT

taxpayer wages. With a proposed rate increase to the EIT to 1.0% in 2026, the EIT will make up more than half of the General Fund's revenues in a given year.

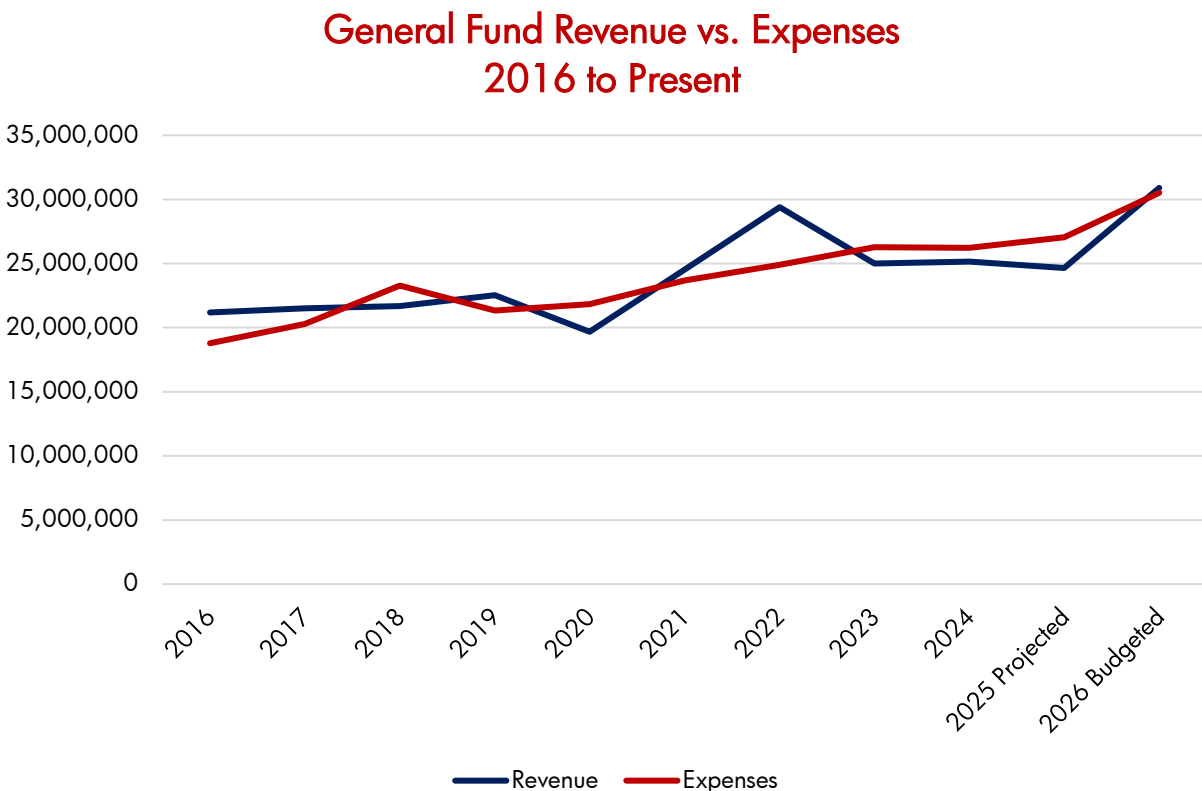
In recent years, the General Fund has carried a structural deficit due to expenditures rising faster than revenues, resulting in an operating loss in excess of \$1 million each year since 2023. Fortunately, a healthy fund balance has held off the need for increased revenues during this period. An increase to the EIT rate in 2026 is expected to significantly improve the long-term health of the General Fund.

Revenue and Expenses

Real Estate Transfer Tax revenues have declined because of a slow commercial real estate market, a stark contrast from record income received in 2021 and 2022. Sustained higher interest rates have resulted in a remarkable interest income again in 2025. Amusement Tax revenue has continued to trend downward since 2023. Permit and inspection revenues in 2025 were again carried largely by another strong year for residential permitting. Additional analysis and discussion of General Fund revenues is in the “Revenues” section of this document.

The largest expense categories in the General Fund are Police (salaries, equipment, etc.), Employer-Paid Benefits (pension contributions and insurances), and Public Works (salaries, equipment, supplies). Administrative costs are also charged to the General Fund. Additional analysis and discussion of General Fund expenditures is in the “Expenditures” section of this document.

New in 2026, Public Works salaries will be carried primarily by the General Fund as opposed to the Highway Aid Fund, increasing the Township's capacity to support road paving operations. A transfer of \$1,000,000 to the Capital Fund from the General Fund will be made in 2026 to support planned projects. Including transfers, the 2026 General Fund budget is \$30,515,300.



Revenue Changes for 2026:

- Real Estate Tax Millage Decrease 0.30 mills (\$155,000)
- Earned Income Tax increase to 1.0% \$6,200,000

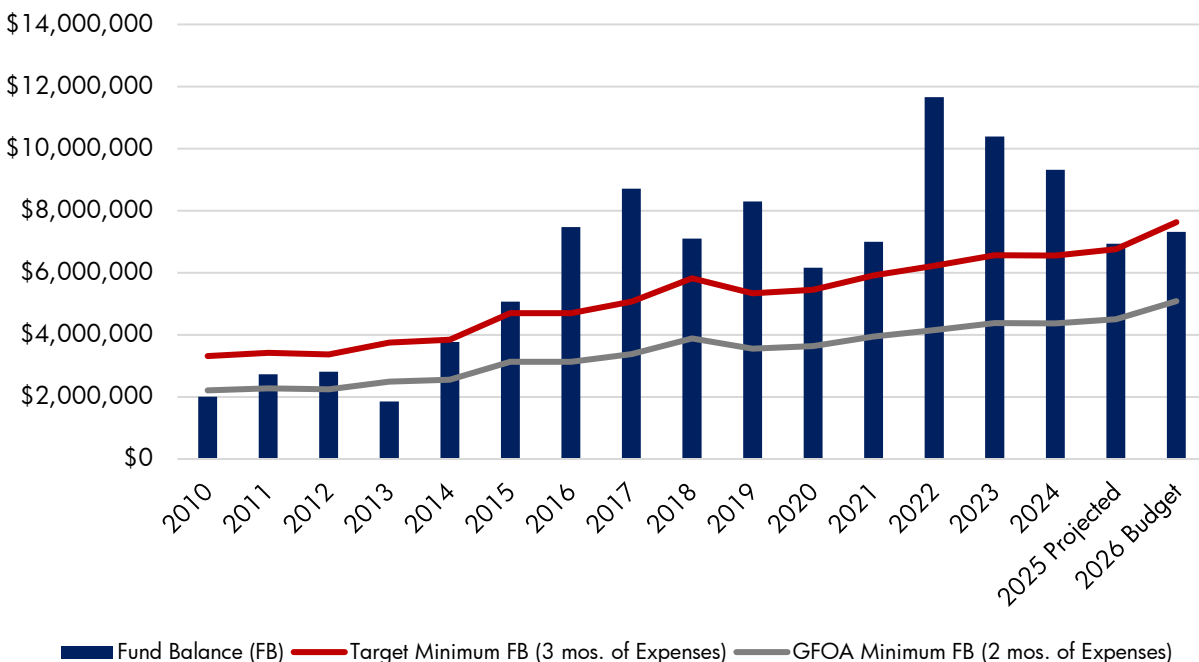
Operating Expense Changes for 2026:

- Increase to the Volunteer Firefighter Tax Credit \$35,000
- Software Training and Implementation \$130,000
- Staffing – In-house Engineer and Technology support \$282,000
 - Includes wages and fringe benefits
- Subdivision & Land Development (SALDO) & Zoning Code updates \$150,000

Fund Balance

Fund balance refers to the money remaining in a given fund that is carried forward from year to year. The Township's fund balance policy calls for the fund balance of the General Fund to be approximately 25%, three months' worth, of annual expenses. For Middletown Township, this would equate to about \$7 million at 2026 budgeted expense levels.

General Fund - Fund Balance by Year



After being depleted some to support the operating budget in 2025, the General Fund has a 2026 beginning fund balance of \$6,931,482. The ending 2026 fund balance is projected to be \$7,313,382. Of the nearly \$2.8 million that was budgeted to balance the 2025 budget, only about \$2.4 million was needed, thanks in large part to conservative budgeting.

**2026 BUDGET
GENERAL FUND SUMMARY**

REVENUE

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Real Property Taxes	\$ 3,868,993	\$ 3,891,995	\$ 3,930,000	\$ 3,830,389	\$ 3,680,000	(250,000)	-6.4%
Local Enabling Act Taxes	14,534,631	14,804,059	14,577,000	14,734,019	20,935,000	6,358,000	43.6%
Business Licenses and Permits	995,275	948,949	920,000	901,290	870,700	(49,300)	-5.4%
Fines	101,519	116,466	104,000	102,565	107,000	3,000	2.9%
Interest Earnings	1,003,960	863,264	606,000	703,800	654,000	48,000	7.9%
Rents and Royalties	105,063	123,540	170,000	145,642	148,000	(22,000)	-12.9%
Federal Entitlements to Governmental Units	-	-	-	-	-	-	0.0%
State Operating & Capital Grant	252,512	160,779	162,000	163,000	164,000	2,000	1.2%
State Shared Revenue and Entitlements	814,327	929,064	932,975	1,035,216	1,086,000	153,025	16.4%
Charges for Services	153,354	213,295	162,800	150,671	167,300	4,500	2.8%
Public Safety	3,082,958	2,997,160	3,070,500	2,837,607	3,065,200	(5,300)	-0.2%
Contributions from Private Sources	35,000	40,000	1,000	50,000	20,000	19,000	1900.0%
Other	56,722	25,230	-	-	-	-	0.0%
Total Operational Revenue	\$ 25,004,314	\$ 25,113,801	\$ 24,636,275	\$ 24,654,199	\$ 30,897,200	6,260,925	25.4%
Interfund Transfers	\$ -	\$ 40,116	\$ 200,000	\$ -	\$ -	(200,000)	-100.0%
Total Revenue	\$ 25,004,314	\$ 25,153,917	\$ 24,836,275	\$ 24,654,199	\$ 30,897,200	6,060,925	24.4%

EXPENDITURES

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Legislative Body	\$ 39,549	\$ 39,859	\$ 52,100	\$ 49,960	\$ 191,100	139,000	266.8%
Executive	667,052	848,946	865,850	1,001,012	985,200	119,350	13.8%
Financial Administration	599,376	512,279	574,800	537,246	621,300	46,500	8.1%
Tax Collection	242,661	238,425	252,000	607,401	291,900	39,900	15.8%
Legal Services	198,534	271,166	260,000	395,000	660,000	400,000	153.8%
Information Technology	569,552	650,006	674,850	622,360	1,025,000	350,150	51.9%
Engineering	104,614	191,770	150,000	199,600	295,800	145,800	97.2%
Building and Grounds	288,005	331,556	348,000	495,372	532,000	184,000	52.9%
Police Services	12,616,919	13,694,180	14,380,000	13,770,512	15,022,000	642,000	4.5%
Fire Protection Services	977,723	304,262	335,900	400,730	313,800	(22,100)	-6.6%
Emergency Management	310	-	1,000	168	7,000	6,000	600.0%
Building and Zoning	926,898	1,167,388	1,241,300	1,163,233	1,376,400	135,100	10.9%
Planning Commission	-	-	1,500	-	13,000	11,500	766.7%
Zoning Hearing Board	112,279	111,662	115,255	121,050	129,800	14,545	12.6%
School Crossing Guards	197,426	199,180	182,500	185,700	189,500	7,000	3.8%
Public Works	1,667,399	1,660,210	1,811,100	1,496,440	1,992,300	181,200	10.0%
Fleet Maintenance Services	493,554	476,278	550,160	461,420	604,200	54,040	9.8%
Civil Celebrations	-	-	-	400	-	-	0.0%
Other Miscellaneous	21,833	-	-	-	-	-	0.0%
Employer Paid Benefits	4,158,080	4,553,392	4,926,120	4,730,357	4,790,000	(136,120)	-2.8%
Insurance	381,830	419,370	425,000	500,000	475,000	50,000	11.8%
Total Operating Expenditures	\$ 24,263,594	\$ 25,669,929	\$ 27,147,435	\$ 26,737,961	\$ 29,515,300	2,367,865	8.7%
Interfund Transfers	\$ 2,000,000	\$ 560,000	\$ 500,000	\$ 300,000	\$ 1,000,000	500,000	100.0%
Bad Debt	2,312	-	2,000	-	-	(2,000)	-100.0%
Total Expenditures	\$ 26,265,906	\$ 26,229,929	\$ 27,649,435	\$ 27,037,961	\$ 30,515,300	2,865,865	10.4%
Income/(Loss) from Operations	\$ (1,261,592)	\$ (1,076,012)	\$ (2,813,160)	\$ (2,383,762)	\$ 381,900	3,195,060	-113.6%
Fund Balance - Beginning	\$ 11,652,848	\$ 10,391,256		\$ 9,315,244	\$ 6,931,482		
Fund Balance - Ending	\$ 10,391,256	\$ 9,315,244		\$ 6,931,482	\$ 7,313,382		

**2026 BUDGET
GENERAL FUND**

REVENUE

ACCOUNT NUMBER	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
REAL PROPERTY TAXES								
01-301-100	Real Estate Taxes - Current YR	\$ 3,834,261	\$ 3,842,423	\$ 3,880,000	\$ 3,792,489	\$ 3,640,000	(240,000)	-6.2%
01-301-300	Real Estate Taxes - Delinquent	34,732	49,572	50,000	37,900	40,000	(10,000)	-20.0%
		\$ 3,868,993	\$ 3,891,995	\$ 3,930,000	\$ 3,830,389	\$ 3,680,000	(250,000)	-6.4%
LOCAL TAX ENABLING ACT 511 TAXES								
01-310-001	Per Capita Taxes - Current YR	\$ 118,928	\$ 120,278	\$ 122,000	\$ 119,792	\$ 120,000	(2,000)	-1.6%
01-310-003	Per Capita Taxes - Delinquent	18,955	18,125	15,000	18,000	18,000	3,000	20.0%
01-310-100	Real Estate Transfer Tax	1,180,500	1,658,436	1,400,000	1,300,151	1,550,000	150,000	10.7%
01-310-210	Earned Income Taxes	9,836,136	9,843,603	9,600,000	9,958,590	16,000,000	6,400,000	66.7%
01-310-310	Mercantile Taxes	1,128,287	992,682	1,175,000	1,215,900	1,150,000	(25,000)	-2.1%
01-310-500	Local Services Tax	1,043,579	986,325	1,020,000	1,067,305	1,000,000	(20,000)	-2.0%
01-310-600	Amusement Tax	1,165,981	1,137,710	1,200,000	1,002,961	1,050,000	(150,000)	-12.5%
01-310-710	Mechanical Device Tax	42,265	46,900	45,000	51,320	47,000	2,000	4.4%
		\$ 14,534,631	\$ 14,804,059	\$ 14,577,000	\$ 14,734,019	\$ 20,935,000	6,358,000	43.6%
PENALTIES AND INTEREST								
01-319-100	Penalties and Interest - R.E. Taxes	\$ 5,841	\$ 11,698	\$ 6,000	\$ 3,800	\$ 4,000	(2,000)	-33.3%
		\$ 5,841	\$ 11,698	\$ 6,000	\$ 3,800	\$ 4,000	(2,000)	-33.3%
BUSINESS LICENSES & PERMITS								
01-321-340	Towing Licenses	\$ 3,120	\$ 3,210	\$ 4,000	\$ 3,200	\$ 3,400	(600)	-15.0%
01-321-400	Beverage License Revenue	-	5,000	5,000	-	-	(5,000)	-100.0%
01-321-600	Contractors License	40,860	45,240	40,000	44,000	52,500	12,500	31.3%
01-321-610	Solicitor Permits	4,000	6,900	5,000	4,500	4,800	(200)	-4.0%
01-321-800	Cable Television Franchise Fee	901,087	845,724	820,000	809,590	766,000	(54,000)	-6.6%
01-321-900	Sign Registration	33,920	34,865	34,000	34,000	34,000	-	0.0%
01-322-820	Road Encroachment Permits	12,288	8,010	12,000	6,000	10,000	(2,000)	-16.7%
		\$ 995,275	\$ 948,949	\$ 920,000	\$ 901,290	\$ 870,700	(49,300)	-5.4%
FINES								
01-331-110	Vehicle Code Violations	\$ 60,077	\$ 59,934	\$ 60,000	\$ 59,219	\$ 59,000	(1,000)	-1.7%
01-331-130	State Police Fines	39,864	42,250	43,000	37,890	40,000	(3,000)	-7.0%
01-331-140	Parking Violation Fines	165	4,410	500	4,160	4,000	3,500	700.0%
01-331-300	Other Fines	1,413	9,872	500	1,296	4,000	3,500	700.0%
		\$ 101,519	\$ 116,466	\$ 104,000	\$ 102,565	\$ 107,000	3,000	2.9%
INTEREST EARNINGS								
01-341-100	Interest Income	\$ 998,119	\$ 851,566	\$ 600,000	\$ 700,000	\$ 650,000	50,000	8.3%
		\$ 998,119	\$ 851,566	\$ 600,000	\$ 700,000	\$ 650,000	50,000	8.3%
RENTS AND ROYALTIES								
01-342-200	Rent	\$ 105,063	\$ 123,540	\$ 170,000	\$ 145,642	\$ 148,000	(22,000)	-12.9%
		\$ 105,063	\$ 123,540	\$ 170,000	\$ 145,642	\$ 148,000	(22,000)	-12.9%
FEDERAL SHARED REVENUE								
01-352-053	Federal Ent. to Governmental Units	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
		\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
STATE CAPITAL AND OPERATING GRANTS								
01-354-010	General Government	\$ 95,072	\$ -	\$ -	\$ -	\$ -	-	0.0%
01-354-150	Recycling/Act101	157,440	160,779	162,000	163,000	164,000	2,000	1.2%
		\$ 252,512	\$ 160,779	\$ 162,000	\$ 163,000	\$ 164,000	2,000	1.2%
STATE SHARED REVENUE AND ENTITLEMENTS								
01-355-005	Pension System State Aid	\$ 786,765	\$ 899,692	\$ 902,975	\$ 1,006,516	\$ 1,057,000	154,025	17.1%
01-355-010	Public Utility Realty Taxes	19,762	20,372	22,000	20,600	21,000	(1,000)	-4.5%
01-355-040	Beverage License	7,800	9,000	8,000	8,100	8,000	-	0.0%
		\$ 814,327	\$ 929,064	\$ 932,975	\$ 1,035,216	\$ 1,086,000	153,025	16.4%

**2026 BUDGET
GENERAL FUND**

REVENUE

ACCOUNT NUMBER	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
CHARGES FOR SERVICES								
01-361-310	Land Development Fees	\$ 19,900	\$ 42,400	\$ 20,000	\$ 33,630	\$ 20,000	-	0.0%
01-361-340	Zoning Hearing Board Fees	29,700	33,950	30,000	36,710	50,000	20,000	66.7%
01-361-400	Plan Review Fees	60,438	82,578	60,000	46,889	50,400	(9,600)	-16.0%
01-361-600	Electric Vehicle Charging Station Fee	-	24,670	30,000	18,132	40,000	10,000	33.3%
01-361-800	Other Services	43,316	29,697	22,800	15,310	6,900	(15,900)	-69.7%
		\$ 153,354	\$ 213,295	\$ 162,800	\$ 150,671	\$ 167,300	4,500	2.8%
PUBLIC SAFETY								
01-362-100	Special Police Services	\$ 372,152	\$ 556,231	\$ 500,000	\$ 430,000	\$ 500,000	-	0.0%
01-362-120	Livescan Reimbursement	34,316	48,211	63,000	75,326	41,000	(22,000)	-34.9%
01-362-130	Police Reports	10,605	10,527	11,000	7,020	10,600	(400)	-3.6%
01-362-140	Crossing Guard Reimbursement	123,878	103,231	100,000	105,000	100,000	-	0.0%
01-362-200	Fire Protection Permits	193,447	144,843	160,000	233,412	208,000	48,000	30.0%
01-362-210	Fire Protection Inspections	362,529	366,868	400,000	397,756	400,000	-	0.0%
01-362-220	Fire Reports	300	1,175	500	675	600	100	20.0%
01-362-400	Application Permits	-	-	-	49,070	50,000	50,000	0.0%
01-362-410	Building Permits	1,102,943	889,788	1,000,000	532,631	750,000	(250,000)	-25.0%
01-362-420	Electrical Permits	229,508	210,838	215,000	285,966	284,500	69,500	32.3%
01-362-430	Plumbing Permits	118,005	103,395	110,000	183,470	150,000	40,000	36.4%
01-362-470	Zoning Permits	55,530	39,290	40,000	48,101	45,000	5,000	12.5%
01-362-480	Other Services	13,939	11,274	10,000	16,120	12,200	2,200	22.0%
01-362-490	Inspection of Rental Unit	172,975	172,325	180,000	180,930	175,000	(5,000)	-2.8%
01-363-200	Parking Transaction Fee	292,534	317,592	280,000	275,018	300,000	20,000	7.1%
01-380-100	Miscellaneous Revenue	297	21,572	1,000	17,112	38,300	37,300	3730.0%
		\$ 3,082,958	\$ 2,997,160	\$ 3,070,500	\$ 2,837,607	\$ 3,065,200	(5,300)	-0.2%
CONTRIBUTIONS FROM PRIVATE SOURCES								
01-387-100	Contributions and Donations	\$ 35,000	\$ 40,000	\$ 1,000	\$ 50,000	\$ 20,000	19,000	1900.0%
		\$ 35,000	\$ 40,000	\$ 1,000	\$ 50,000	\$ 20,000	19,000	1900.0%
OTHER								
01-391-100	Sales of General Fixed Assets	\$ -	\$ 905	\$ -	\$ -	\$ -	-	0.0%
01-395-000	Refund of Prior Year Expenditures	56,722	24,325	-	-	-	-	0.0%
		\$ 56,722	\$ 25,230	\$ -	\$ -	\$ -	-	0.0%
TOTAL OPERATIONAL REVENUE		\$ 25,004,314	\$ 25,113,801	\$ 24,642,275	\$ 24,654,199	\$ 30,901,200	6,258,925	25.4%
INTERFUND TRANSFERS								
01-392-012	Transfer from Stormwater Fund	\$ -	\$ -	\$ 200,000	\$ -	\$ -	(200,000)	-100.0%
01-392-029	Transfer from Police Forefeiture Fund	-	40,116	-	-	-	-	0.0%
		\$ -	\$ 40,116	\$ 200,000	\$ -	\$ -	(200,000)	-100.0%
TOTAL REVENUE WITH TRANSFERS		\$ 25,004,314	\$ 25,153,917	\$ 24,842,275	\$ 24,654,199	\$ 30,901,200	6,058,925	24.4%

**2026 BUDGET
GENERAL FUND**

EXPENDITURES

ACCOUNT NUMBER	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
LEGISLATIVE BODY								
01-400-105	Salaries and Wages	\$ 20,000	\$ 20,238	\$ 20,000	\$ 18,000	\$ 20,000	-	0.0%
01-400-192	FICA/Medicare	1,530	1,530	2,000	1,400	1,500	(500)	-25.0%
01-400-210	Office Supplies	-	60	100	600	-	(100)	-100.0%
01-400-310	Professional Services	-	-	-	-	140,000	140,000	0.0%
01-400-340	Advertising & Printing	5,565	7,220	12,000	14,495	10,000	(2,000)	-16.7%
01-400-420	Subscriptions & Memberships	5,716	10	3,000	3,000	3,000	-	0.0%
01-400-450	Contracted Services	4,813	9,435	12,000	10,095	5,100	(6,900)	-57.5%
01-400-460	Meetings	1,925	1,366	3,000	2,370	2,500	(500)	-16.7%
01-400-461	Conferences & Trainings	-	-	-	-	9,000	9,000	0.0%
		\$ 39,549	\$ 39,859	\$ 52,100	\$ 49,960	\$ 191,100	139,000	266.8%
EXECUTIVE								
01-401-112	Salaries and Wages	\$ 462,122	\$ 584,884	\$ 585,000	\$ 690,000	\$ 709,000	124,000	21.2%
01-401-180	Overtime Salaries	177	1,660	5,000	3,000	8,000	3,000	60.0%
01-401-192	FICA/Medicare	30,775	39,762	46,000	53,015	54,900	8,900	19.3%
01-401-196	Medical Insurance	106,985	154,939	149,000	160,000	125,000	(24,000)	-16.1%
01-401-198	Disability Insurance	2,013	2,336	3,000	3,265	3,000	-	0.0%
01-401-199	Group Life Insurance	548	775	1,000	810	1,000	-	0.0%
01-401-210	Office Supplies	5,314	4,816	5,000	5,000	5,000	-	0.0%
01-401-215	Postage	12,261	4,091	11,000	10,175	11,000	-	0.0%
01-401-220	Operating Supplies	1,614	1,072	4,000	1,375	4,000	-	0.0%
01-401-320	Communications	4,263	6,733	5,000	6,240	6,900	1,900	38.0%
01-401-340	Advertising and Printing	2,404	5,596	5,000	1,500	2,000	(3,000)	-60.0%
01-401-374	Equipment Maintenance	4,181	4,558	7,500	4,615	5,000	(2,500)	-33.3%
01-401-384	Equipment Leasing	8,847	8,847	8,850	8,625	8,900	50	0.6%
01-401-420	Subscriptions and Memberships	15,645	7,246	16,000	15,770	9,000	(7,000)	-43.8%
01-401-450	Contracted Services	185	9,669	5,000	27,155	5,000	-	0.0%
01-401-460	Meetings	9,718	11,962	9,500	10,467	6,500	(3,000)	-31.6%
01-401-461	Conferences & Trainings	-	-	-	-	21,000	21,000	0.0%
		\$ 667,052	\$ 848,946	\$ 865,850	\$ 1,001,012	\$ 985,200	119,350	13.8%
FINANCIAL ADMINISTRATION								
01-402-112	Salaries and Wages	\$ 408,243	\$ 346,383	\$ 373,000	\$ 357,520	\$ 399,000	26,000	7.0%
01-402-180	Overtime Salaries	1,575	902	5,000	-	-	(5,000)	-100.0%
01-402-192	FICA/Medicare	33,743	27,563	29,000	27,580	30,500	1,500	5.2%
01-402-196	Medical Insurance	95,192	79,430	100,000	96,070	112,000	12,000	12.0%
01-402-198	Disability Insurance	2,415	1,754	2,000	2,060	2,100	100	5.0%
01-402-199	Group Life Insurance	871	648	1,000	450	1,000	-	0.0%
01-402-210	Office Supplies	2,245	1,926	1,500	2,490	2,300	800	53.3%
01-402-220	Operating Supplies	287	284	500	-	-	(500)	-100.0%
01-402-310	Professional Services	35,975	32,775	40,000	32,375	35,000	(5,000)	-12.5%
01-402-320	Communications	2,400	1,700	2,500	1,800	2,400	(100)	-4.0%
01-402-390	Bank Service Charges/Fees	9,296	9,721	10,000	9,661	25,000	15,000	150.0%
01-402-420	Subscriptions and Memberships	1,395	1,177	3,000	770	4,000	1,000	33.3%
01-402-450	Contracted Services	-	225	500	-	-	(500)	-100.0%
01-402-460	Trainings and Meetings	5,739	7,791	6,800	6,470	8,000	1,200	17.6%
		\$ 599,376	\$ 512,279	\$ 574,800	\$ 537,246	\$ 621,300	46,500	8.1%
TAX COLLECTION								
01-403-105	Salaries and Wages	\$ 56,250	\$ 56,559	\$ 57,000	\$ 57,000	\$ 57,000	-	0.0%
01-403-160	Commission	166,791	162,607	168,000	159,000	168,000	-	0.0%
01-403-192	FICA/Medicare	4,469	4,303	5,000	5,000	4,400	(600)	-12.0%
01-403-220	Operating Supplies	7,133	7,149	14,000	7,120	7,500	(6,500)	-46.4%
01-403-490	Refund on Taxes	8,018	7,807	8,000	367,000	8,000	-	0.0%
01-403-491	Volunteer Tax Credits	-	-	-	12,281	47,000	47,000	0.0%
		\$ 242,661	\$ 238,425	\$ 252,000	\$ 607,401	\$ 291,900	39,900	15.8%
LEGAL SERVICES								
01-404-301	General Legal Services	\$ 176,302	\$ 158,010	\$ 160,000	\$ 95,000	\$ 160,000	-	0.0%
01-404-314	Special Legal Services	22,232	113,156	100,000	300,000	500,000	400,000	400.0%
		\$ 198,534	\$ 271,166	\$ 260,000	\$ 395,000	\$ 660,000	400,000	153.8%

**2026 BUDGET
GENERAL FUND**

EXPENDITURES

ACCOUNT NUMBER	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
INFORMATION TECHNOLOGY								
01-407-112	Salaries and Wages	\$ 103,812	\$ 154,400	\$ 160,000	\$ 160,000	\$ 274,000	114,000	71.3%
01-407-180	Overtime Salaries	28,934	-	-	-	-	-	0.0%
01-407-192	FICA/Medicare	10,382	11,569	13,000	13,000	21,000	8,000	61.5%
01-407-196	Medical Insurance	27,686	24,471	27,500	23,350	44,000	16,500	60.0%
01-407-198	Disability Insurance	563	508	1,000	410	400	(600)	-60.0%
01-407-199	Group Life Insurance	174	167	500	110	100	(400)	-80.0%
01-407-210	Office Supplies	1,328	192	400	130	500	100	25.0%
01-407-260	Minor Equipment	42,941	39,687	30,000	23,360	25,000	(5,000)	-16.7%
01-407-318	Software License Fees	239,419	332,297	334,450	310,000	450,000	115,550	34.5%
01-407-320	Communications	25,656	27,393	35,000	35,000	30,000	(5,000)	-14.3%
01-407-374	Equipment Maintenance	68	-	-	-	30,000	30,000	0.0%
01-407-450	Contracted Services	86,757	57,250	70,000	55,000	68,000	(2,000)	-2.9%
01-407-460	Trainings and Meetings	1,832	2,072	3,000	2,000	82,000	79,000	2633.3%
		\$ 569,552	\$ 650,006	\$ 674,850	\$ 622,360	\$ 1,025,000	350,150	51.9%
ENGINEERING								
01-408-112	Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ 110,000	110,000	0.0%
01-408-192	FICA/Medicare	-	-	-	-	8,000	8,000	0.0%
01-408-196	Medical Insurance	-	-	-	-	32,000	32,000	0.0%
01-408-198	Disability Insurance	-	-	-	-	400	400	0.0%
01-408-199	Group Life Insurance	-	-	-	-	400	400	0.0%
01-408-313	General Engineering	\$ 73,627	\$ 141,641	\$ 100,000	\$ 113,500	\$ 100,000	-	0.0%
01-408-317	Traffic Engineering	30,987	50,129	50,000	86,100	45,000	(5,000)	-10.0%
		\$ 104,614	\$ 191,770	\$ 150,000	\$ 199,600	\$ 295,800	145,800	97.2%
BUILDINGS AND GROUNDS								
01-409-220	Operating Supplies	\$ 23,996	\$ 19,443	\$ 18,000	\$ 40,000	\$ 25,000	7,000	38.9%
01-409-236	Building Supplies	4,379	3,867	5,000	9,000	7,000	2,000	40.0%
01-409-260	Minor Equipment	-	-	-	-	-	-	0.0%
01-409-320	Communications	-	-	-	-	-	-	0.0%
01-409-360	Utilities	121,121	190,646	210,000	255,000	280,000	70,000	33.3%
01-409-370	Repairs and Maintenance	-	-	-	-	100,000	100,000	0.0%
01-409-450	Contracted Services	138,509	117,600	115,000	191,372	120,000	5,000	4.3%
		\$ 288,005	\$ 331,556	\$ 348,000	\$ 495,372	\$ 532,000	184,000	52.9%
POLICE SERVICES								
01-410-112	Salaries and Wages	\$ 7,810,260	\$ 8,347,327	\$ 9,112,000	\$ 8,301,707	\$ 9,414,000	302,000	3.3%
01-410-149	Holiday Pay	403,184	429,445	461,000	447,000	487,000	26,000	5.6%
01-410-180	Overtime Salaries	1,358,183	1,805,692	1,475,000	1,871,000	1,700,000	225,000	15.3%
01-410-181	Court Overtime Pay	145,035	8,853	-	-	-	-	0.0%
01-410-182	Shift Differential	95,017	113,469	114,000	111,170	114,000	-	0.0%
01-410-186	Clothing Allowance	45,319	42,330	50,000	45,000	52,500	2,500	5.0%
01-410-192	FICA/Medicare	177,784	189,759	204,000	154,075	198,000	(6,000)	-2.9%
01-410-196	Medical Insurance	1,987,984	2,149,522	2,429,000	2,219,420	2,369,000	(60,000)	-2.5%
01-410-198	Disability Insurance	22,716	17,179	17,000	20,620	21,700	4,700	27.6%
01-410-199	Group Life Insurance	10,366	9,654	13,000	6,240	11,000	(2,000)	-15.4%
01-410-210	Office Supplies	9,523	7,771	10,000	8,030	8,000	(2,000)	-20.0%
01-410-215	Postage	3,283	2,179	4,000	2,860	3,000	(1,000)	-25.0%
01-410-220	Operating Supplies	62,122	68,742	62,000	60,000	63,000	1,000	1.6%
01-410-221	K9	29,853	10,254	27,500	20,460	25,000	(2,500)	-9.1%
01-410-238	Clothing and Uniforms	89,806	60,765	68,000	75,000	70,000	2,000	2.9%
01-410-260	Minor Equipment	63,844	55,021	50,000	37,000	70,500	20,500	41.0%
01-410-310	Professional Services	19,350	12,948	20,000	15,770	20,000	-	0.0%
01-410-320	Communications	53,817	68,579	54,000	52,000	54,000	-	0.0%
01-410-340	Advertising and Printing	1,195	4,385	5,500	2,000	5,500	-	0.0%
01-410-374	Equipment Maintenance	2,491	3,300	5,000	3,500	3,300	(1,700)	-34.0%
01-410-384	Equipment Leasing	3,974	3,974	4,000	3,970	4,000	-	0.0%
01-410-420	Subscriptions and Memberships	12,913	11,473	15,000	12,230	15,000	-	0.0%
01-410-450	Contracted Services	139,067	100,165	100,000	91,460	90,000	(10,000)	-10.0%
01-410-451	Co-Responder	-	61,229	5,000	85,000	105,000	100,000	2000.0%
01-410-460	Trainings and Meetings	69,833	110,165	75,000	125,000	118,500	43,500	58.0%
		\$ 12,616,919	\$ 13,694,180	\$ 14,380,000	\$ 13,770,512	\$ 15,022,000	642,000	4.5%

**2026 BUDGET
GENERAL FUND**

EXPENDITURES

ACCOUNT NUMBER	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
<u>FIRE PROTECTION SERVICES</u>								
01-411-112	Salaries and Wages	\$ 607,237	\$ 167,383	\$ 210,000	\$ 248,660	\$ 182,000	(28,000)	-13.3%
01-411-149	Holiday Pay	-	-	8,000	6,000	6,000	(2,000)	-25.0%
01-411-180	Overtime Salaries	79,533	39,200	20,000	25,600	25,000	5,000	25.0%
01-411-192	FICA/Medicare	56,248	15,716	20,000	20,950	16,300	(3,700)	-18.5%
01-411-196	Medical Insurance	180,586	63,213	55,000	75,000	62,000	7,000	12.7%
01-411-198	Disability Insurance	3,953	1,413	1,000	3,340	1,500	500	50.0%
01-411-199	Group Life Insurance	4,020	1,681	2,000	3,020	2,000	-	0.0%
01-411-210	Office Supplies	673	886	1,250	1,280	1,000	(250)	-20.0%
01-411-220	Operating Supplies	3,459	542	2,250	1,310	2,500	250	11.1%
01-411-238	Clothing and Uniforms	5,500	2,169	5,000	4,240	800	(4,200)	-84.0%
01-411-260	Minor Equipment	8,150	123	1,250	50	500	(750)	-60.0%
01-411-320	Communications	9,263	2,178	2,000	1,830	1,500	(500)	-25.0%
01-411-340	Advertising and Printing	655	1,607	250	900	1,000	750	300.0%
01-411-374	Equipment Maintenance	3,726	1,492	2,750	-	3,300	550	20.0%
01-411-420	Subscriptions and Memberships	946	774	650	1,020	900	250	38.5%
01-411-450	Contracted Services	11,555	2,156	2,000	1,340	1,000	(1,000)	-50.0%
01-411-460	Training and Meetings	2,219	3,729	2,500	6,190	6,500	4,000	160.0%
		\$ 977,723	\$ 304,262	\$ 335,900	\$ 400,730	\$ 313,800	(22,100)	-6.6%
<u>EMERGENCY MANAGEMENT</u>								
01-412-210	Office Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
01-412-220	Operating Supplies	-	-	-	-	6,000	6,000	0.0%
01-412-420	Subscriptions and Memberships	75	-	-	168	-	-	0.0%
01-412-450	Contracted Services	-	-	-	-	-	-	0.0%
01-412-460	Trainings and Meetings	235	-	1,000	-	1,000	-	0.0%
		\$ 310	\$ -	\$ 1,000	\$ 168	\$ 7,000	6,000	600.0%
<u>BUILDING & ZONING</u>								
01-413-112	Salaries and Wages	\$ 435,254	\$ 585,033	\$ 658,000	\$ 600,000	\$ 690,000	32,000	4.9%
01-413-180	Overtime Salaries	1,550	240	5,000	1,120	8,000	3,000	60.0%
01-413-192	FICA/Medicare	35,984	47,434	50,000	45,993	53,400	3,400	6.8%
01-413-196	Medical Insurance	189,254	198,680	252,000	204,370	194,000	(58,000)	-23.0%
01-413-198	Disability Insurance	3,455	3,242	4,000	3,470	3,700	(300)	-7.5%
01-413-199	Group Life Insurance	1,434	1,404	2,000	900	1,000	(1,000)	-50.0%
01-413-210	Office Supplies	3,538	2,813	4,000	2,230	3,000	(1,000)	-25.0%
01-413-238	Clothing and Uniforms	297	-	600	1,440	1,800	1,200	200.0%
01-413-260	Minor Equipment	-	674	700	-	-	(700)	-100.0%
01-413-320	Communications	3,887	4,470	5,500	4,030	5,400	(100)	-1.8%
01-413-340	Advertising and Printing	1,603	2,632	2,000	1,700	2,000	-	0.0%
01-413-374	Equipment Maintenance	1,836	2,239	2,000	2,850	2,000	-	0.0%
01-413-384	Equipment Leasing	3,069	3,069	3,500	3,070	3,100	(400)	-11.4%
01-413-420	Subscriptions and Memberships	991	1,014	2,000	1,440	2,000	-	0.0%
01-413-450	Contracted Services	240,344	255,356	240,000	285,000	400,000	160,000	66.7%
01-413-460	Training and Meetings	4,402	5,809	5,000	4,050	5,000	-	0.0%
01-413-490	Code Enforcement Expenses	-	53,279	5,000	1,570	2,000	(3,000)	-60.0%
		\$ 926,898	\$ 1,167,388	\$ 1,241,300	\$ 1,163,233	\$ 1,376,400	135,100	10.9%
<u>PLANNING COMMISSION</u>								
01-414-112	Salaries and Wages	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000	-	0.0%
01-414-192	FICA/Medicare	-	-	500	-	-	(500)	-100.0%
01-414-450	Contracted Services	-	-	-	-	12,000	12,000	0.0%
		\$ -	\$ -	\$ 1,500	\$ -	\$ 13,000	11,500	766.7%

**2026 BUDGET
GENERAL FUND**

EXPENDITURES

ACCOUNT NUMBER	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
ZONING HEARING BOARD								
01-417-112	Salaries and Wages	\$ 6,000	\$ 6,986	\$ 7,200	\$ 7,200	\$ 7,200	-	0.0%
01-417-192	FICA/Medicare	459	528	555	550	600	45	8.1%
01-417-215	Postage	-	-	-	-	3,000	3,000	0.0%
01-417-310	Professional Services	68,401	73,091	70,000	75,000	75,000	5,000	7.1%
01-417-340	Advertising and Printing	24,098	20,345	25,000	28,000	30,000	5,000	20.0%
01-417-450	Contracted Services	13,321	10,712	12,500	10,300	14,000	1,500	12.0%
		\$ 112,279	\$ 111,662	\$ 115,255	\$ 121,050	\$ 129,800	14,545	12.6%
SCHOOL CROSSING GUARDS								
01-418-112	Salaries and Wages	\$ 182,744	\$ 184,506	\$ 168,000	\$ 172,100	\$ 175,000	7,000	4.2%
01-418-192	FICA/Medicare	14,329	14,038	13,000	13,170	13,400	400	3.1%
01-418-199	Group Life Insurance	87	144	500	100	100	(400)	-80.0%
01-418-220	Operating Supplies	176	(92)	500	330	500	-	0.0%
01-418-238	Clothing and Uniforms	90	584	500	-	500	-	0.0%
		\$ 197,426	\$ 199,180	\$ 182,500	\$ 185,700	\$ 189,500	7,000	3.8%
PUBLIC WORKS								
01-430-112	Salaries and Wages	\$ 847,498	\$ 851,626	\$ 967,000	\$ 712,330	\$ 975,000	8,000	0.8%
01-430-180	Overtime Salaries	72,365	40,135	30,000	34,180	88,000	58,000	193.3%
01-430-186	Clothing Allowance	-	-	-	-	16,800	16,800	0.0%
01-430-192	FICA/Medicare	76,396	69,959	94,000	58,220	81,300	(12,700)	-13.5%
01-430-196	Medical Insurance	554,588	579,405	582,000	580,000	632,000	50,000	8.6%
01-430-198	Disability Insurance	11,929	10,824	11,000	12,350	13,000	2,000	18.2%
01-430-199	Group Life Insurance	3,869	3,564	5,000	2,380	2,500	(2,500)	-50.0%
01-430-210	Office Supplies	911	1,569	1,000	680	1,000	-	0.0%
01-430-220	Operating Supplies	22,827	18,332	30,000	16,340	78,000	48,000	160.0%
01-430-238	Clothing and Uniforms	12,142	12,093	16,800	16,000	-	(16,800)	-100.0%
01-430-260	Minor Equipment	7,223	7,705	9,000	3,000	6,200	(2,800)	-31.1%
01-430-320	Communications	22,237	24,498	20,000	20,000	21,000	1,000	5.0%
01-430-340	Advertising and Printing	144	71	300	-	-	(300)	-100.0%
01-430-374	Equipment Maintenance	2,277	2,286	7,500	4,670	6,000	(1,500)	-20.0%
01-430-420	Subscriptions and Memberships	1,855	2,182	2,500	3,290	3,500	1,000	40.0%
01-430-450	Contracted Services	29,639	34,646	30,000	32,000	53,000	23,000	76.7%
01-430-460	Trainings and Meetings	1,499	1,315	5,000	1,000	15,000	10,000	200.0%
		\$ 1,667,399	\$ 1,660,210	\$ 1,811,100	\$ 1,496,440	\$ 1,992,300	181,200	10.0%
FLEET MAINTENANCE SERVICES								
01-437-112	Salaries and Wages	\$ 92,276	\$ 92,938	\$ 98,000	\$ 89,190	\$ 205,000	107,000	109.2%
01-437-180	Overtime Salaries	-	-	-	-	5,000	5,000	0.0%
01-437-192	FICA/Medicare	7,534	7,318	8,000	7,160	16,100	8,100	101.3%
01-437-220	Operating Supplies	4,804	5,098	6,000	2,920	5,000	(1,000)	-16.7%
01-437-231	Gasoline	163,390	188,686	185,000	150,000	180,000	(5,000)	-2.7%
01-437-232	Diesel	43,940	37,752	75,000	40,000	40,000	(35,000)	-46.7%
01-437-233	Electric Vehicle Charging	-	53	100	50	100	-	0.0%
01-437-235	Oils and Lubricants	3,421	-	4,000	4,500	5,000	1,000	25.0%
01-437-251	Vehicle Parts	(50)	-	5,000	5,000	-	(5,000)	-100.0%
01-437-254	Police Services	82,983	56,079	60,000	83,670	75,000	15,000	25.0%
01-437-255	Fire Marshal	36,261	44,934	45,000	27,420	15,000	(30,000)	-66.7%
01-437-256	Building and Zoning	610	935	2,000	1,120	2,000	-	0.0%
01-437-257	Public Works	8,310	10,301	7,000	14,100	12,000	5,000	71.4%
01-437-260	Minor Equipment	3,158	3,823	5,000	1,730	4,000	(1,000)	-20.0%
01-437-450	Contracted Services	46,917	28,361	50,060	34,560	40,000	(10,060)	-20.1%
		\$ 493,554	\$ 476,278	\$ 550,160	\$ 461,420	\$ 604,200	54,040	9.8%
CIVIL CELEBRATIONS								
01-457-490	Township Sponsored Events	\$ -	\$ -	\$ -	\$ 400	\$ -	-	0.0%
		\$ -	\$ -	\$ -	\$ 400	\$ -	-	0.0%
OTHER MISCELLANEOUS								
01-471-000	Debt Principal	\$ 17,849	\$ -	\$ -	\$ -	\$ -	-	0.0%
01-472-000	Debt Interest	960	-	-	-	-	-	0.0%
01-482-907	Other Expenditures	3,024	-	-	-	-	-	0.0%
		\$ 21,833	\$ -	\$ -	\$ -	\$ -	-	0.0%

**2026 BUDGET
GENERAL FUND**

EXPENDITURES

ACCOUNT NUMBER	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
EMPLOYER PAID BENEFITS								
01-483-191	Police - Post Retirement Medical	\$ 249,358	\$ 282,559	\$ 400,000	\$ 394,000	\$ 442,000	42,000	10.5%
01-483-192	Police - Retirement Costs	47,866	139,495	128,700	-	50,000	(78,700)	-61.1%
01-483-194	Unemployment Compensation	-	-	1,000	-	-	(1,000)	-100.0%
01-483-195	Workers' Compensation	371,595	450,769	532,000	495,000	548,700	16,700	3.1%
01-483-197	Police Pension Plan	2,996,190	3,188,076	3,370,716	3,372,653	3,306,700	(64,016)	-1.9%
01-483-198	Non-Uniformed Pension Plan	463,917	485,998	428,704	428,704	397,600	(31,104)	-7.3%
01-483-199	Educational Incentive Benefits	36,332	41,368	60,000	40,000	45,000	(15,000)	-25.0%
01-483-460	Training and Meetings	(7,178)	(34,873)	5,000	-	-	(5,000)	-100.0%
		\$ 4,158,080	\$ 4,553,392	\$ 4,926,120	\$ 4,730,357	\$ 4,790,000	(136,120)	-2.8%
INSURANCE								
01-486-350	Property and Liability	\$ 381,830	\$ 419,370	\$ 425,000	\$ 500,000	\$ 475,000	50,000	11.8%
		\$ 381,830	\$ 419,370	\$ 425,000	\$ 500,000	\$ 475,000	50,000	11.8%
TOTAL OPERATIONAL EXPENDITURES		\$ 24,263,594	\$ 25,669,929	\$ 27,147,435	\$ 26,737,961	\$ 29,515,300	2,367,865	8.7%
INTERFUND TRANSFERS								
01-492-003	Transfer to Fire Protection Fund	\$ -	\$ 560,000	\$ 500,000	\$ 300,000	\$ -	(500,000)	-100.0%
01-492-952	Transfer to Capital Fund	2,000,000	-	-	-	1,000,000	1,000,000	0.0%
01-492-961	Transfer to Parks and Recreation Fund	-	-	-	-	-	-	0.0%
		\$ 2,000,000	\$ 560,000	\$ 500,000	\$ 300,000	\$ 1,000,000	500,000	100.0%
BAD DEBT EXPENSE								
01-493-915	Bad Debt Expense	\$ 2,312	\$ -	\$ 2,000	\$ -	\$ -	(2,000)	-100.0%
		\$ 2,312	\$ -	\$ 2,000	\$ -	\$ -	(2,000)	-100.0%
TOTAL EXPENDITURES WITH TRANSFERS		\$ 26,265,906	\$ 26,229,929	\$ 27,649,435	\$ 27,037,961	\$ 30,515,300	2,865,865	10.4%
Income/(Loss) from Operations		\$ (1,261,592)	\$ (1,076,012)	\$ (3,007,160)	\$ (2,383,762)	\$ 385,900		

Street Lighting Fund

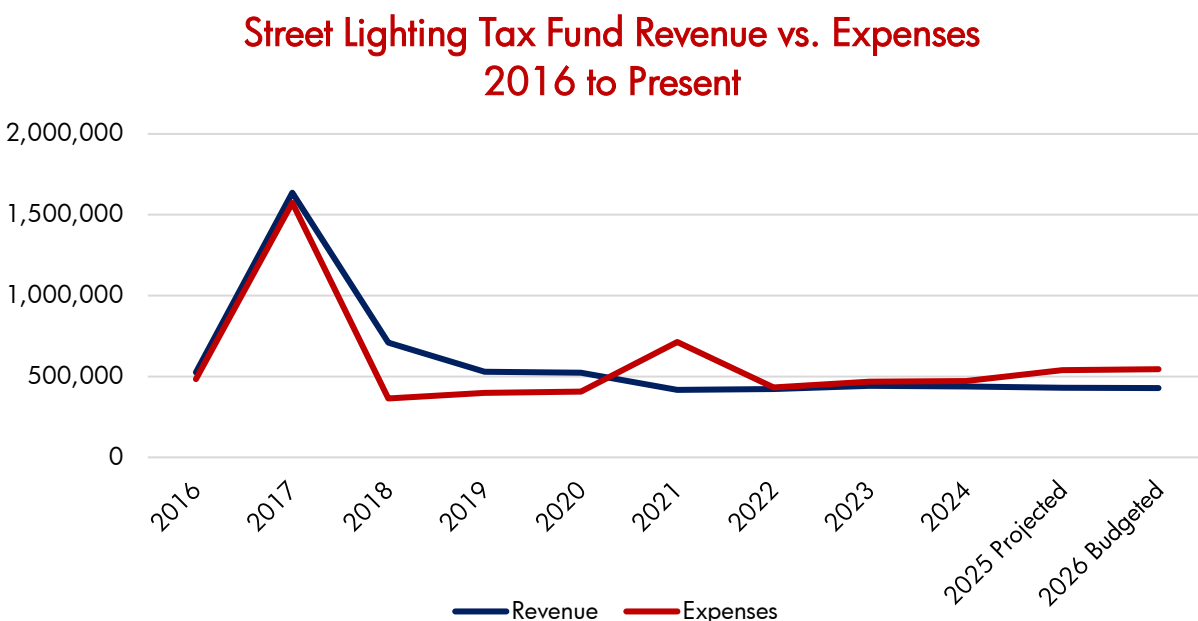
Fund Overview

The Street Lighting Fund is funded by a 0.788 mill (.0788%) Real Estate Tax. This is an appropriated special revenue governmental fund used to maintain and repair streetlights on Township-owned roads throughout the Township.

Since converting thousands of Township-owned streetlights to LEDs in 2017, maintenance and utility costs have significantly decreased—approximately \$150,000 per year—which enabled a 0.20 mill Real Estate Tax decrease in this fund in 2021, which was diverted to the General Fund.

Expenses peaked in 2021 in the Street Lighting Fund as some funds were used to pay for an LED field lighting project at Twin Oaks Park. This fund may also supplement future LED field lighting projects at other parks.

Transfers from the Street Lighting Fund to the Debt Service Fund are made annually for the repayment of the Municipal Note used to finance the LED Street Lighting Program. This debt is scheduled to be paid off in 2028. Including transfers, the Street Lighting Fund budget is \$545,100 for 2026.



Fund Balance

The Street Lighting Fund has a healthy fund balance, with a 2026 beginning balance of \$580,395 and a 2026 ending balance of \$462,795.

**2026 BUDGET
STREET LIGHTING FUND SUMMARY**

REVENUE

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Real Property Taxes	\$ 409,127	\$ 407,975	\$ 415,000	\$ 412,084	\$ 412,100	(2,900)	-0.7%
Interest Earnings	32,793	30,317	15,600	18,400	15,400	(200)	-1.3%
Miscellaneous Revenue	360	-	-	-	-	-	0.0%
Total Revenue	\$ 442,280	\$ 438,292	\$ 430,600	\$ 430,484	\$ 427,500	(3,100)	-0.7%

EXPENDITURES

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Engineering	\$ -	\$ -	\$ 2,000	\$ -	\$ -	(2,000)	-100.0%
Street Lighting	330,368	333,335	392,000	348,550	415,600	23,600	6.0%
Fleet Maintenance Services	481	935	5,500	1,710	-	(5,500)	-100.0%
Employer Paid Benefits	7,413	8,732	11,000	-	-	(11,000)	-100.0%
Total Operating Expenditures	\$ 338,262	\$ 343,002	\$ 410,500	\$ 350,260	\$ 415,600	5,100	1.2%
Interfund Transfers	\$ 129,500	\$ 129,500	\$ 129,500	\$ 129,500	\$ 129,500	-	0.0%
Bad Debt	-	-	-	-	-	-	0.0%
Total Expenditures	\$ 467,762	\$ 472,502	\$ 540,000	\$ 479,760	\$ 545,100	5,100	0.9%
Income/(Loss) from Operations	\$ (25,482)	\$ (34,210)	\$ (109,400)	\$ (49,276)	\$ (117,600)	(8,200)	7.5%
Fund Balance - Beginning	\$ 689,363	\$ 663,881		\$ 629,671	\$ 580,395		
Fund Balance - Ending	\$ 663,881	\$ 629,671		\$ 580,395	\$ 462,795		

**2026 BUDGET
STREET LIGHTING FUND**

REVENUE

ACCOUNT NUMBER	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
REAL PROPERTY TAXES								
02-301-100	Real Estate Taxes - Current YR	\$ 405,394	\$ 402,696	\$ 410,000	\$ 407,984	\$ 408,000	(2,000)	-0.5%
02-301-300	Real Estate Taxes - Delinquent	3,733	5,279	5,000	4,100	4,100	(900)	-18.0%
		\$ 409,127	\$ 407,975	\$ 415,000	\$ 412,084	\$ 412,100	(2,900)	-0.7%
PENALTIES AND INTEREST								
02-319-100	Penalties and Interest - R.E. Tax	\$ 485	\$ 1,230	\$ 600	\$ 400	\$ 400	(200)	-33.3%
		\$ 485	\$ 1,230	\$ 600	\$ 400	\$ 400	(200)	-33.3%
INTEREST EARNINGS								
02-341-100	Interest Income	\$ 32,308	\$ 29,087	\$ 15,000	\$ 18,000	\$ 15,000	-	0.0%
		\$ 32,308	\$ 29,087	\$ 15,000	\$ 18,000	\$ 15,000	-	0.0%
OTHER REVENUE								
02-389-100	Miscellaneous	\$ 360	\$ -	\$ -	\$ -	\$ -	-	0.0%
		\$ 360	\$ -	\$ -	\$ -	\$ -	-	0.0%
TOTAL OPERATIONAL REVENUE		\$ 442,280	\$ 438,292	\$ 430,600	\$ 430,484	\$ 427,500	(3,100)	-0.7%

EXPENDITURES

ACCOUNT NUMBER	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
ENGINEERING								
02-408-319	Street Lighting Engineering	\$ -	\$ -	\$ 2,000	\$ -	\$ -	(2,000)	-100.0%
		\$ -	\$ -	\$ 2,000	\$ -	\$ -	(2,000)	-100.0%
STREET LIGHTING								
02-434-112	Salaries and Wages	\$ 29,873	\$ 18,112	\$ 25,000	\$ 37,910	\$ 26,000	1,000	4.0%
02-434-180	Overtime Salaries	178	-	1,000	1,610	2,000	1,000	100.0%
02-434-192	FICA/Medicare	2,604	1,485	2,000	3,200	2,100	100	5.0%
02-434-210	Office Supplies	-	-	500	-	-	(500)	-100.0%
02-434-220	Operating Supplies	31,839	35,968	22,000	25,200	30,000	8,000	36.4%
02-434-260	Minor Equipment	818	968	1,000	320	500	(500)	-50.0%
02-434-320	Communications	-	-	500	-	-	(500)	-100.0%
02-434-360	Utilities	263,556	255,077	300,000	280,310	325,000	25,000	8.3%
02-434-450	Contracted Services	1,500	-	10,000	-	-	(10,000)	-100.0%
02-434-700	Capital Purchases	-	21,725	30,000	-	30,000	-	0.0%
		\$ 330,368	\$ 333,335	\$ 392,000	\$ 348,550	\$ 415,600	23,600	6.0%
FLEET MAINTENANCE SERVICES								
02-437-220	Operating Supplies	\$ 443	\$ 935	\$ 1,250	\$ 350	\$ -	(1,250)	-100.0%
02-437-235	Oils and Lubricants	38	-	1,250	60	-	(1,250)	-100.0%
02-437-450	Contracted Services	-	-	3,000	1,300	-	(3,000)	-100.0%
		\$ 481	\$ 935	\$ 5,500	\$ 1,710	\$ -	(5,500)	-100.0%
EMPLOYER PAID BENEFITS								
02-483-194	Unemployment Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
02-483-195	Workers' Compensation	7,413	8,732	11,000	-	-	(11,000)	-100.0%
		\$ 7,413	\$ 8,732	\$ 11,000	\$ -	\$ -	(11,000)	-100.0%
TOTAL OPERATIONAL EXPENDITURES		\$ 338,262	\$ 343,002	\$ 410,500	\$ 350,260	\$ 415,600	5,100	1.2%
INTERFUND TRANSFERS								
02-492-023	Transfer to Debt Fund	\$ 129,500	\$ 129,500	\$ 129,500	\$ 129,500	\$ 129,500	-	0.0%
02-492-030	Transfer to Capital Fund	-	-	-	-	-	-	0.0%
		\$ 129,500	\$ 129,500	\$ 129,500	\$ 129,500	\$ 129,500	-	0.0%
TOTAL EXPENDITURES WITH TRANSFERS		\$ 467,762	\$ 472,502	\$ 540,000	\$ 479,760	\$ 545,100	5,100	0.9%
Income/(Loss) from Operations		\$ (25,482)	\$ (34,210)	\$ (109,400)	\$ (49,276)	\$ (117,600)		

Fire Protection Fund

Fund Overview

The Fire Protection Fund is an appropriated special revenue governmental fund which supports the delivery of fire protection services to the community. This fund is primarily funded by a dedicated Real Estate Tax. An increase to 5.00 mills (0.50%), up from 1.920 mills, is proposed for 2026. This fund also receives the proceeds from a state-implemented tax levied on fire insurance policies, known as the Foreign Fire Insurance Premium Tax.



This fund provides revenue to the four volunteer fire companies that serve Middletown Township: Langhorne-Middletown Fire Company, Parkland Fire Company, Pennel Fire Company, and William Penn Fire Company. Additionally, indirect support to the fire companies, or expenses incurred to bolster fire company operations or the well-being of volunteers, is also carried in this fund. Examples of this include paying for a portion of workers' compensation insurance premiums, physicals

for firefighters, and stipends for qualified volunteers. This budget also contemplates a proposed increase to the volunteer stipend from \$250 to \$599 per year.

Revenue and Expenses

A Real Estate Tax increase is proposed due to the structural deficit in this fund, driven by the cost of providing daytime fire protection services, which has been bolstered by transfers from the General Fund. The tax increase will continue to support the volunteer fire companies and position the Township to continue to provide fire protection services directly and more easily consider future expansions of service if needed.

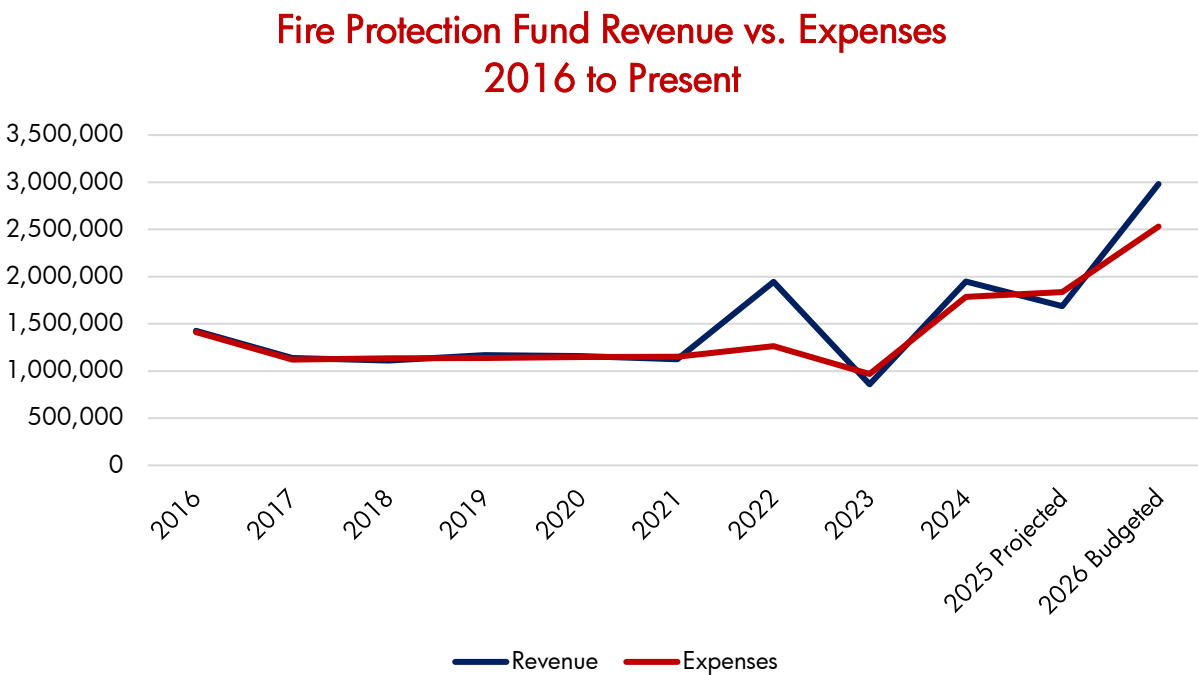
The Foreign Fire Insurance Premium Tax received is transferred to the relief association of each of the four fire companies and the relief association of the Pennel-Middletown Emergency Squad. As of the most recent audits performed by the Pennsylvania Auditor General, the five relief associations supporting emergency response agencies in Middletown Township collectively possess more than \$9 million in cash and investments. [Audit reports can be located on the Pennsylvania Auditor General's website.](#)

This fund also supports the firefighting operations of the Department of Fire & Emergency Services, which provides daytime emergency response to the community twelve (12)

hours each weekday. Previously carried by the General Fund alone, the cost of paid firefighters from the Department of Fire & Emergency Services is now carried in this fund to clearly show the cost of providing fire protection services to the community.

In 2024, the Township began to account for revenue and expenses specific to fire apparatus—the vehicles necessary for firefighting—in a separate Fire Apparatus Fund for added transparency.

The 2026 Fire Protection Fund budget is \$2,530,500.



Revenue Changes for 2026:

- Real Estate Tax Millage Increase 3.080 mills \$1,596,000
- Discontinue Transfer from General Fund (\$500,000)

Operating Expense Changes for 2026:

- Staffing – Fire Lieutenant (includes wages and fringe benefits) \$158,000
- Fire Protection Study \$50,000
- Increase to Volunteer Firefighter Stipend \$40,000

Fund Balance

The 2026 beginning balance is projected to be \$601,936. The 2026 ending fund balance is projected to be \$1,052,436. The fund balance is expected to increase in the short-term while revenues are expected to exceed expenditures.

**2026 BUDGET
FIRE PROTECTION FUND SUMMARY**

REVENUES

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Real Property Taxes	\$ 478,007	\$ 1,005,013	\$ 1,008,000	\$ 1,003,972	\$ 2,601,000	1,593,000	158.0%
Interest Earnings	26,123	25,353	15,600	21,000	16,000	400	2.6%
State Shared Revenue and Entitlements	354,844	358,093	355,000	361,020	364,000	9,000	2.5%
Total Operational Revenue	\$ 858,974	\$ 1,388,459	\$ 1,378,600	\$ 1,385,992	\$ 2,981,000	1,602,400	116.2%
Interfund Transfers	-	560,000	500,000	300,000	-	(500,000)	-100.0%
Total Revenue	\$ 858,974	\$ 1,948,459	\$ 1,878,600	\$ 1,685,992	\$ 2,981,000	1,102,400	58.7%

EXPENDITURES

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Fire Protection Services	\$ -	\$ 817,532	\$ 1,034,550	\$ 792,050	\$ 1,328,600	294,050	28.4%
Volunteer Fire Companies Allocation	864,774	869,343	867,000	864,021	918,900	51,900	6.0%
Buildings and Facility Maintenance	11,200	-	2,000	-	-	(2,000)	-100.0%
Fleet Maintenance Services	-	-	-	-	88,000	88,000	0.0%
Employer Paid Benefits	92,237	99,639	112,000	180,800	195,000	83,000	74.1%
Total Operating Expenditures	\$ 968,211	\$ 1,786,514	\$ 2,015,550	\$ 1,836,871	\$ 2,530,500	514,950	25.5%
Income/(Loss) from Operations	\$ (109,237)	\$ 161,945	\$ (136,950)	\$ (150,879)	\$ 450,500	587,450	-429.0%
Fund Balance - Beginning	\$ 700,107	\$ 590,870		\$ 752,815	\$ 601,936		
Fund Balance - Ending	\$ 590,870	\$ 752,815		\$ 601,936	\$ 1,052,436		

**2026 BUDGET
FIRE PROTECTION FUND**

REVENUE

ACCOUNT NUMBER	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
REAL PROPERTY TAXES								
03-301-100	Real Estate Taxes - Current YR	\$ 473,647	\$ 992,008	\$ 1,000,000	\$ 994,072	\$ 2,591,000	1,591,000	159.1%
03-301-300	Real Estate Taxes - Delinquent	4,360	13,005	8,000	9,900	10,000	2,000	25.0%
		\$ 478,007	\$ 1,005,013	\$ 1,008,000	\$ 1,003,972	\$ 2,601,000	1,593,000	158.0%
PENALTIES AND INTEREST								
03-319-100	Penalties and Interest - R.E. Taxes	\$ 567	\$ 3,029	\$ 600	\$ 1,000	\$ 1,000	400	66.7%
		\$ 567	\$ 3,029	\$ 600	\$ 1,000	\$ 1,000	400	66.7%
INTEREST EARNINGS								
03-341-100	Interest Income	\$ 25,556	\$ 22,324	\$ 15,000	\$ 20,000	\$ 15,000	-	0.0%
		\$ 25,556	\$ 22,324	\$ 15,000	\$ 20,000	\$ 15,000	-	0.0%
STATE SHARED REVENUE AND ENTITLEMENTS								
03-355-007	Foreign Fire Insurance Premium Tax	\$ 354,844	\$ 358,093	\$ 355,000	\$ 361,020	\$ 364,000	9,000	2.5%
		\$ 354,844	\$ 358,093	\$ 355,000	\$ 361,020	\$ 364,000	9,000	2.5%
TOTAL OPERATIONAL REVENUE		\$ 858,974	\$ 1,388,459	\$ 1,378,600	\$ 1,385,992	\$ 2,981,000	1,602,400	116.2%
INTERFUND TRANSFERS								
03-392-001	Transfer from General Fund	\$ -	\$ 560,000	\$ 500,000	\$ 300,000	\$ -	(500,000)	-100.0%
03-392-003	Transfer from Investment Fund	-	-	-	-	-	-	0.0%
		\$ -	\$ 560,000	\$ 500,000	\$ 300,000	\$ -	(500,000)	-100.0%
TOTAL REVENUE WITH TRANSFERS		\$ 858,974	\$ 1,948,459	\$ 1,878,600	\$ 1,685,992	\$ 2,981,000	1,102,400	58.7%

EXPENDITURES

ACCOUNT NUMBER	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
FIRE PROTECTION SERVICES								
03-411-112	Salaries and Wages	\$ -	\$ 496,343	\$ 594,000	\$ 471,100	\$ 759,000	165,000	27.8%
03-411-149	Holiday Pay	-	-	48,000	44,000	50,000	2,000	4.2%
03-411-180	Overtime Salaries	-	115,947	75,000	78,000	95,000	20,000	26.7%
03-411-192	FICA/Medicare	-	46,517	57,000	45,370	69,000	12,000	21.1%
03-411-196	Medical Insurance	-	131,167	192,000	138,000	258,000	66,000	34.4%
03-411-198	Disability Insurance	-	2,355	3,000	4,000	7,000	4,000	133.3%
03-411-199	Group Life Insurance	-	2,774	4,000	760	8,000	4,000	100.0%
03-411-210	Office Supplies	-	-	3,750	550	800	(2,950)	-78.7%
03-411-220	Operating Supplies	-	3,762	6,750	4,800	8,500	1,750	25.9%
03-411-238	Clothing and Uniforms	-	4,653	15,000	-	5,000	(10,000)	-66.7%
03-411-260	Minor Equipment	-	834	3,750	970	1,500	(2,250)	-60.0%
03-411-320	Communications	-	7,374	6,000	3,490	5,500	(500)	-8.3%
03-411-340	Advertising and Printing	-	498	750	-	-	(750)	-100.0%
03-411-374	Equipment Maintenance	-	3,310	8,175	1,010	5,000	(3,175)	-38.8%
03-411-420	Subscriptions and Memberships	-	988	1,875	-	300	(1,575)	-84.0%
03-411-450	Contracted Services	-	-	8,000	-	50,000	42,000	525.0%
03-411-460	Training and Meetings	-	1,010	7,500	-	6,000	(1,500)	-20.0%
		\$ -	\$ 817,532	\$ 1,034,550	\$ 792,050	\$ 1,328,600	294,050	28.4%
VOLUNTEER FIRE COMPANIES								
03-411-540	Contribution To Fire Company	\$ 480,180	\$ 483,000	\$ 482,000	\$ 475,000	\$ 485,000	3,000	0.6%
03-411-545	Foreign Fire Insurance Premium Tax	354,844	358,093	355,000	361,021	363,900	8,900	2.5%
03-411-550	Incentive Contribution	29,750	28,250	30,000	28,000	70,000	40,000	133.3%
		\$ 864,774	\$ 869,343	\$ 867,000	\$ 864,021	\$ 918,900	51,900	6.0%
BUILDINGS AND FACILITY MAINTENANCE								
03-411-373	Repairs and Maintenance	\$ 11,200	\$ -	\$ 2,000	\$ -	\$ -	(2,000)	-100.0%
		\$ 11,200	\$ -	\$ 2,000	\$ -	\$ -	(2,000)	-100.0%
FLEET MAINTENANCE SERVICES								
03-437-231	Gasoline	\$ -	\$ -	\$ -	\$ -	\$ 9,000	9,000	0.0%
03-437-232	Diesel	-	-	-	-	9,000	9,000	0.0%
03-437-251	Vehicle Parts	-	-	-	-	60,000	60,000	0.0%
03-437-450	Contracted Services	-	-	-	-	10,000	10,000	0.0%
		\$ -	\$ -	\$ -	\$ -	\$ 88,000	88,000	0.0%
EMPLOYER PAID BENEFITS								
03-483-195	Workers' Compensation	92,237	99,639	112,000	180,800	195,000	83,000	74.1%
		\$ 92,237	\$ 99,639	\$ 112,000	\$ 180,800	\$ 195,000	83,000	74.1%
TOTAL OPERATIONAL EXPENDITURES		\$ 968,211	\$ 1,786,514	\$ 2,015,550	\$ 1,836,871	\$ 2,530,500		
Income/(Loss) from Operations		\$ (109,237)	\$ 161,945	\$ (136,950)	\$ (150,879)	\$ 450,500		

Parks and Recreation Fund

Fund Overview

The Parks and Recreation Fund is an appropriated special revenue governmental fund used to maintain the Township's 19 parks and provide recreation programming. This fund is primarily funded by a dedicated Real Estate Tax and fees paid by program participants for the Township's various recreation programs. An increase to 3.50 mills (0.350%), up from 1.920 mills, is proposed for 2026.

Recreation program revenue has rebounded since the pandemic, achieving another all-time high in 2025. This is expected to continue as fees are gradually increased and more programs are offered. Efforts are continually made to ensure that program costs are adequately covered by the revenue they generate. The Parks and Recreation Fund also carries a portion of the salaries for the Department of Public Works to reflect the maintenance performed at Township parks and open spaces throughout the year. This work includes cutting more than 800 acres of grass at dozens of locations around the Township.

Revenue and Expenses

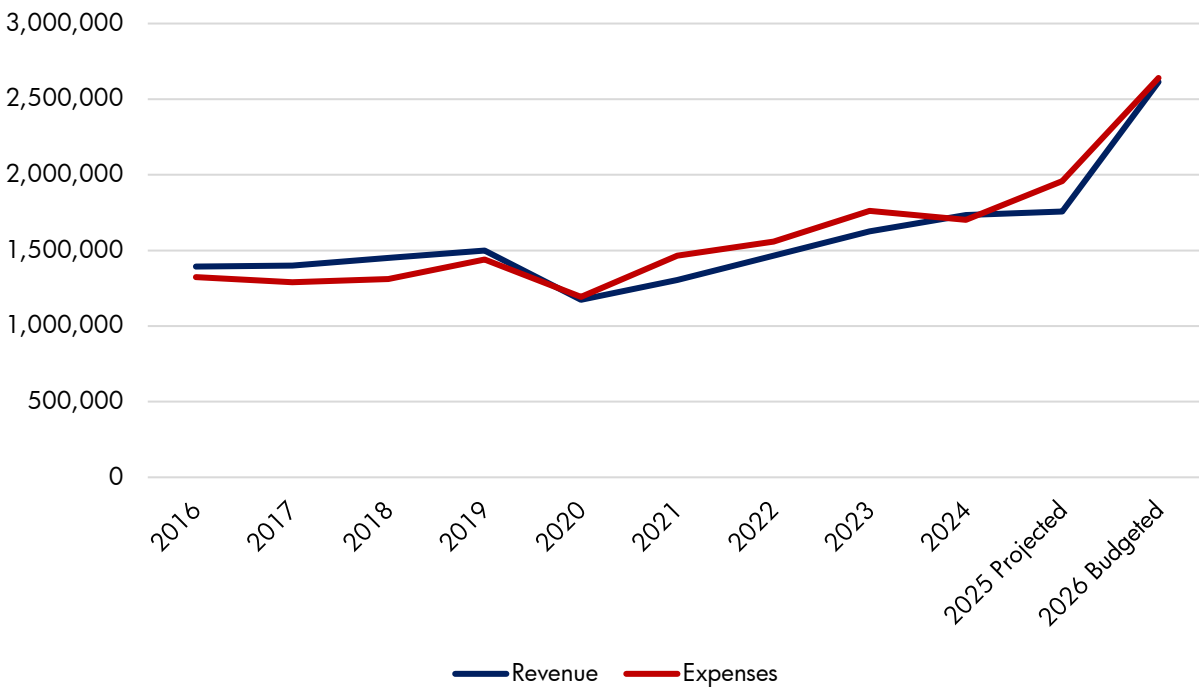
A Real Estate Tax increase is proposed to address the growing structural deficit that has emerged in recent years due to the rising cost to maintain facilities. The tax rate in this fund has not changed in more than ten years. The tax increase will enable this fund to appropriately support the cost of maintaining parks and open spaces, including the cost of capital maintenance projects.

In 2026, several park maintenance projects are planned from this fund, which include resurfacing and re-fencing the tennis courts at Lance Corporal Harry J. Simmons Jr. Park, replacing safety netting at Twin Oaks Park, and replacing the playground at Detective Christopher Jones Memorial Park.

The 2026 Parks and Recreation Fund budget is \$2,640,200.



Parks and Recreation Fund Revenues vs. Expenses 2016 to Present



Revenue Changes for 2026:

- Real Estate Tax Millage Increase 1.580 mills \$818,000

Operating and Capital Expense Changes for 2026:

- Community Center – ADA Restroom Improvements \$50,000
- Twin Oaks Park – Safety Netting Replacements \$53,000
- Det. Chris Jones Memorial Park – Playground Replacement \$100,000
- Simmons Park – Tennis Court Resurfacing and Fencing \$350,000
- All Parks – Facility and Security Improvements \$80,000

Fund Balance

The Parks and Recreation Fund beginning fund balance is projected to be \$104,793 in 2026. The ending balance is expected to be \$78,593. The increased tax revenue will allow operating surpluses to be accumulated in the fund balance long-term for larger park and facility maintenance projects in the future.

**2026 BUDGET
PARKS AND RECREATION FUND SUMMARY**

REVENUE

DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
Real Property Taxes	\$ 998,084	\$ 1,005,013	\$ 1,010,000	\$ 1,003,972	\$ 1,823,000	813,000	80.5%
Interest Earnings	34,485	33,783	19,000	21,000	19,000	-	0.0%
Rents and Royalties	11,402	11,602	14,500	11,400	12,000	(2,500)	-17.2%
Charges for Services	573,139	668,880	704,500	703,972	740,000	35,500	5.0%
Contributions and Donations	8,270	14,467	26,000	16,587	20,000	(6,000)	-23.1%
Total Operational Revenue	\$ 1,625,380	\$ 1,733,745	\$ 1,774,000	\$ 1,756,931	\$ 2,614,000	840,000	47.4%
Interfund Transfers	-	-	-	-	-	-	0.0%
Total Revenue	\$ 1,625,380	\$ 1,733,745	\$ 1,774,000	\$ 1,756,931	\$ 2,614,000	840,000	47.4%

EXPENDITURES

DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
Legal Services	\$ -	\$ -	\$ 500	\$ -	\$ -	(500)	-100.0%
Fleet Maintenance Services	13,609	18,463	17,000	9,550	16,000	(1,000)	-5.9%
Recreation Administration	218,764	242,193	235,150	223,845	335,900	100,750	42.8%
Participant Recreation	573,751	590,811	620,100	740,736	648,000	27,900	4.5%
Building and Facility Maintenance	918,254	774,571	892,200	951,340	1,597,500	705,300	79.1%
Civil Celebrations	-	32,952	26,000	16,780	26,000	-	0.0%
Employer Paid Benefits	37,065	43,660	51,400	15,200	16,800	(34,600)	-67.3%
Total Expenditures	\$ 1,761,443	\$ 1,702,650	\$ 1,842,350	\$ 1,957,451	\$ 2,640,200	797,850	43.3%
Income/(Loss) from Operations	\$ (136,063)	\$ 31,095	\$ (68,350)	\$ (200,520)	\$ (26,200)	42,150	-61.7%
Fund Balance - Beginning	\$ 410,281	\$ 274,218		\$ 305,313	\$ 104,793		
Fund Balance - Ending	\$ 274,218	\$ 305,313		\$ 104,793	\$ 78,593		

**2026 BUDGET
PARKS AND RECREATION FUND**

REVENUE

ACCOUNT NUMBER	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
REAL PROPERTY TAXES								
04-301-100	Real Estate Taxes - Current YR	\$ 988,982	\$ 992,008	\$ 1,000,000	\$ 994,072	\$ 1,813,000	813,000	81.3%
04-301-300	Real Estate Taxes - Delinquent	9,102	13,005	10,000	9,900	10,000	-	0.0%
		\$ 998,084	\$ 1,005,013	\$ 1,010,000	\$ 1,003,972	\$ 1,823,000	813,000	80.5%
PENALTIES AND INTEREST								
04-319-100	Penalties and Interest - R.E. Taxes	\$ 1,183	\$ 3,029	\$ 1,000	\$ 1,000	\$ 1,000	-	0.0%
		\$ 1,183	\$ 3,029	\$ 1,000	\$ 1,000	\$ 1,000	-	0.0%
INTEREST EARNINGS								
04-341-100	Interest Income	\$ 33,302	\$ 30,754	\$ 18,000	\$ 20,000	\$ 18,000	-	0.0%
		\$ 33,302	\$ 30,754	\$ 18,000	\$ 20,000	\$ 18,000	-	0.0%
RENTS AND ROYALTIES								
04-342-200	Rent of Buildings	\$ 11,402	\$ 11,602	\$ 14,500	\$ 11,400	\$ 12,000	(2,500)	-17.2%
		\$ 11,402	\$ 11,602	\$ 14,500	\$ 11,400	\$ 12,000	(2,500)	-17.2%
CHARGES FOR SERVICES								
04-367-140	Facility Rental	\$ 57,628	\$ 68,425	\$ 70,000	\$ 67,972	\$ 75,000	5,000	7.1%
04-367-200	Recreation Program Fees	508,691	590,255	625,000	630,000	657,000	32,000	5.1%
04-367-270	Discount Ticket Sales	340	-	-	-	-	-	0.0%
04-367-280	Advertising Revenue	6,480	10,200	9,500	6,000	8,000	(1,500)	-15.8%
		\$ 573,139	\$ 668,880	\$ 704,500	\$ 703,972	\$ 740,000	35,500	5.0%
CONTRIBUTIONS AND DONATIONS FROM PRIVATE								
04-387-100	Contributions and Donations	\$ 8,270	\$ 14,467	\$ 26,000	\$ 16,587	\$ 20,000	(6,000)	-23.1%
		\$ 8,270	\$ 14,467	\$ 26,000	\$ 16,587	\$ 20,000	(6,000)	-23.1%
TOTAL OPERATIONAL REVENUE		\$ 1,625,380	\$ 1,733,745	\$ 1,774,000	\$ 1,756,931	\$ 2,614,000	840,000	47.4%

**2026 BUDGET
PARKS AND RECREATION FUND**

EXPENDITURES

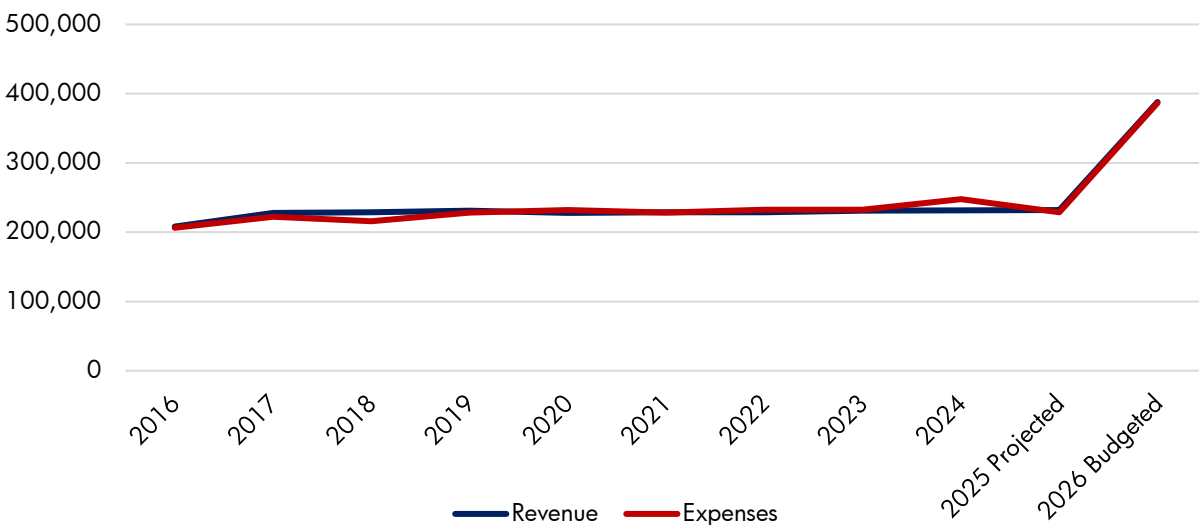
ACCOUNT NUMBER	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
LEGAL SERVICES								
04-404-301	General Legal Services	\$ -	\$ -	\$ 500	\$ -	\$ -	(500)	-100.0%
		\$ -	\$ -	\$ 500	\$ -	\$ -	(500)	-100.0%
FLEET MAINTENANCE SERVICES								
04-437-231	Gasoline	\$ 7,970	\$ 10,044	\$ 9,000	\$ 5,120	\$ 10,000	1,000	11.1%
04-437-232	Diesel	3,421	5,289	3,500	3,840	5,000	1,500	42.9%
04-437-235	Oils and Lubricants	113	-	500	250	500	-	0.0%
04-437-257	Parks and Recreation Department	290	-	1,000	340	500	(500)	-50.0%
04-437-450	Contracted Services	1,815	3,130	3,000	-	-	(3,000)	-100.0%
		\$ 13,609	\$ 18,463	\$ 17,000	\$ 9,550	\$ 16,000	(1,000)	-5.9%
RECREATION ADMINISTRATION								
04-451-112	Salaries and Wages	\$ 130,412	\$ 130,518	\$ 126,000	\$ 99,670	\$ 170,000	44,000	34.9%
04-451-180	Overtime Salaries	-	-	1,000	-	-	(1,000)	-100.0%
04-451-192	FICA/Medicare	11,550	11,091	8,000	8,600	12,900	4,900	61.3%
04-451-196	Medical Insurance	63,073	85,843	80,000	104,090	119,500	39,500	49.4%
04-451-198	Disability Insurance	1,853	1,843	3,000	1,310	3,000	-	0.0%
04-451-199	Group Life Insurance	610	695	1,500	490	1,500	-	0.0%
04-451-210	Office Supplies	1,092	252	1,200	140	1,000	(200)	-16.7%
04-451-215	Postage	155	160	500	175	500	-	0.0%
04-451-220	Operating Supplies	81	571	1,500	280	1,000	(500)	-33.3%
04-451-340	Advertising and Printing	1,435	932	700	30	2,000	1,300	185.7%
04-451-420	Subscriptions and Memberships	2,671	2,852	1,500	2,500	3,000	1,500	100.0%
04-451-450	Contracted Services	200	-	1,000	460	3,000	2,000	200.0%
04-451-460	Trainings and Meetings	5,632	7,436	9,250	6,100	18,500	9,250	100.0%
		\$ 218,764	\$ 242,193	\$ 235,150	\$ 223,845	\$ 335,900	100,750	42.8%
PARTICIPANT RECREATION								
04-452-112	Salaries and Wages	\$ 301,656	\$ 336,675	\$ 364,000	\$ 431,350	\$ 385,000	21,000	5.8%
04-452-180	Overtime Salaries	12,371	14,862	17,000	16,510	17,000	-	0.0%
04-452-192	FICA/Medicare	25,205	27,349	29,000	34,160	29,000	-	0.0%
04-452-215	Postage	11,707	12,329	13,000	12,896	13,500	500	3.8%
04-452-220	Operating Supplies	20,915	13,581	18,000	19,350	19,000	1,000	5.6%
04-452-260	Minor Equipment	-	300	1,500	590	-	(1,500)	-100.0%
04-452-320	Communication	2,641	3,121	3,600	3,840	2,000	(1,600)	-44.4%
04-452-340	Advertising & Printing	11,862	15,238	16,500	21,140	17,500	1,000	6.1%
04-452-390	Bank Service Charges/Fees	11,896	10,568	12,500	23,200	15,000	2,500	20.0%
04-452-450	Contracted Services	175,498	156,788	145,000	177,700	150,000	5,000	3.4%
		\$ 573,751	\$ 590,811	\$ 620,100	\$ 740,736	\$ 648,000	27,900	4.5%
BUILDINGS AND FACILITY MAINTENANCE								
04-454-112	Salaries and Wages	\$ 537,928	\$ 447,167	\$ 533,000	\$ 581,290	\$ 565,000	32,000	6.0%
04-454-180	Overtime Salaries	19,647	8,424	25,000	11,780	14,000	(11,000)	-44.0%
04-454-192	FICA/Medicare	43,054	35,808	44,200	45,680	44,300	100	0.2%
04-454-220	Operating Supplies	45,360	30,982	32,000	40,000	37,000	5,000	15.6%
04-454-235	Oils and Lubricants	188	-	500	200	-	(500)	-100.0%
04-454-260	Minor Equipment	3,411	1,460	4,000	220	200	(3,800)	-95.0%
04-454-320	Communications	6,741	7,411	11,500	5,070	6,000	(5,500)	-47.8%
04-454-360	Utilities	114,044	125,546	120,000	130,340	138,000	18,000	15.0%
04-454-370	Repairs and Maintenance	29,194	28,227	20,000	40,920	60,000	40,000	200.0%
04-454-374	Equipment Maintenance	-	450	2,000	420	-	(2,000)	-100.0%
04-454-450	Contracted Services	118,687	89,096	100,000	95,420	100,000	-	0.0%
04-454-720	Capital Maintenance	-	-	-	-	633,000	633,000	0.0%
		\$ 918,254	\$ 774,571	\$ 892,200	\$ 951,340	\$ 1,597,500	705,300	79.1%
CIVIL CELEBRATIONS								
04-457-490	Township Sponsored Events	\$ -	\$ 32,952	\$ 26,000	\$ 16,780	\$ 26,000	-	0.0%
		\$ -	\$ 32,952	\$ 26,000	\$ 16,780	\$ 26,000	-	0.0%
EMPLOYER PAID BENEFITS								
04-483-195	Workers' Compensation	\$ 37,065	\$ 43,660	\$ 51,400	\$ 15,200	\$ 16,800	-	-67.3%
		\$ 37,065	\$ 43,660	\$ 51,400	\$ 15,200	\$ 16,800	(34,600)	-67.3%
TOTAL OPERATIONAL EXPENDITURES		\$ 1,761,443	\$ 1,702,650	\$ 1,842,350	\$ 1,957,451	\$ 2,640,200	797,850	43.3%
Income/(Loss) from Operations		\$ (136,063)	\$ 31,095	\$ (68,350)	\$ (200,520)	\$ (26,200)	42,150	-61.7%

Ambulance and Rescue Fund

Fund Overview

As of 2025, Middletown Township levied a 0.44 mill (0.044%) Real Estate Tax that is dedicated to emergency medical services. This is an appropriated special revenue governmental fund. Revenues from this fund are transferred to the Penn-del-Middletown Emergency Squad (PMES). PMES is the only volunteer-supported service provider that serves Middletown Township, the four surrounding boroughs, and provides mutual aid to other parts of lower Bucks County. A small amount of tax revenue is withheld to cover the cost of workers' compensation insurance on PMES' behalf. An increase to 0.740 mills (0.074%), up from 0.440 mills, is proposed for 2026. For 2026, the Ambulance and Rescue Fund budget is \$386,600.

Ambulance and Rescue Fund Revenues vs. Expenses 2016 to Present



Revenue and Operating Changes for 2026:

- Real Estate Tax Millage Increase 0.30 mills \$155,000
- Increased Contribution to PMES \$155,000

Fund Balance

The Ambulance and Rescue Fund serves as a pass-through account as funds received are transferred almost entirely to PMES. A low fund balance is typical for the Ambulance and Rescue Fund. The projected 2026 beginning balance of the Ambulance and Rescue Fund is \$1,010 and is not expected to change significantly.

**2026 BUDGET
AMBULANCE AND RESCUE FUND SUMMARY**

REVENUE

DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
Real Property Taxes	\$ 228,296	\$ 228,864	\$ 232,000	\$ 230,108	\$ 386,800	154,800	66.7%
Interest Earnings	2,619	2,872	1,300	1,700	1,200	(100)	-7.7%
Total Revenue	\$ 230,915	\$ 231,736	\$ 233,300	\$ 231,808	\$ 388,000	154,700	66.3%

EXPENDITURES

DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
Ambulance and Rescue	\$ 232,270	\$ 247,737	\$ 233,000	\$ 228,600	\$ 386,600	153,600	65.9%
Total Expenditures	\$ 232,270	\$ 247,737	\$ 233,000	\$ 228,600	\$ 386,600	153,600	65.9%
 Income/(Loss) from Operations	 \$ (1,355)	 \$ (16,001)	 \$ 300	 \$ 3,208	 \$ 1,400	 1,100	 366.7%
Fund Balance - Beginning	\$ 15,158	\$ 13,803		\$ (2,198)	\$ 1,010		
Fund Balance - Ending	\$ 13,803	\$ (2,198)		\$ 1,010	\$ 2,410		

**2026 BUDGET
AMBULANCE AND RESCUE FUND**

REVENUE

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
REAL PROPERTY TAXES								
05-301-100	Real Estate Taxes - Current YR	\$ 226,214	\$ 225,903	\$ 230,000	\$ 227,808	\$ 383,000	153,000	66.5%
05-301-300	Real Estate Taxes - Delinquent	2,082	2,961	2,000	2,300	3,800	1,800	90.0%
		\$ 228,296	\$ 228,864	\$ 232,000	\$ 230,108	\$ 386,800	154,800	66.7%
PENALTIES AND INTEREST								
05-319-100	Penalties and Interest - R.E. Taxes	\$ 271	\$ 690	\$ 300	\$ 200	\$ 200	(100)	-33.3%
		\$ 271	\$ 690	\$ 300	\$ 200	\$ 200	(100)	-33.3%
INTEREST EARNINGS								
05-341-100	Interest Income	\$ 2,348	\$ 2,182	\$ 1,000	\$ 1,500	\$ 1,000	-	0.0%
		\$ 2,348	\$ 2,182	\$ 1,000	\$ 1,500	\$ 1,000	-	0.0%
TOTAL OPERATIONAL REVENUE		\$ 230,915	\$ 231,736	\$ 233,300	\$ 231,808	\$ 388,000	154,700	66.3%

EXPENDITURES

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
AMBULANCE AND RESCUE								
05-412-540	Contribution To Ambulance	\$ 229,947	\$ 245,000	\$ 230,000	\$ 228,000	\$ 386,000	156,000	67.8%
05-483-195	Workers' Compensation	2,323	2,737	3,000	600	600	(2,400)	-80.0%
		\$ 232,270	\$ 247,737	\$ 233,000	\$ 228,600	\$ 386,600	153,600	65.9%
TOTAL OPERATIONAL EXPENDITURES		\$ 232,270	\$ 247,737	\$ 233,000	\$ 228,600	\$ 386,600	153,600	65.9%
Income/(Loss) from Operations		\$ (1,355)	\$ (16,001)	\$ 300	\$ 3,208	\$ 1,400		

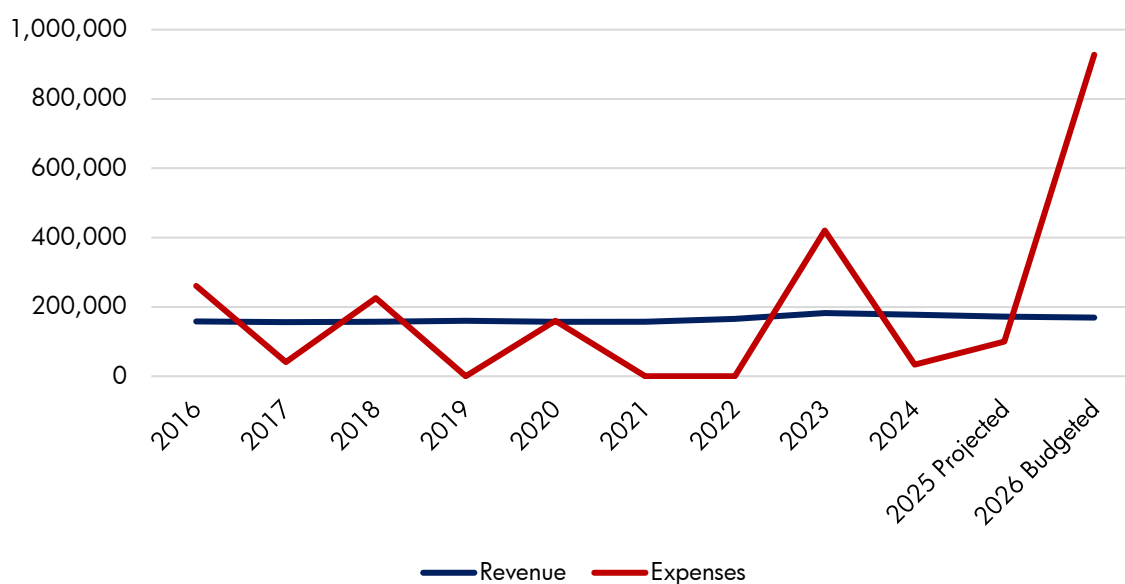
Road Machinery Fund

Fund Overview

The Road Machinery Fund is an appropriated special revenue governmental fund designed to provide a consistent pool of funding to replace vehicles in the Department of Public Works. The Road Machinery Fund is funded by a 0.30 mill (0.03%) Real Estate Tax. These vehicles transport staff and equipment needed to repair and maintain Township property and often serve as snowplows during the winter. When necessary, other major Public Works equipment, such as tractors and mowers, may be charged to this fund. This fund is generally used for purchases when no other funding source is available. For 2026, the Road Machinery Fund budget is \$927,500.



Road Machinery Fund Revenue vs. Expenses 2016 to Present



Operating and Capital Expense Changes for 2026:

- Minor Equipment - Trailer, Crack Seal Machine, Zero Turn Mowers (2) \$66,500
- Pickup Truck \$95,000
- Street Sweeper \$335,000
- Dump Trucks (2) \$431,000

Fund Balance

Expenditures to the Road Machinery Fund fluctuated based upon road machinery needs and earned grants. It is normal for accumulated fund balance to be used every few years to support a purchase, as was done in 2023. The Road Machinery Fund is projected to have a 2026 beginning balance of \$577,150. The 2026 ending fund balance is expected to be a deficit of \$181,550, as potential grant funding is not reflected in the budgeted revenue.

**2026 BUDGET
ROAD MACHINERY FUND SUMMARY**

REVENUE

DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
Real Property Taxes	\$ 156,146	\$ 159,210	\$ 161,500	\$ 156,924	\$ 156,600	(4,900)	-3.0%
Interest Earnings	26,172	18,209	12,200	15,200	12,200	-	0.0%
Total Revenue	\$ 182,318	\$ 177,419	\$ 173,700	\$ 172,124	\$ 168,800	(4,900)	-2.8%

EXPENDITURES

DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
Public Works	\$ 420,055	\$ 33,449	\$ 113,000	\$ 100,000	\$ 927,500	814,500	720.8%
Total Expenditures	\$ 420,055	\$ 33,449	\$ 113,000	\$ 100,000	\$ 927,500	814,500	720.8%
 Income/(Loss) from Operations	 \$ (237,737)	 \$ 143,970	 \$ 60,700	 \$ 72,124	 \$ (758,700)	 (819,400)	 -1349.9%
Fund Balance - Beginning	\$ 598,793	\$ 361,056		\$ 505,026	\$ 577,150		
Fund Balance - Ending	\$ 361,056	\$ 505,026		\$ 577,150	\$ (181,550)		

**2026 BUDGET
ROAD MACHINERY FUND**

REVENUE

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
REAL PROPERTY TAXES								
06-301-100	Real Estate Taxes - Current YR	\$ 154,722	\$ 157,150	\$ 160,000	\$ 155,324	\$ 155,000	(5,000)	-3.1%
06-301-300	Real Estate Taxes - Delinquent	1,424	2,060	1,500	1,600	1,600	100	6.7%
		\$ 156,146	\$ 159,210	\$ 161,500	\$ 156,924	\$ 156,600	(4,900)	-3.0%
PENALTIES AND INTEREST								
06-319-100	Penalties and Interest - R.E. Taxes	\$ 185	\$ 480	\$ 200	\$ 200	\$ 200	-	0.0%
		\$ 185	\$ 480	\$ 200	\$ 200	\$ 200	-	0.0%
INTEREST EARNINGS								
06-341-100	Interest Income	\$ 25,987	\$ 17,729	\$ 12,000	\$ 15,000	\$ 12,000	-	0.0%
		\$ 25,987	\$ 17,729	\$ 12,000	\$ 15,000	\$ 12,000	-	0.0%
TOTAL OPERATIONAL REVENUE		\$ 182,318	\$ 177,419	\$ 173,700	\$ 172,124	\$ 168,800	(4,900)	-2.8%

EXPENDITURES

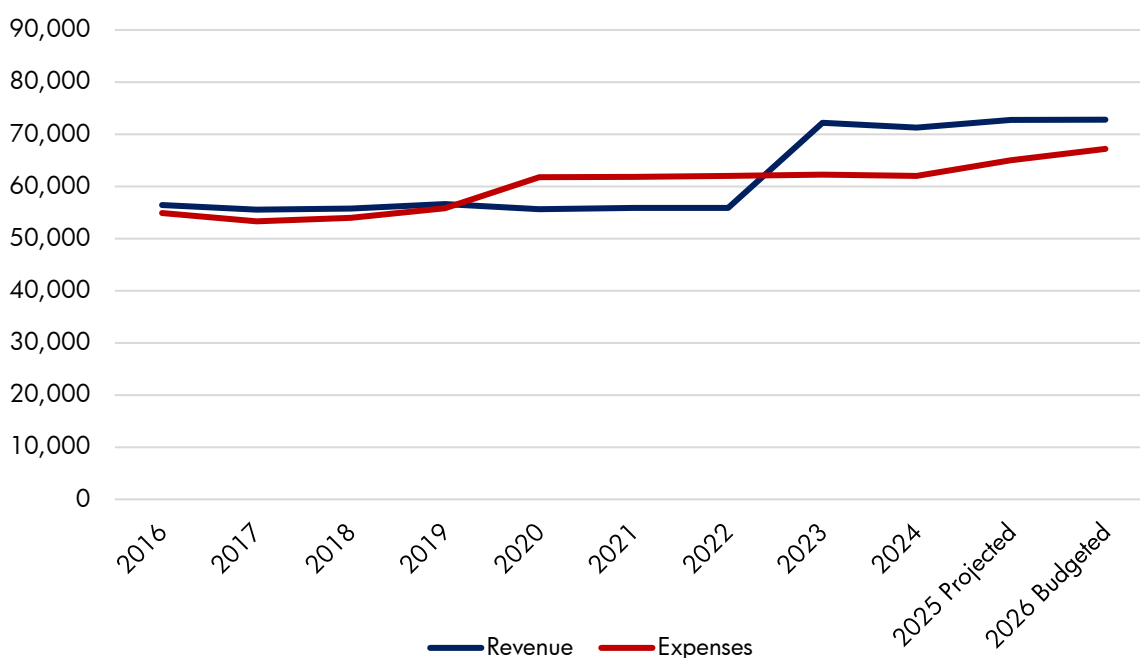
<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
PUBLIC WORKS								
06-430-260	Minor Equipment	\$ 5,351	\$ -	\$ 10,000	\$ -	\$ -	(10,000)	-100.0%
06-430-700	Capital Purchases	414,704	33,449	103,000	100,000	335,000	232,000	225.2%
06-430-720	Capital Maintenance	-	-	-	-	592,500	592,500	0.0%
		\$ 420,055	\$ 33,449	\$ 113,000	\$ 100,000	\$ 927,500	814,500	720.8%
TOTAL OPERATIONAL EXPENDITURES		\$ 420,055	\$ 33,449	\$ 113,000	\$ 100,000	\$ 927,500	814,500	720.8%
Income/(Loss) from Operations		\$ (237,737)	\$ 143,970	\$ 60,700	\$ 72,124	\$ (758,700)		

Fire Hydrant Fund

Fund Overview

The Fire Hydrant Fund is an appropriated special revenue governmental fund used to finance fire hydrant service throughout the Township. The Fire Hydrant Fund is funded by a 0.137 mill (0.0137%) Real Estate Tax. The shift in millage made in 2023 to address increased fire hydrant service costs proved successful, as a slow, steady fund balance is being built year over year. For 2026, the Fire Hydrant Fund budget is \$67,200.

**Fire Hydrant Tax Fund Revenues vs. Expenses
2016 to Present**



Fund Balance

Since adjusting the Real Estate Tax in 2023, Fire Hydrant Fund revenues now cover expenditures, and remaining revenue is set aside to fund balance each year. This increase in revenue will slowly rebuild the fund balance that was diminished in prior years. The projected 2026 beginning balance will be \$28,433 and is expected to increase to \$34,033.

**2026 BUDGET
FIRE HYDRANT FUND SUMMARY**

REVENUE

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Real Property Taxes	\$ 71,220	\$ 69,654	\$ 71,500	\$ 71,631	\$ 71,700	200	0.3%
Interest Earnings	988	1,641	1,050	1,100	1,100	50	4.8%
Total Revenue	\$ 72,208	\$ 71,295	\$ 72,550	\$ 72,731	\$ 72,800	250	0.3%

EXPENDITURES

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Fire Protection Services	\$ 62,250	\$ 61,997	\$ 64,000	\$ 65,000	\$ 67,200	3,200	5.0%
Total Expenditures	\$ 62,250	\$ 61,997	\$ 64,000	\$ 65,000	\$ 67,200	3,200	5.0%
Income/(Loss) from Operations	\$ 9,958	\$ 9,298	\$ 8,550	\$ 7,731	\$ 5,600	(2,950)	-34.5%
Fund Balance - Beginning	\$ 1,446	\$ 11,404		\$ 20,702	\$ 28,433		
Fund Balance - Ending	\$ 11,404	\$ 20,702		\$ 28,433	\$ 34,033		

**2026 BUDGET
FIRE HYDRANT FUND**

REVENUE

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
REAL PROPERTY TAXES								
07-301-100	Real Estate Taxes - Current YR	\$ 70,569	\$ 68,753	\$ 71,000	\$ 70,931	\$ 71,000	-	0.0%
07-301-300	Real Estate Taxes - Delinquent	651	901	500	700	700	200	40.0%
		\$ 71,220	\$ 69,654	\$ 71,500	\$ 71,631	\$ 71,700	200	0.3%
PENALTIES AND INTEREST								
07-319-100	Penalties and Interest - R.E. Taxes	\$ 69	\$ 210	\$ 50	\$ 100	\$ 100	50	100.0%
		\$ 69	\$ 210	\$ 50	\$ 100	\$ 100	50	100.0%
INTEREST EARNINGS								
07-341-100	Interest Income	\$ 919	\$ 1,431	\$ 1,000	\$ 1,000	\$ 1,000	-	0.0%
		\$ 919	\$ 1,431	\$ 1,000	\$ 1,000	\$ 1,000	-	0.0%
TOTAL OPERATIONAL REVENUE		\$ 72,208	\$ 71,295	\$ 72,550	\$ 72,731	\$ 72,800	250	0.3%

EXPENDITURES

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
FIRE PROTECTION SERVICES								
07-411-363	Hydrant Service	\$ 62,250	\$ 61,997	\$ 64,000	\$ 65,000	\$ 67,200	3,200	5.0%
		\$ 62,250	\$ 61,997	\$ 64,000	\$ 65,000	\$ 67,200	3,200	5.0%
TOTAL OPERATIONAL EXPENDITURES		\$ 62,250	\$ 61,997	\$ 64,000	\$ 65,000	\$ 67,200	3,200	5.0%
Income/(Loss) from Operations		\$ 9,958	\$ 9,298	\$ 8,550	\$ 7,731	\$ 5,600		

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Fire Apparatus Fund

Fund Overview

The Fire Apparatus Fund was introduced as a standalone fund in the 2024 budget. It is an appropriated special revenue fund used to finance the purchase of firefighting apparatus, such as fire engines, for the Township's first responders, and is funded solely by a dedicated Real Estate Tax. An increase to 2.50 mills (0.250%), up from 1.08 mills, is proposed for 2026.



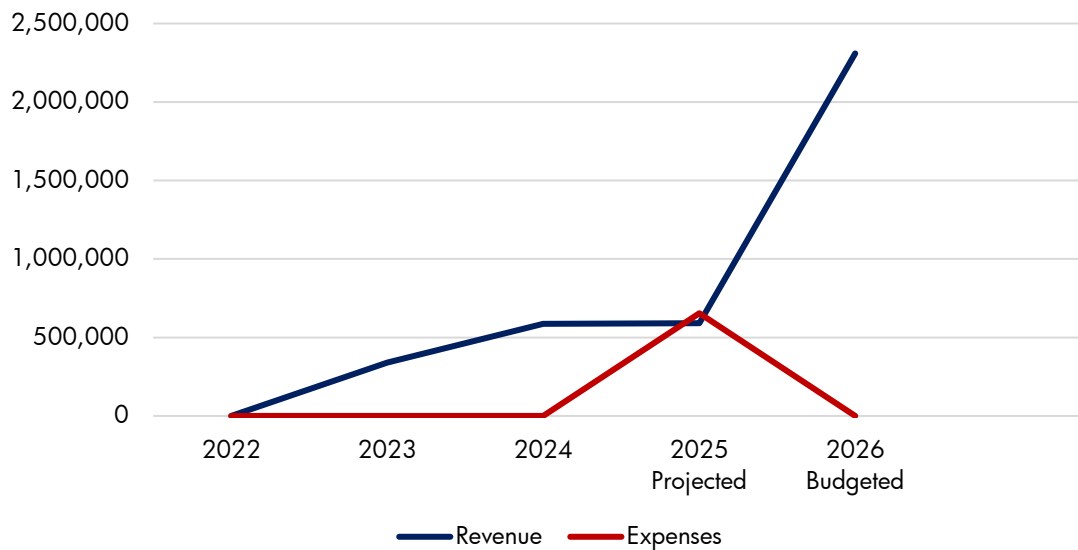
Prior to 2024, taxes earmarked for fire apparatus were accounted for in the Fire Protection Fund and were transferred to the four volunteer fire companies serving Middletown Township. In 2023, as an effort to more proactively manage fire services, the Township began retaining the tax proceeds with the intent of purchasing and maintaining future fire apparatus directly.

The Township and the volunteer fire companies have been progressively working toward establishing an apparatus replacement plan and a standard fire engine specification. In October 2023, the Board of Supervisors authorized the purchase of three fire engines, totaling \$3.72 million. Delivery of these engines is expected in early 2027.

In 2025, the Township paid down a loan on Tower 8, operated by Penndel Fire Company. No expenditures are planned in the Fire Apparatus Fund in 2026, allowing the fund to accumulate until payment is due for the new engines in 2027. Fire Apparatus tax dollars currently held by the volunteer fire companies are also expected to be received into this fund in 2026.



Fire Apparatus Fund Revenues vs. Expenses 2022 to Present



Revenue Changes for 2026:

- Real Estate Tax Millage Increase 1.420 mills \$735,000
- Return of Fire Apparatus funds from Fire Companies \$1,000,000

Fund Balance

The beginning balance of the Fire Apparatus Fund in 2026 is \$861,443 which reflects the amount of Real Estate Taxes collected since 2023, less the 2025 payoff of Tower 8. The 2026 ending fund balance is expected to be \$3,171,043. The 2026 Budget assumes a transfer of pre-2023 unspent fire apparatus tax revenue currently held by the volunteer fire companies to be transferred back to the Township into the Fire Apparatus Fund.

**2026 BUDGET
FIRE APPARATUS FUND SUMMARY**

REVENUE

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Real Property Taxes	\$ 325,078	\$ 568,894	\$ 569,900	\$ 565,366	\$ 1,301,600	731,700	128.4%
Interest Earnings	14,178	17,184	8,000	25,000	8,000	-	0.0%
Total Operational Revenue	\$ 339,256	\$ 586,078	\$ 577,900	\$ 590,366	\$ 1,309,600	731,700	126.6%
Transfers from External Sources	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000		
Total Revenue	\$ 339,256	\$ 586,078	\$ 577,900	\$ 590,366	\$ 2,309,600	1,731,700	299.7%

EXPENDITURES

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Apparatus Expenses	\$ -	\$ -	\$ -	\$ 654,257	\$ -	-	0.0%
Total Operating Expenditures	\$ -	\$ -	\$ -	\$ 654,257	\$ -	-	0.0%
Income/(Loss) from Operations	\$ 339,256	\$ 586,078	\$ 577,900	\$ (63,891)	\$ 2,309,600	1,731,700	299.7%
Fund Balance - Beginning	\$ -	\$ 339,256		\$ 925,334	\$ 861,443		
Fund Balance - Ending	\$ 339,256	\$ 925,334		\$ 861,443	\$ 3,171,043		

**2026 BUDGET
FIRE APPARATUS FUND**

REVENUE

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
REAL PROPERTY TAXES								
08-301-100	Real Estate Taxes - Current YR	\$ 321,731	\$ 559,846	\$ 565,000	\$ 559,166	\$ 1,295,000	730,000	129.2%
08-301-300	Real Estate Taxes - Delinquent	2,962	7,339	4,500	5,600	6,000	1,500	33.3%
		\$ 324,693	\$ 567,185	\$ 569,500	\$ 564,766	\$ 1,301,000	731,500	128.4%
PENALTIES AND INTEREST								
08-319-100	Penalties and Interest - R.E. Taxes	\$ 385	\$ 1,709	\$ 400	\$ 600	\$ 600	200	50.0%
		\$ 385	\$ 1,709	\$ 400	\$ 600	\$ 600	200	50.0%
INTEREST EARNINGS								
08-341-100	Interest Income	\$ 14,178	\$ 17,184	\$ 8,000	\$ 25,000	\$ 8,000	-	0.0%
		\$ 14,178	\$ 17,184	\$ 8,000	\$ 25,000	\$ 8,000	-	0.0%
TOTAL OPERATIONAL REVENUE		\$ 339,256	\$ 586,078	\$ 577,900	\$ 590,366	\$ 1,309,600	731,700	126.6%
TRANSFERS FROM EXTERNAL SOURCES								
08-392-005	Transfer from Fire Company	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	1,000,000	0.0%
		\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	1,000,000	0.0%
TOTAL REVENUE WITH TRANSFERS		\$ 339,256	\$ 586,078	\$ 577,900	\$ 590,366	\$ 2,309,600	1,731,700	299.7%

EXPENDITURES

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
APPARATUS EXPENSES								
08-411-373	Repairs and Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
08-430-700	Capital Purchases	-	-	-	654,257	-	-	0.0%
		\$ -	\$ -	\$ -	\$ 654,257	\$ -	-	0.0%
TOTAL OPERATIONAL EXPENDITURES		\$ -	\$ -	\$ -	\$ 654,257	\$ -	-	0.0%
Income/(Loss) from Operations		\$ 339,256	\$ 586,078	\$ 577,900	\$ (63,891)	\$ 2,309,600		

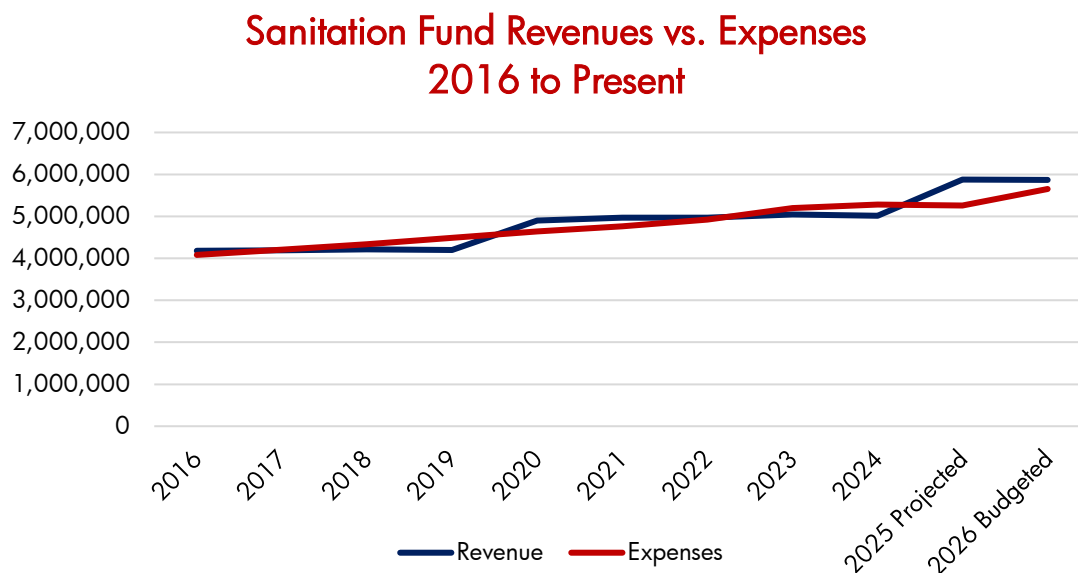
Sanitation Fund

Fund Overview

Revenues in the Sanitation Fund are made up of fees charged to residents for solid waste and recycling services. This is an appropriated general governmental fund. The Sanitation Fund carries a portion of Township management costs associated with administration of the contract. For 2026, the Sanitation Fund budget is \$5,652,500.

In 2026, Middletown Township will begin the second year of a five-year single-hauler contract with Waste Management, Inc. The cost of trash collection services from Waste Management increases each year of the contract, but residents are charged a flat amount during the contract period to provide financial predictability. Residents will continue to pay the Solid Waste and Recycling Fee from 2025 of \$476 per year.

In the Township's annual audited financial statements, the Sanitation Fund is combined with the General Fund and does not appear as a standalone fund.



Fund Balance

Since residents are charged an averaged amount for solid waste and recycling services over the life of the contract between the Township and the collector, revenue generally remains flat while the service cost of the contract increases each year. This means in the latter years of a contract (as seen in 2019 & 2024), expenditures outpace revenues as the fund balance is used. The projected 2026 beginning balance is expected to be \$846,052. This fund balance will increase to \$1,065,152 by the end of 2026.

**2026 BUDGET
SANITATION FUND SUMMARY**

REVENUE

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Interest Earnings	\$ 92,129	\$ 80,566	\$ 50,000	\$ 55,000	\$ 50,000	-	0.0%
Sanitation	<u>4,950,012</u>	<u>4,937,133</u>	<u>5,808,000</u>	<u>5,822,100</u>	<u>5,821,600</u>	<u>13,600</u>	<u>0.2%</u>
Total Revenue	\$ 5,042,141	\$ 5,017,699	\$ 5,858,000	\$ 5,877,100	\$ 5,871,600	13,600	0.2%

EXPENDITURES

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Executive	\$ -	\$ -	\$ -	\$ -	\$ 46,500	46,500	0.0%
Legal Services	168	(447)	500	3,500	5,000	4,500	900.0%
Sanitation	5,197,742	5,280,439	5,327,000	5,257,710	5,601,000	274,000	5.1%
Employer Paid Benefits	<u>530</u>	<u>624</u>	<u>750</u>	<u>-</u>	<u>-</u>	<u>(750)</u>	<u>-100.0%</u>
Total Expenditures	\$ 5,198,440	\$ 5,280,616	\$ 5,328,250	\$ 5,261,210	\$ 5,652,500	324,250	6.1%
Income/(Loss) from Operations	\$ (156,299)	\$ (262,917)	\$ 529,750	\$ 615,890	\$ 219,100	(310,650)	-58.6%
Fund Balance - Beginning	\$ 649,378	\$ 493,079		\$ 230,162	\$ 846,052		
Fund Balance - Ending	\$ 493,079	\$ 230,162		\$ 846,052	\$ 1,065,152		

**2026 BUDGET
SANITATION FUND**

REVENUE

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
INTEREST EARNINGS								
09-341-100	Interest Income	\$ 92,129	\$ 80,566	\$ 50,000	\$ 55,000	\$ 50,000	-	0.0%
		\$ 92,129	\$ 80,566	\$ 50,000	\$ 55,000	\$ 50,000	-	0.0%
SANITATION								
09-364-300	Solid Waste Collection Charges	\$ 4,932,229	\$ 4,920,193	\$ 5,800,000	\$ 5,809,000	\$ 5,808,000	8,000	0.1%
09-364-310	Penalties and Interest	13,764	13,238	6,000	11,600	11,600	5,600	93.3%
09-364-510	Recycling Revenue	4,019	3,702	2,000	1,500	2,000	-	0.0%
		\$ 4,950,012	\$ 4,937,133	\$ 5,808,000	\$ 5,822,100	\$ 5,821,600	13,600	0.2%
TOTAL OPERATIONAL REVENUE		\$ 5,042,141	\$ 5,017,699	\$ 5,858,000	\$ 5,877,100	\$ 5,871,600	13,600	0.2%

EXPENDITURES

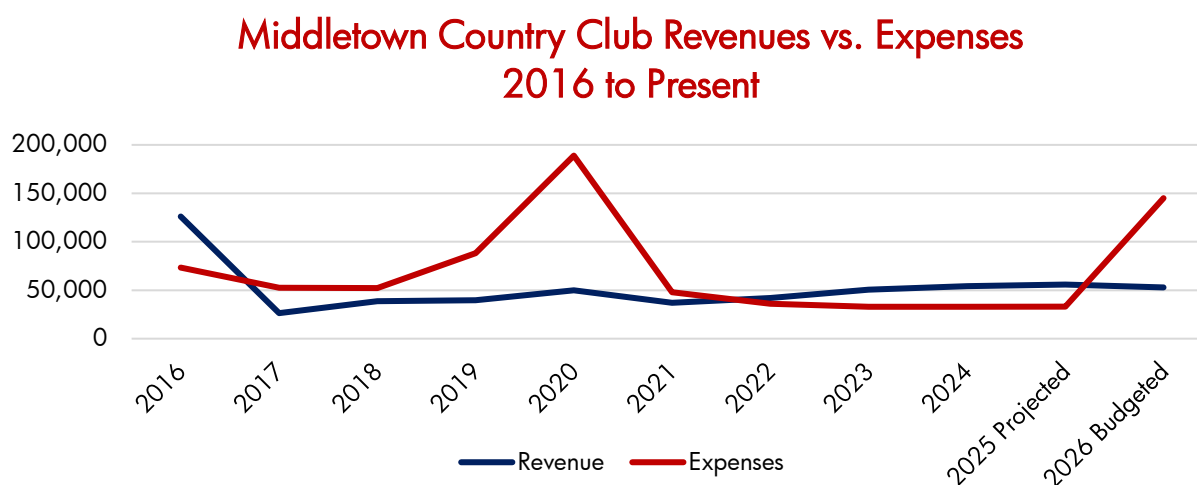
<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
EXECUTIVE								
09-401-112	Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ 38,000	38,000	0.0%
09-401-192	FICA/Medicare	-	-	-	-	3,000	3,000	0.0%
09-401-196	Medical Insurance	-	-	-	-	5,500	5,500	0.0%
		\$ -	\$ -	\$ -	\$ -	\$ 46,500	46,500	0.0%
LEGAL SERVICES								
09-404-301	General Legal Services	\$ 168	\$ (447)	\$ 500	\$ 3,500	\$ 5,000	4,500	900.0%
		\$ 168	\$ (447)	\$ 500	\$ 3,500	\$ 5,000	4,500	900.0%
SANITATION								
09-427-112	Salaries and Wages	\$ 56,529	\$ 59,172	\$ 59,000	\$ 42,470	\$ 38,000	(21,000)	-35.6%
09-427-180	Overtime Salaries	22,370	817	-	-	-	-	0.0%
09-427-192	FICA/Medicare	4,594	4,637	4,000	3,770	3,000	(1,000)	-25.0%
09-427-196	Medical Insurance	3,788	19,519	8,000	14,640	16,000	8,000	100.0%
09-427-198	Disability Insurance	65	247	500	-	-	(500)	-100.0%
09-427-199	Group Life Insurance	122	83	500	-	-	(500)	-100.0%
09-427-340	Advertising and Printing	80,829	7,706	5,000	-	-	(5,000)	-100.0%
09-427-367	Garbage - Refuse Removal	5,029,445	5,185,707	5,250,000	5,196,000	5,515,000	265,000	5.0%
09-427-450	Contracted Services	-	2,551	-	830	29,000	29,000	0.0%
		\$ 5,197,742	\$ 5,280,439	\$ 5,327,000	\$ 5,257,710	\$ 5,601,000	274,000	5.1%
EMPLOYER PAID BENEFITS								
09-483-195	Workers' Compensation	\$ 530	\$ 624	\$ 750	\$ -	\$ -	(750)	-100.0%
		\$ 530	\$ 624	\$ 750	\$ -	\$ -	(750)	-100.0%
TOTAL OPERATIONAL EXPENDITURES		\$ 5,198,440	\$ 5,280,616	\$ 5,328,250	\$ 5,261,210	\$ 5,652,500	324,250	6.1%
Income/(Loss) from Operations		\$ (156,299)	\$ (262,917)	\$ 529,750	\$ 615,890	\$ 219,100		

Middletown Country Club Fund

Fund Overview

The Middletown Country Club Fund is an appropriated enterprise fund with revenues generated from the contract between Middletown Township and lessee Agro Golf. Built in 1941, the Country Club was purchased by the Township in 1986 to preserve the property as a recreational asset to the community. While the Township owns the Country Club, the daily operation and management of the facility is handled by Agro Golf. The current lease agreement with Agro Golf expires in December 2028. In 2020, the Township spent \$140,000 to restore two greens on the golf course.

For 2026, the Middletown Country Club budget will be \$145,000, which includes depreciation expense. As an enterprise fund, capital investments are depreciated over many years instead of being incurred in full in the year of the investment. Though not shown in this document, the annual depreciation expense is lowering the liability carried on the balance sheet of this fund. Additionally, a feasibility study to assess the future of the Country Club is also planned in 2026. More information can be found in the Township's annual audited financial statements.



Fund Balance

The projected 2026 beginning balance is expected to be \$396,743. As there are additional expenses budgeted in 2026 the fund balance will decrease slightly to \$329,543. Because depreciation is a non-cash expense, enterprise funds add it back to the fund balance to reflect actual funds available for use. Therefore, the change in the fund balance from year to year differs from the annual income/loss from operations by the amount of depreciation.

**2026 BUDGET
COUNTRY CLUB FUND SUMMARY**

REVENUE

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Interest Earnings	\$ 9,857	\$ 10,915	\$ 4,000	\$ 8,000	\$ 4,000	-	0.0%
Rents and Royalties	40,708	43,439	47,000	47,710	48,800	1,800	3.8%
Total Revenue	\$ 50,565	\$ 54,354	\$ 51,000	\$ 55,710	\$ 52,800	1,800	3.5%

EXPENDITURES

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Executive	\$ -		\$ -	\$ -	\$ 120,000	120,000	0.0%
Depreciation	32,917	32,917	35,000	33,000	25,000	(10,000)	-28.6%
Total Expenditures	\$ 32,917	\$ 32,917	\$ 35,000	\$ 33,000	\$ 145,000	110,000	314.3%
Income/(Loss) from Operations	\$ 17,648	\$ 21,437	\$ 16,000	\$ 22,710	\$ (92,200)	(108,200)	-676.3%
Cash Balance - Beginning	\$ 236,114	\$ 286,679		\$ 341,033	\$ 396,743		
Cash Balance - Ending	\$ 286,679	\$ 341,033		\$ 396,743	\$ 329,543		

**2026 BUDGET
COUNTRY CLUB FUND**

REVENUE

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
INTEREST EARNINGS								
10-341-100	Interest Income	\$ 9,857	\$ 10,915	\$ 4,000	\$ 8,000	\$ 4,000	-	0.0%
		\$ 9,857	\$ 10,915	\$ 4,000	\$ 8,000	\$ 4,000	-	0.0%
RENTS AND ROYALTIES								
10-342-510	Rent - Other	\$ 40,708	\$ 43,439	\$ 47,000	\$ 47,710	\$ 48,800	1,800	3.8%
		\$ 40,708	\$ 43,439	\$ 47,000	\$ 47,710	\$ 48,800	1,800	3.8%
TOTAL OPERATIONAL REVENUE		\$ 50,565	\$ 54,354	\$ 51,000	\$ 55,710	\$ 52,800	1,800	3.5%

EXPENDITURES

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
EXECUTIVE								
10-401-450	Contracted Services	\$ -	\$ -	\$ -	\$ -	\$ 120,000	120,000	0.0%
		\$ -		\$ -	\$ -	\$ 120,000	120,000	0.0%
DEPRECIATION EXPENSE								
10-493-800	Depreciation Expense	\$ 32,917	\$ 32,917	\$ 35,000	\$ 33,000	\$ 25,000	(10,000)	-28.6%
		\$ 32,917	\$ 32,917	\$ 35,000	\$ 33,000	\$ 25,000	(10,000)	-28.6%
TOTAL OPERATIONAL EXPENDITURES		\$ 32,917	\$ 32,917	\$ 35,000	\$ 33,000	\$ 145,000		
Income/(Loss) from Operations		\$ 17,648	\$ 21,437	\$ 16,000	\$ 22,710	\$ (92,200)		

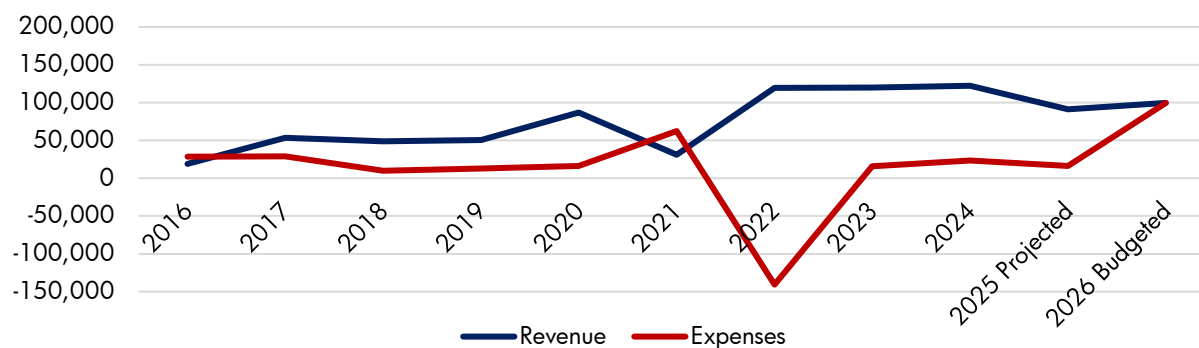
Farm Fund

Fund Overview

The Farm Fund is an appropriated enterprise fund dealing with the operation of the Township-owned Styer Orchard and Styer Farm Market on the property. The orchard and market were purchased from the Styer family in 1997 to preserve the property as an agricultural and cultural asset to the community. The Township leased operations of the orchard and farm market to two separate private parties from the early 2000s to 2020. The market was renovated and reopened in late 2021. Since then, revenues have nearly tripled from this property. The Farm Fund carries a portion of Township management costs to reflect the time associated with overseeing the property.

Farm Fund revenue, comprised primarily of rent from both elements of the property, was lower in 2021 due to the temporary vacancy of the farm market. Similarly, expenditures were higher due to necessary improvements made to the farm market, which was in an extreme state of disrepair. An old debt was cleared from the balance sheet in 2022, resulting in negative expenses. Rent payments are structured to increase in future years under the new lease agreements.

Farm Fund Revenues vs. Expenses 2016 to Present



Fund Balance

The Farm Fund continues to grow a steady fund balance year-over-year. The projected 2026 beginning fund balance is expected to be \$396,856 and will not change significantly. Because depreciation is a non-cash expense, enterprise funds add it back to the fund balance to reflect actual funds available for use. Therefore, the change in the fund balance from year to year differs from the annual income/loss from operations by the amount of depreciation.

**2026 BUDGET
FARM FUND SUMMARY**

REVENUE

DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
Interest Earnings	\$ 55,518	\$ 57,748	\$ 1,000	\$ 5,000	\$ 1,000	-	0.0%
Rents and Royalties	64,521	64,521	86,200	86,200	98,600	12,400	14.4%
Total Revenue	\$ 120,039	\$ 122,269	\$ 87,200	\$ 91,200	\$ 99,600	12,400	14.2%

EXPENDITURES

DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
Executive	\$ -	\$ -	\$ 41,000	\$ -	\$ 46,500	5,500	13.4%
Legal Services	-	-	1,000	-	1,000	-	0.0%
Recreation Administration	-	-	-	-	34,500	-	-
Buildings and Facilities Maintenance	424	7,859	2,000	540	2,000	-	0.0%
Depreciation Expense	15,339	15,339	8,968	15,500	15,500	6,532	72.8%
Bad Debt Expense	-	-	-	-	-	-	0.0%
Total Expenditures	\$ 15,763	\$ 23,198	\$ 52,968	\$ 16,040	\$ 99,500	46,532	87.8%
Income/(Loss) from Operations	\$ 104,276	\$ 99,071	\$ 34,232	\$ 75,160	\$ 100	(34,132)	-99.7%
Cash Balance - Beginning	\$ 72,171	\$ 191,786		\$ 306,196	\$ 396,856		
Cash Balance - Ending	\$ 191,786	\$ 306,196		\$ 396,856	\$ 412,456		

**2026 BUDGET
FARM FUND**

REVENUE

ACCOUNT NUMBER	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
INTEREST EARNINGS								
11-341-100	Interest Income	\$ 55,518	\$ 57,748	\$ 1,000	\$ 5,000	\$ 1,000	-	0.0%
		\$ 55,518	\$ 57,748	\$ 1,000	\$ 5,000	\$ 1,000	-	0.0%
RENTS AND ROYALTIES								
11-342-500	Rent	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	-	0.0%
11-342-510	Rent	56,121	56,121	77,800	77,800	90,200	12,400	15.9%
		\$ 64,521	\$ 64,521	\$ 86,200	\$ 86,200	\$ 98,600	12,400	14.4%
TOTAL OPERATIONAL REVENUE		\$ 120,039	\$ 122,269	\$ 87,200	\$ 91,200	\$ 99,600	12,400	14.2%

EXPENDITURES

ACCOUNT NUMBER	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
EXECUTIVE								
11-401-112	Salaries and Wages	\$ -	\$ -	\$ 41,000	\$ -	\$ 38,000	(3,000)	-7.3%
11-401-192	FICA/Medicare	-	-	-	-	3,000	3,000	0.0%
11-401-196	Medical Insurance	-	-	-	-	5,500	5,500	0.0%
11-401-198	Disability Insurance	-	-	-	-	-	-	0.0%
11-401-199	Group Life Insurance	-	-	-	-	-	-	0.0%
		\$ -	\$ -	\$ 41,000	\$ -	\$ 46,500	5,500	13.4%
LEGAL SERVICES								
11-404-301	General Legal Services	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000	-	0.0%
		\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000	-	0.0%
RECREATION ADMINISTRATION								
11-451-112	Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ 25,000	25,000	0.0%
11-451-192	FICA/Medicare	-	-	-	-	2,000	2,000	0.0%
11-451-196	Medical Insurance	-	-	-	-	7,500	7,500	0.0%
11-451-198	Disability Insurance	-	-	-	-	-	-	0.0%
11-451-199	Group Life Insurance	-	-	-	-	-	-	0.0%
		\$ -	\$ -	\$ -	\$ -	\$ 34,500	34,500	0.0%
BUILDINGS AND FACILITY MAINTENANCE								
11-454-220	Operating Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
11-454-360	Utilities	-	-	-	-	-	-	0.0%
11-454-370	Repair and Maintenance	124	7,484	1,000	-	1,000	-	0.0%
11-454-450	Contracted Services	300	375	1,000	540	1,000	-	0.0%
		\$ 424	\$ 7,859	\$ 2,000	\$ 540	\$ 2,000	-	0.0%
DEPRECIATION EXPENSE								
11-493-800	Depreciation Expense	\$ 15,339	\$ 15,339	\$ 8,968	\$ 15,500	\$ 15,500	6,532	72.8%
		\$ 15,339	\$ 15,339	\$ 8,968	\$ 15,500	\$ 15,500	6,532	72.8%
BAD DEBT EXPENSE								
11-493-915	Bad Debt Expense	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
		\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
TOTAL OPERATIONAL EXPENDITURES		\$ 15,763	\$ 23,198	\$ 52,968	\$ 16,040	\$ 99,500	46,532	87.8%
Income/(Loss) from Operations		\$ 104,276	\$ 99,071	\$ 34,232	\$ 75,160	\$ 100		

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Stormwater Fund

Fund Overview

Started in 2025, the Stormwater Fund is an appropriated special revenue governmental fund which houses proceeds from the Township's Stormwater Impact Fee. The Stormwater Impact Fee is assessed annually to all developed properties in the Township. The Fee is a flat \$60 per household per year for single-family residential properties. All other developed properties pay



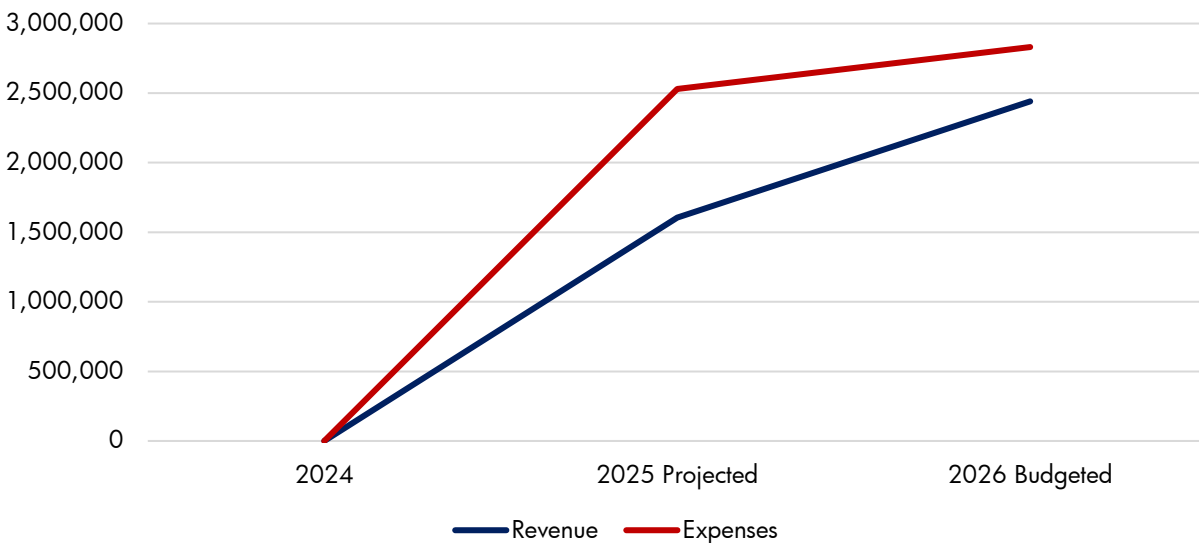
a fee based upon the impervious surface area (IA), up to \$6,000 per parcel per year. In 2025, the Board of Supervisors established the Stormwater Advisory Committee to provide long-term oversight of the Stormwater Fund and planned improvement projects.

When paid by 100% of property owners, the Stormwater Impact Fee would generate nearly \$1.8 million annually in revenue. Budgeted revenues for 2026 reflect anticipated actual collections. Unpaid Stormwater Impact Fees become a lien against the property and must be paid by the seller at the time of sale. This Fund also includes earned grant revenue for stormwater projects.

Expenses of the Stormwater Fund include stormwater maintenance activities, such as replacing stormwater inlets and pipes, as well as large construction projects such as neighborhoods where new infrastructure is being installed and even projects that reduce pollutants from stormwater runoff. In 2026, planned projects include completion of a major underground stormwater infrastructure project in Langhorne Gables (currently underway at the time of this budget), as well as replacement of a culvert along Reetz Avenue and an improvement project near Hillside Avenue. The design of additional projects for future years is also planned in 2026. In addition, the Stormwater Impact Fee is funding the replacement of 50 inlets in 2026, which is three times the number replaced in a typical year before the Fee.

The Stormwater Fund carries a portion of Township management costs to reflect the time required to administer the program. Actual hours of work performed by Public Works employees on stormwater maintenance and improvement operations will be carried by this fund.

Stormwater Fund Revenues vs. Expenses 2024 to Present



Operating Expense Changes for 2026:

- Staffing – Five (5) Public Works Employees primarily for Stormwater \$712,000
 - Includes wages and fringe benefits
- Increase Repairs and Preventative Maintenance \$250,000
- Completion of Langhorne Gables, Reetz, and Hillside Aves. Projects \$1,404,100
- Increase Inlet Replacements \$160,000

Fund Balance

As a new fund, the Stormwater Fund began 2025 with a fund balance of \$0. The projected beginning balance for 2026 is expected to be \$639,000; the projected ending balance is expected to be \$306,100. It is expected that the fund balance will gradually increase over the course of several years and will be utilized as projects are designed and constructed.

**2026 BUDGET
STORMWATER FUND SUMMARY**

REVENUE

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Interest Earnings	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	-	0.0%
State Operating and Capital Grants	-	-	744,000	-	744,000	-	0.0%
Stormwater Management Fee	-	-	1,790,427	1,600,000	1,749,000	(41,427)	-2.3%
Total Revenue	\$ -	\$ -	\$ 2,539,427	\$ 1,605,000	\$ 2,498,000	(41,427)	-1.6%

EXPENDITURES

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Executive	\$ -	\$ -	\$ -	\$ -	\$ 46,500		
Fee Collection	-	-	50,000	-	50,700	700	1.4%
Legal Services	-	-	-	-	10,000	10,000	0.0%
Stormwater Management	-	-	2,280,000	966,000	2,723,700	443,700	19.5%
Total Operating Expenditures	\$ -	\$ -	\$ 2,330,000	\$ 966,000	\$ 2,830,900	500,900	21.5%
Interfund Transfers	\$ -	\$ -	\$ 200,000	\$ -	\$ -	(200,000)	-100.0%
Total Expenditures	\$ -	\$ -	\$ 2,530,000	\$ 966,000	\$ 2,830,900	300,900	11.9%
Income/(Loss) from Operations	\$ -	\$ -	\$ 9,427	\$ 639,000	\$ (332,900)	(342,327)	-3631.3%
Fund Balance - Beginning	\$ -	\$ -		\$ -	\$ 639,000		
Fund Balance - Ending	\$ -	\$ -		\$ 639,000	\$ 306,100		

**2026 BUDGET
STORMWATER FUND**

REVENUE

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
INTEREST EARNINGS								
12-341-100	Interest Income	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	-	0.0%
		\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	-	0.0%
STATE OPERATING & CAPITAL GRANTS								
12-354-010	General Government	\$ -	\$ -	\$ 744,000	\$ -	\$ 744,000	-	0.0%
		\$ -	\$ -	\$ 744,000	\$ -	\$ 744,000	-	0.0%
STORMWATER MANAGEMENT FEE								
12-360-100	Stormwater Fee	\$ -	\$ -	\$ 1,790,427	\$ 1,600,000	\$ 1,666,000	(124,427)	-6.9%
12-360-400	Delinquent Stormwater Fee	-	-	-	-	83,000	83,000	0.0%
		\$ -	\$ -	\$ 1,790,427	\$ 1,600,000	\$ 1,749,000	(41,427)	-2.3%
TOTAL OPERATIONAL REVENUE		\$ -	\$ -	\$ 2,539,427	\$ 1,605,000	\$ 2,498,000	(41,427)	-1.6%

EXPENDITURES

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
EXECUTIVE								
12-401-112	Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ 38,000	38,000	0.0%
12-401-192	FICA/Medicare	-	-	-	-	3,000	3,000	0.0%
12-401-196	Medical Insurance	-	-	-	-	5,500	5,500	0.0%
		\$ -	\$ -	\$ -	\$ -	\$ 46,500	46,500	0.0%
FEE COLLECTION								
12-403-160	Commission	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,700	700	1.4%
		\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,700	700	1.4%
LEGAL SERVICES								
12-404-301	General Legal Services	\$ -	\$ -	\$ -	\$ -	\$ 10,000	10,000	0.0%
		\$ -	\$ -	\$ -	\$ -	\$ 10,000	10,000	0.0%
STORMWATER MANAGEMENT								
12-446-112	Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ 642,000	642,000	0.0%
12-446-180	Overtime Salaries	-	-	-	-	19,000	19,000	0.0%
12-446-192	FICA/Medicare	-	-	-	-	50,600	50,600	0.0%
12-446-370	Repairs and Maintenance	-	-	-	-	250,000	250,000	0.0%
12-446-450	Contracted Services	-	-	-	-	198,000	198,000	0.0%
12-446-700	Capital Purchases	-	-	2,280,000	966,000	1,404,100	(875,900)	-38.4%
12-446-720	Capital Maintenance	-	-	-	-	160,000	160,000	0.0%
		\$ -	\$ -	\$ 2,280,000	\$ 966,000	\$ 2,723,700	443,700	19.5%
TOTAL OPERATIONAL EXPENDITURES		\$ -	\$ -	\$ 2,330,000	\$ 1,016,000	\$ 2,830,900	500,900	21.5%
INTERFUND TRANSFERS								
12-492-950	Transfer to General Fund	\$ -	\$ -	\$ 200,000	\$ -	\$ -	(200,000)	-100.0%
		\$ -	\$ -	\$ 200,000	\$ -	\$ -	(200,000)	-100.0%
TOTAL EXPENDITURES WITH TRANSFERS		\$ -	\$ -	\$ 2,530,000	\$ 1,016,000	\$ 2,830,900	300,900	11.9%
Income/(Loss) from Operations		\$ -	\$ -	\$ 9,427	\$ 589,000	\$ (332,900)		

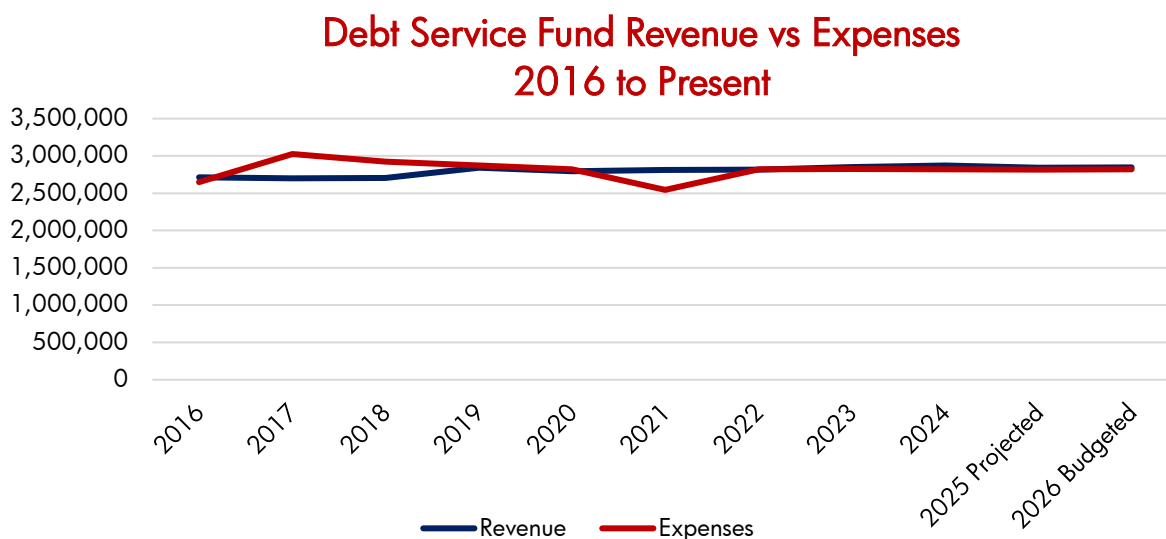
Debt Service Fund

Fund Overview

The Debt Service Fund pays off the Township's debt, including principal (the original amount of the loan) plus interest, funded by a 5.115 mill (0.5115%) Real Estate Tax. This is an appropriated major special revenue governmental fund. Debt is incurred whenever the Township needs additional funding to offset major capital projects (such as infrastructure projects), or to refinance existing debts, as was done in 2021.

The most common form of debt is through the issuance of bonds. The Series of 2020 General Obligation Bond was issued in the amount of \$13,895,000, refunded \$10 million of debt and issued additional debt for infrastructure improvements. The Township issued the Series of 2021 General Obligation Bond in the amount of \$6,260,000 to refinance a Series of 2016 bond. Municipal notes are also paid from the Debt Service Fund. Payments on the LED Street Light Note are offset by an ongoing transfer from the Street Lighting Fund. Detailed debt service schedules are available under the "Debt" section of this document.

While no additional debt is planned to be incurred in 2026, the Township may need to rely upon borrowed funds to support infrastructure improvements and capital purchases beyond 2026. Existing debts are scheduled to be retired in the coming years.



Fund Balance

The projected 2026 beginning balance is expected to be \$533,763 and is not expected to change significantly.

**2026 BUDGET
DEBT SERVICE FUND SUMMARY**

REVENUE

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Real Property Taxes	\$ 2,658,303	\$ 2,676,716	\$ 2,675,000	\$ 2,674,770	\$ 2,676,500	1,500	0.1%
Interest Earnings	62,855	65,740	41,000	37,700	41,000	-	0.0%
Total Operational Revenue	\$ 2,721,158	\$ 2,742,456	\$ 2,716,000	\$ 2,712,470	\$ 2,717,500	1,500	0.1%
Interfund Transfers	\$ 129,500	\$ 129,500	\$ 129,500	\$ 129,500	\$ 129,500	-	0.0%
Total Revenue	\$ 2,850,658	\$ 2,871,956	\$ 2,845,500	\$ 2,841,970	\$ 2,847,000	1,500	0.1%

EXPENDITURES

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Debt Principal	\$ 2,166,594	\$ 2,269,955	\$ 2,378,000	\$ 2,378,000	\$ 2,496,900	118,900	5.0%
Debt Interest	655,913	549,803	439,100	438,800	322,200	(116,900)	-26.6%
Fiscal Agent Fees	1,560	1,560	2,500	1,560	1,600	(900)	-36.0%
Total Expenditures	\$ 2,824,067	\$ 2,821,318	\$ 2,819,600	\$ 2,818,360	\$ 2,820,700	1,100	0.0%
Income/(Loss) from Operations	\$ 26,591	\$ 50,638	\$ 25,900	\$ 23,610	\$ 26,300	400	1.5%
Fund Balance - Beginning	\$ 432,924	\$ 459,515		\$ 510,153	\$ 533,763		
Fund Balance - Ending	\$ 459,515	\$ 510,153		\$ 533,763	\$ 560,063		

**2026 BUDGET
DEBT SERVICE FUND**

REVENUE

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
REAL PROPERTY TAXES								
23-301-100	Real Estate Taxes - Current YR	\$ 2,634,058	\$ 2,642,080	\$ 2,650,000	\$ 2,648,270	\$ 2,650,000	-	0.0%
23-301-300	Real Estate Taxes - Delinquent	24,245	34,636	25,000	26,500	26,500	1,500	6.0%
		\$ 2,658,303	\$ 2,676,716	\$ 2,675,000	\$ 2,674,770	\$ 2,676,500	1,500	0.1%
PENALTIES AND INTEREST								
23-319-100	Penalties and Interest - R.E. Taxes	\$ 3,167	\$ 8,067	\$ 3,000	\$ 2,700	\$ 3,000	-	0.0%
		\$ 3,167	\$ 8,067	\$ 3,000	\$ 2,700	\$ 3,000	-	0.0%
INTEREST EARNINGS								
23-341-100	Interest Income	\$ 59,688	\$ 57,673	\$ 38,000	\$ 35,000	\$ 38,000	-	0.0%
		\$ 59,688	\$ 57,673	\$ 38,000	\$ 35,000	\$ 38,000	-	0.0%
TOTAL OPERATIONAL REVENUE		\$ 2,721,158	\$ 2,742,456	\$ 2,716,000	\$ 2,712,470	\$ 2,717,500	1,500	0.1%
INTERFUND TRANSFERS								
23-392-002	Transfer from Street Lighting Fund	\$ 129,500	\$ 129,500	\$ 129,500	\$ 129,500	\$ 129,500	-	0.0%
		\$ 129,500	\$ 129,500	\$ 129,500	\$ 129,500	\$ 129,500	-	0.0%
TOTAL REVENUE WITH TRANSFERS		\$ 2,850,658	\$ 2,871,956	\$ 2,845,500	\$ 2,841,970	\$ 2,847,000	1,500	0.1%

EXPENDITURES

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
DEBT PRINCIPLE								
23-471-100	General Obligation Bond	\$ 2,055,000	\$ 2,155,000	\$ 2,260,000	\$ 2,260,000	\$ 2,375,000	115,000	5.1%
23-471-400	General Obligation Notes	111,594	114,955	118,000	118,000	121,900	3,900	3.3%
		\$ 2,166,594	\$ 2,269,955	\$ 2,378,000	\$ 2,378,000	\$ 2,496,900	118,900	5.0%
DEBT INTEREST								
23-472-100	General Obligation Bond	\$ 638,100	\$ 535,350	\$ 427,600	\$ 427,600	\$ 314,600	(113,000)	-26.4%
23-472-400	General Obligation Notes	17,813	14,453	11,500	11,200	7,600	(3,900)	-33.9%
		\$ 655,913	\$ 549,803	\$ 439,100	\$ 438,800	\$ 322,200	(116,900)	-26.6%
FISCAL AGENT FEES								
23-475-000	Fiscal Agent Fees	\$ 1,560	\$ 1,560	\$ 2,500	\$ 1,560	\$ 1,600	(900)	-36.0%
		\$ 1,560	\$ 1,560	\$ 2,500	\$ 1,560	\$ 1,600	(900)	-36.0%
TOTAL OPERATIONAL EXPENDITURES		\$ 2,824,067	\$ 2,821,318	\$ 2,819,600	\$ 2,818,360	\$ 2,820,700	1,100	0.0%
Income/(Loss) from Operations		\$ 26,591	\$ 50,638	\$ 25,900	\$ 23,610	\$ 26,300		

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Capital Fund

Fund Overview

The Capital Fund is an appropriated major special revenue governmental fund. Planned maintenance and improvement projects that do not have dedicated funding from another fund are expended from the Capital Fund. A schedule of specific projects proposed with detailed descriptions can be found in the "Capital Improvement Plan" section of this document.



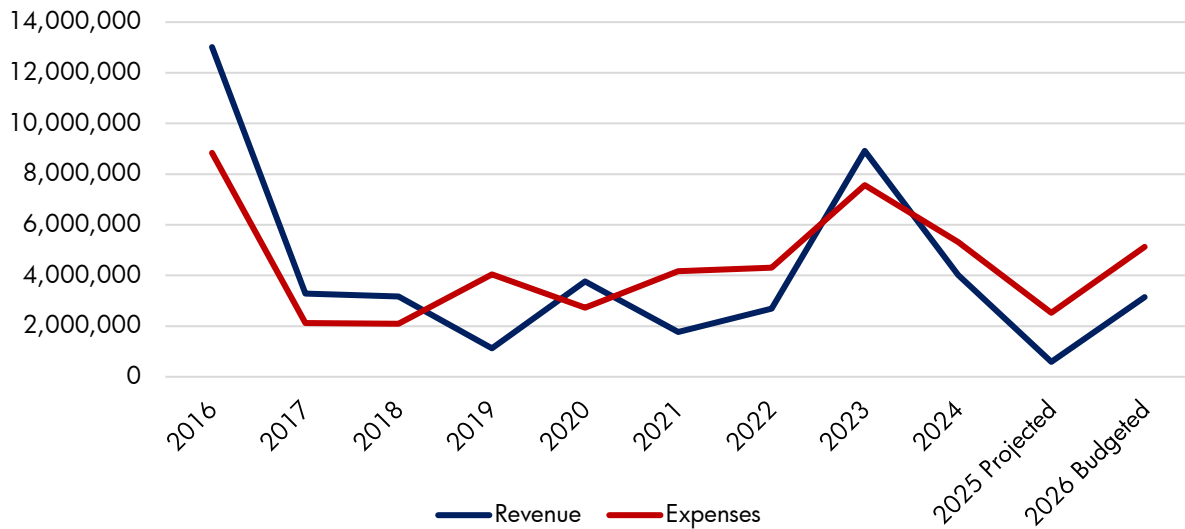
Projects that have previously been authorized and funds allocated to the Capital Fund are not expressly defined in the Capital Improvement Plan, but expenditures will occur in 2026. These projects include: (1) electric vehicle purchase for Building & Zoning Department; (2) guiderail installation; (3) School Zone Improvement Project; (4) Maple Avenue/N. Flowers Mill Road Signal Improvement Project; (5) Pedestrian Signal Equipment Upgrades; and (6) Langhorne-Yardley Road/Maple Point Pedestrian Crossing. No additional funds are being transferred for these projects.

The Capital Fund does not have a dedicated revenue source and is funded year-to-year by interfund transfers, debt, and grant revenues. As of November 2025, more than \$735,000 has been earned to offset 2026 capital projects. An additional \$1.6 million in grant applications have been submitted and are awaiting response. Grants are not added to the budget until they are awarded.

Transfers of \$1,000,000 from the General Fund and \$1,342,000 from the Investment Fund in 2026 are to support planned capital maintenance and capital improvement projects.

The need for consistent funding the Capital Fund remains one of the top issues as it pertains to the Township's overall financial position. Increased revenue from increasing the EIT will allow for increased transfers from the General Fund to the Capital Fund long-term.

Capital Fund Revenues vs. Expenses 2016 to Present



Fund Balance

The fund balance of the Capital Fund fluctuates significantly based upon interfund transfers and earned grant revenue. The projected 2026 beginning fund balance is expected to be \$1,986,224. The projected ending fund balance is \$624. Grants that have not yet been earned but may support 2026 capital purchases will lessen the projected utilization of fund balance.



**2026 BUDGET
CAPITAL FUND SUMMARY**

REVENUE

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Local Enabling Act Taxes	\$ -	\$ -	\$ -	-	\$ -	-	0.0%
Interest Earnings	153,057	165,758	68,000	100,000	68,000	-	0.0%
State Operating and Capital Grants	2,637,836	651,394	1,511,283	-	200,000	(1,311,283)	-86.8%
Local Operating and Capital Grants	1,098,778	674,185	-	489,475	536,500	536,500	0.0%
Contributions from Private Sources	1,015,319	44,510	-	-	-	-	0.0%
All Other	12,100	74,477	76,530	-	-	(76,530)	-100.0%
Total Operating Revenue	\$ 4,917,090	\$ 1,610,324	\$ 1,655,813	\$ 589,475	\$ 804,500	(851,313)	-51.4%
Interfund Transfers	\$ 4,000,000	\$ 2,400,000	\$ -	\$ -	\$ 2,342,000	2,342,000	0.0%
Other Financing Sources	-	-	-	-	-	-	0.0%
Total Revenue	\$ 8,917,090	\$ 4,010,324	\$ 1,655,813	\$ 589,475	\$ 3,146,500	1,490,687	90.0%

EXPENDITURES

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Executive	\$ 42,000	\$ 43,200	\$ 42,000	\$ 42,000	\$ 43,000	1,000	2.4%
Information Technology	40,403	20,334	40,000	37,475	270,500	230,500	576.3%
Buildings and Grounds	604,831	560,829	395,000	-	1,578,800	1,183,800	299.7%
Police Services	509,414	501,869	657,000	658,000	510,000	(147,000)	-22.4%
Fire Protection Services	150,280	-	25,000	133,680	70,000	45,000	180.0%
Building and Zoning	27,700	-	-	-	45,000	45,000	0.0%
Public Works	5,514,275	3,454,505	1,080,000	750,000	410,800	(669,200)	-62.0%
Traffic Control Devices	-	-	-	-	1,225,000	1,225,000	0.0%
Sidewalks and Crosswalks	-	-	-	-	979,000	979,000	0.0%
Recreation Administration	678,518	742,462	1,270,000	900,000	-	(1,270,000)	-100.0%
Total Expenditures	\$ 7,567,421	\$ 5,323,199	\$ 3,509,000	\$ 2,521,155	\$ 5,132,100	1,623,100	46.3%
Income/(Loss) from Operations	\$ 1,349,669	\$ (1,312,875)	\$ (1,853,187)	\$ (1,931,680)	\$ (1,985,600)		
Fund Balance - Beginning	\$ 3,881,110	\$ 5,230,779		\$ 3,917,904	\$ 1,986,224		
Fund Balance - Ending	\$ 5,230,779	\$ 3,917,904		\$ 1,986,224	\$ 624		

**2026 BUDGET
CAPITAL FUND**

REVENUE

ACCOUNT NUMBER	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
LOCAL TAX ENABLING ACT 511 TAXES								
30-310-800	Non-Res Bldg Permit Tax	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
		\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
INTEREST EARNINGS								
30-341-100	Interest Income	\$ 153,057	\$ 165,758	\$ 68,000	\$ 100,000	\$ 68,000	-	0.0%
		\$ 153,057	\$ 165,758	\$ 68,000	\$ 100,000	\$ 68,000	-	0.0%
STATE OPERATING & CAPITAL GRANTS								
30-354-010	General Government	\$ 2,637,836	\$ 651,394	\$ 1,511,283	\$ -	\$ 200,000	(1,311,283)	-86.8%
		\$ 2,637,836	\$ 651,394	\$ 1,511,283	\$ -	\$ 200,000	(1,311,283)	-86.8%
LOCAL GOVERNMENT CAPITAL AND OPERATING								
30-357-010	General Government	\$ 220,960	\$ 405,000	\$ -	\$ 158,000	\$ 7,500	7,500	0.0%
30-357-020	Public Safety	246,510	185,305	-	17,000	-	-	-
30-357-030	Highway and Streets	541,678	68,090	-	314,475	529,000	529,000	-
30-357-040	Fire Protection Services	89,630	15,790	-	-	-	-	0.0%
		\$ 1,098,778	\$ 674,185	\$ -	\$ 489,475	\$ 536,500		
CONTRIBUTIONS FROM PRIVATE SOURCES								
30-387-100	Contributions and Donations	\$ 1,015,319	\$ 44,510	\$ -	\$ -	\$ -	-	0.0%
		\$ 1,015,319	\$ 44,510	\$ -	\$ -	\$ -	-	0.0%
ALL OTHER								
30-361-100	General Government	\$ -	\$ -	\$ 76,530	\$ -	\$ -	(76,530)	-100.0%
30-383-200	Fee in Lieu of	12,100	60,000	-	-	-	-	-
30-389-100	Miscellaneous	-	-	-	-	-	-	-
30-391-100	Sales of General Fixed Assets	-	14,477	-	-	-	-	0.0%
		\$ 12,100	\$ 74,477	\$ 76,530	\$ -	\$ -	(76,530)	-100.0%
TOTAL OPERATIONAL REVENUE		\$ 4,917,090	\$ 1,610,324	\$ 1,655,813	\$ 589,475	\$ 804,500	(851,313)	-51.4%
INTERFUND TRANSFERS								
30-392-001	Transfer from General Fund	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	1,000,000	0.0%
30-392-002	Transfer from Street Lighting Fund	-	-	-	-	-	-	-
30-392-030	Transfer from Investment Fund	2,000,000	2,400,000	-	-	1,342,000	1,342,000	0.0%
		\$ 4,000,000	\$ 2,400,000	\$ -	\$ -	\$ 2,342,000	2,342,000	0.0%
OTHER FINANCING SOURCES								
30-393-100	G.O. Bond and Note Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
		\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
TOTAL REVENUE WITH TRANSFERS		\$ 8,917,090	\$ 4,010,324	\$ 1,655,813	\$ 589,475	\$ 3,146,500	1,490,687	90.0%

**2026 BUDGET
CAPITAL FUND**

EXPENDITURES

ACCOUNT NUMBER	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
EXECUTIVE								
30-401-450	Contracted Services	\$ 42,000	\$ 43,200	\$ 42,000	\$ 42,000	\$ 43,000	1,000	2.4%
30-401-700	Capital Purchases	-	-	-	-	-	-	0.0%
		\$ 42,000	\$ 43,200	\$ 42,000	\$ 42,000	\$ 43,000	1,000	2.4%
INFORMATION TECHNOLOGY								
30-407-700	Capital Purchases	\$ 40,403	\$ 20,334	\$ 40,000	\$ 37,475	\$ 150,000	110,000	275.0%
30-407-720	Capital Maintenance	-	-	-	-	120,500	120,500	0.0%
		\$ 40,403	\$ 20,334	\$ 40,000	\$ 37,475	\$ 270,500	230,500	576.3%
BUILDINGS AND GROUNDS								
30-409-700	Capital Purchases	\$ 604,831	\$ 560,829	\$ 395,000	\$ -	\$ 50,000	(345,000)	-87.3%
30-409-720	Capital Maintenance	-	-	-	-	1,528,800	1,528,800	0.0%
		\$ 604,831	\$ 560,829	\$ 395,000	\$ -	\$ 1,578,800	1,183,800	299.7%
POLICE SERVICES								
30-410-700	Capital Purchases	\$ 509,414	\$ 501,869	\$ 657,000	\$ 658,000	\$ -	(657,000)	-100.0%
30-410-720	Capital Maintenance	-	-	-	-	510,000	510,000	0.0%
		\$ 509,414	\$ 501,869	\$ 657,000	\$ 658,000	\$ 510,000	(147,000)	-22.4%
FIRE PROTECTION SERVICES								
30-411-700	Capital Purchases	\$ 150,280	\$ -	\$ 25,000	\$ 133,680	\$ -	(25,000)	-100.0%
30-411-720	Capital Maintenance	-	-	-	-	70,000	70,000	0.0%
		\$ 150,280	\$ -	\$ 25,000	\$ 133,680	\$ 70,000	45,000	180.0%
BUILDING AND ZONING								
30-413-700	Capital Purchases	\$ 27,700	\$ -	\$ -	\$ -	\$ -	-	0.0%
30-413-720	Capital Maintenance	-	-	-	-	45,000	45,000	0.0%
		\$ 27,700	\$ -	\$ -	\$ -	\$ 45,000	45,000	0.0%
PUBLIC WORKS								
30-430-112	Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ 154,000	154,000	0.0%
30-430-192	FICA/Medicare	-	-	-	-	11,800	11,800	0.0%
30-430-700	Capital Purchases	5,367,894	3,069,316	1,080,000	400,000	150,000	(930,000)	-86.1%
30-430-720	Capital Maintenance	-	-	-	-	95,000	95,000	0.0%
		\$ 5,367,894	\$ 3,069,316	\$ 1,080,000	\$ 400,000	\$ 410,800	(669,200)	-62.0%
TRAFFIC CONTROL DEVICES								
30-433-700	Capital Purchases	\$ -	\$ -	\$ -	\$ -	\$ 1,075,000	1,075,000	0.0%
30-433-720	Capital Maintenance	-	-	-	-	150,000	150,000	0.0%
		\$ -	\$ -	\$ -	\$ -	\$ 1,225,000	1,225,000	0.0%
SIDEWALKS AND CROSSWALKS								
30-435-700	Capital Purchases	\$ -	\$ -	\$ -	\$ -	\$ 979,000	979,000	0.0%
30-435-720	Capital Maintenance	-	-	-	-	-	-	0.0%
		\$ -	\$ -	\$ -	\$ -	\$ 979,000	979,000	0.0%
STORM SEWERS AND DRAINS								
30-436-700	Capital Purchases	\$ 146,381	\$ 385,189	\$ -	\$ 350,000	\$ -	-	0.0%
		\$ 146,381	\$ 385,189	\$ -	\$ 350,000	\$ -	-	0.0%
RECREATION ADMINISTRATION								
30-451-700	Capital Purchases	\$ 678,518	\$ 742,462	\$ 1,270,000	\$ 900,000	\$ -	(1,270,000)	-100.0%
		\$ 678,518	\$ 742,462	\$ 1,270,000	\$ 900,000	\$ -	(1,270,000)	-100.0%
ALL OTHER								
30-471-000	Debt Principal	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
30-472-000	Debt Interest	-	-	-	-	-	-	-
30-475-901	Bond Issuance Cost	-	-	-	-	-	-	0.0%
		\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
TOTAL OPERATIONAL EXPENDITURES		\$ 7,567,421	\$ 5,323,199	\$ 3,509,000	\$ 2,521,155	\$ 5,132,100	1,623,100	46.3%
Income/(Loss) from Operations		\$ 1,349,669	\$ (1,312,875)	\$ (1,853,187)	\$ (1,931,680)	\$ (1,985,600)		

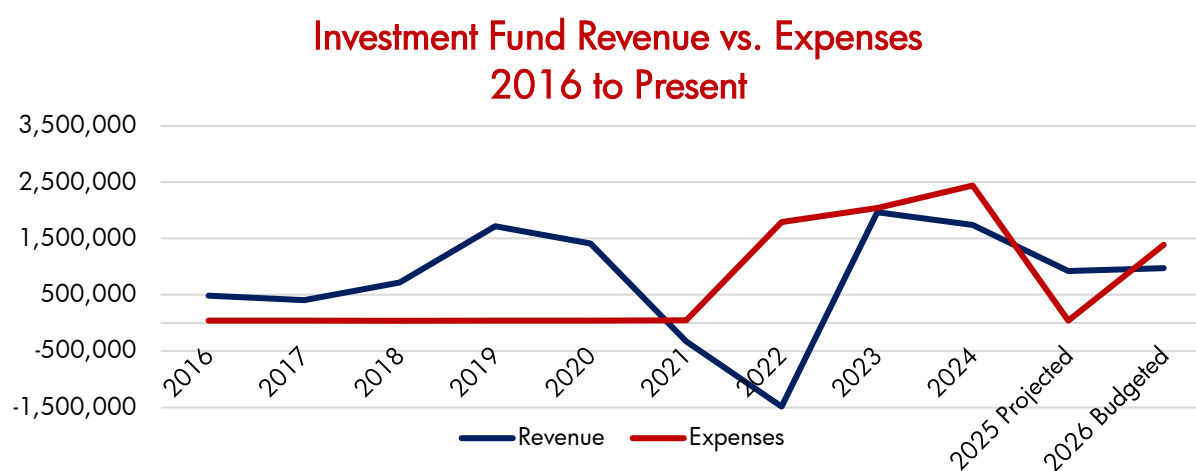
Investment Fund

Fund Overview

In 2002, the Township sold its water and sewer facilities to the Bucks County Water and Sewer Authority for \$40 million. This \$40 million principal is now held in the Investment Fund, an appropriated major special revenue governmental fund. This principal balance is restricted by Township resolution which provides that only excess revenue over \$40 million may be used. Investment income typically comes from certificates of deposit and fixed income securities, primarily US Treasury Bills. The Financial Advisory Committee is responsible for monitoring the performance of the Investment Fund.

Investment and interest income from the Investment Fund may be transferred to other funds as needed. Market volatility resulted in investment losses in 2021 and 2022, but strong interest income and rebounding investments have yielded positive revenue since 2023. In 2026, anticipated gains from interest earnings and investments are driving revenue expectations, though interest income is expected to decline as rates are adjusted downward. A conservative revenue projection is programmed in the Investment Fund. Gains/(Losses) on investments are always budgeted at \$0.

Interfund transfers are the primary source of expenditures in the Investment Fund. A \$2.4 million transfer to the Capital Fund was made in 2024 to support planned capital projects in 2025. A transfer of \$1.3 million to the Capital Fund is budgeted in 2026.



Fund Balance

The fund balance of the Investment Fund reflects the \$40 million principal, and earned interest and investment income. The projected 2026 beginning fund balance will be \$40,976,306 and is expected to decrease minimally to \$40,561,306 by the end of 2026.

**2026 BUDGET
INVESTMENT FUND SUMMARY**

REVENUE

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Interest Earnings	\$ 1,966,981	\$ 1,740,440	\$ 701,000	\$ 921,338	\$ 975,000	274,000	39.1%
Total Operational Revenue	\$ 1,966,981	\$ 1,740,440	\$ 701,000	\$ 921,338	\$ 975,000	274,000	39.1%

EXPENDITURES

<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
Fiscal Agent Fees	\$ 45,218	\$ 41,253	\$ 47,500	\$ 43,140	\$ 48,000	500	1.1%
Total Operating Expenditures	\$ 45,218	\$ 41,253	\$ 47,500	\$ 43,140	\$ 48,000	500	1.1%
Interfund Transfers	\$ 2,000,000	\$ 2,400,000	\$ -	\$ -	\$ 1,342,000	1,342,000	0.0%
Total Expenditures	\$ 2,045,218	\$ 2,441,253	\$ 47,500	\$ 43,140	\$ 1,390,000	1,342,500	2826.3%
Income/(Loss) from Operations	\$ (78,237)	\$ (700,813)	\$ 653,500	\$ 878,198	\$ (415,000)	(1,068,500)	-163.5%
Fund Balance - Beginning	\$ 40,877,158	\$ 40,798,921		\$ 40,098,108	\$ 40,976,306		
Fund Balance - Ending	\$ 40,798,921	\$ 40,098,108		\$ 40,976,306	\$ 40,561,306		

**2026 BUDGET
INVESTMENT FUND**

REVENUE

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
INTEREST EARNINGS								
32-341-100	Interest Income	\$ 973,258	\$ 1,229,893	\$ 700,000	\$ 921,338	\$ 975,000	275,000	39.3%
32-341-400	Penalties and Interest	-	-	1,000	-	-	(1,000)	(1)
32-341-500	Gain (Loss) On Investments	993,723	510,547	-	-	-	-	0.0%
		\$ 1,966,981	\$ 1,740,440	\$ 701,000	\$ 921,338	\$ 975,000	274,000	39.1%
TOTAL OPERATIONAL REVENUE		\$ 1,966,981	\$ 1,740,440	\$ 701,000	\$ 921,338	\$ 975,000		

EXPENDITURES

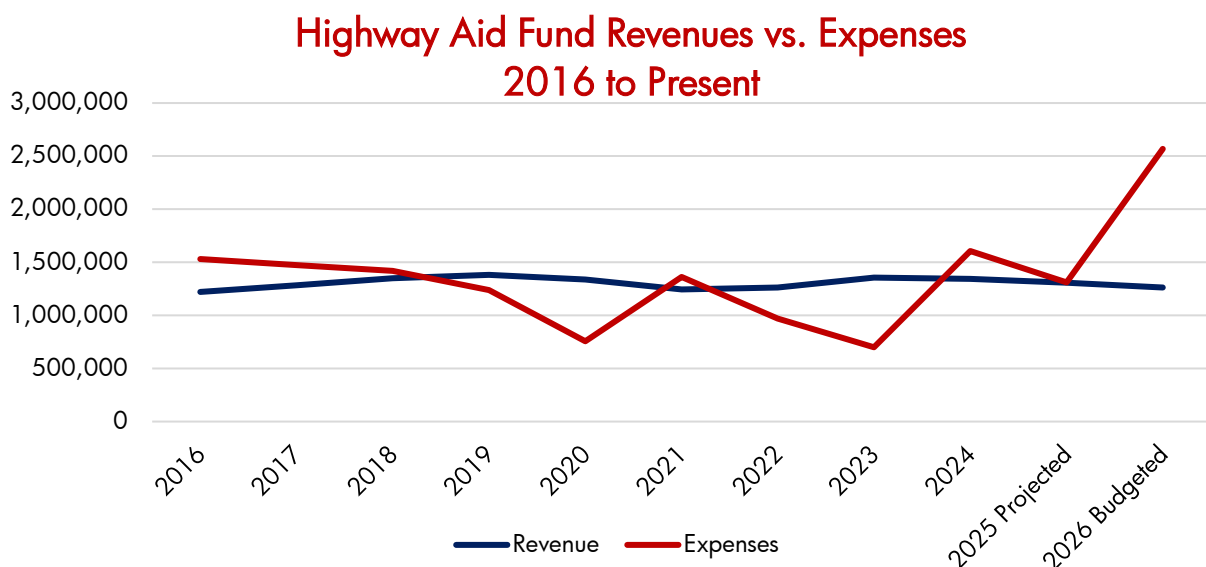
<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
FISCAL AGENT FEES								
32-475-317	Administration Fees	\$ 45,218	\$ 41,477	\$ 47,500	\$ 43,270	\$ 48,000	500	1.1%
		\$ 45,218	\$ 41,477	\$ 47,500	\$ 43,270	\$ 48,000	500	1.1%
TOTAL OPERATIONAL EXPENDITURES		\$ 45,218	\$ 41,477	\$ 47,500	\$ 43,270	\$ 48,000	500	1.1%
INTERFUND TRANSFERS								
32-492-952	Transfer to Fire Protection	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
32-492-958	Transfer to Capital Fund	2,000,000	2,400,000	-	-	1,342,000	1,342,000	0.0%
		\$ 2,000,000	\$ 2,400,000	\$ -	\$ -	\$ 1,342,000	1,342,000	0.0%
ALL OTHER								
32-404-301	General Legal	\$ -	\$ (224)	\$ -	\$ (130)	\$ -	-	0.0%
		\$ -	\$ (224)	\$ -	\$ (130)	\$ -	-	0.0%
TOTAL EXPENDITURES WITH TRANSFERS		\$ 2,045,218	\$ 2,441,253	\$ 47,500	\$ 43,140	\$ 1,390,000		
Income/(Loss) from Operations		\$ (78,237)	\$ (700,813)	\$ 653,500	\$ 878,198	\$ (415,000)		

Highway Aid Fund

Fund Overview

The Highway Aid Fund is an appropriated special revenue governmental fund funded by the State Motor Vehicle Fuel Tax. The Township's allocation of this tax revenue is based on population and road mileage. Allocations are gradually declining as vehicles consume less fuel through fuel efficiency or electrification.

Expenses in this fund are limited to road and highway related projects and road machinery. Prior to 2026, the most consistent expense in the Highway Aid Fund was for the staff time spent by Public Works employees performing maintenance and repairs on roads and bridges. Periodically, contracted road repaving would be paid for from this fund, as was done in 2025. Beginning in 2026, this fund will no longer carry the cost of staff time and instead will be primarily used for contracted road repaving. In 2026, a total of \$2,000,000 in road repaving is planned, expected to improve more than nine (9) miles of Township-owned roads in the Levittown section of Middletown Township. The total 2026 Highway Aid Fund budget is \$2,568,000



Fund Balance

The Highway Aid Fund has a healthy fund balance due to several years of spending less than was brought in. The Road Improvement Program is expected to utilize most of the accumulated fund balance. The projected 2026 beginning fund balance of the Highway Aid Fund is expected to be \$1,491,550 and is expected to be reduced to \$187,450 by the end of 2026.

**2026 BUDGET
HIGHWAY AID FUND SUMMARY**

REVENUE

DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
Interest Earnings	\$ 75,114	\$ 74,628	\$ 38,000	\$ 36,000	\$ 38,000	-	0.0%
Intergovernmental Revenue	1,279,416	1,270,302	1,245,924	1,272,748	1,225,900	(20,024)	-1.6%
Total Operational Revenue	\$ 1,354,530	\$ 1,344,930	\$ 1,283,924	\$ 1,308,748	\$ 1,263,900	(20,024)	-1.6%

EXPENDITURES

DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
Public Works	\$ 494,981	\$ 755,473	\$ 1,124,300	\$ 954,151	\$ 515,000	(609,300)	-54.2%
Fleet Maintenance Services	204,630	227,664	231,000	322,888	53,000	(178,000)	-77.1%
Highway Construction	-	623,458	552,000	33,560	2,000,000	1,448,000	262.3%
Total Operational Expenditures	\$ 699,611	\$ 1,606,595	\$ 1,907,300	\$ 1,310,599	\$ 2,568,000	660,700	34.6%
Income/(Loss) from Operations	\$ 654,919	\$ (261,665)	\$ (623,376)	\$ (1,851)	\$ (1,304,100)	(680,724)	109.2%
Fund Balance - Beginning	\$ 1,100,147	\$ 1,755,066		\$ 1,493,401	\$ 1,491,550		
Fund Balance - Ending	\$ 1,755,066	\$ 1,493,401		\$ 1,491,550	\$ 187,450		

**2026 BUDGET
HIGHWAY AID FUND**

REVENUE

<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>2023 ACTUAL</u>	<u>2024 ACTUAL</u>	<u>2025 BUDGET</u>	<u>2025 PROJECTION</u>	<u>2026 BUDGET</u>	<u>\$ Change Budget Years</u>	<u>% Change Budget Years</u>
INTEREST EARNINGS								
35-341-100	Interest Income	\$ 75,114	\$ 74,628	\$ 38,000	\$ 36,000	\$ 38,000	-	0.0%
		\$ 75,114	\$ 74,628	\$ 38,000	\$ 36,000	\$ 38,000	-	0.0%
INTERGOVERNMENTAL REVENUE								
35-351-050	Motor Vehicle Fuel Taxes	\$ 1,277,416	\$ 1,268,302	\$ 1,243,924	\$ 1,270,748	\$ 1,223,900	(20,024)	-1.6%
35-351-055	State Road Turnback Payments	2,000	2,000	2,000	2,000	2,000	-	0.0%
		\$ 1,279,416	\$ 1,270,302	\$ 1,245,924	\$ 1,272,748	\$ 1,225,900	(20,024)	-1.6%
TOTAL OPERATIONAL REVENUE		\$ 1,354,530	\$ 1,344,930	\$ 1,283,924	\$ 1,308,748	\$ 1,263,900	(20,024)	-1.6%

**2026 BUDGET
HIGHWAY AID FUND**

EXPENDITURES

ACCOUNT NUMBER	DESCRIPTION	2023 ACTUAL	2024 ACTUAL	2025 BUDGET	2025 PROJECTION	2026 BUDGET	\$ Change Budget Years	% Change Budget Years
EQUIPMENT								
35-430-260	Minor Equipment	\$ -	\$ -	\$ -	\$ -	\$ 20,000	20,000	0.0%
35-430-700	Major Equipment	-	-	-	-	135,000	135,000	0.0%
		\$ -	\$ -	\$ -	\$ -	\$ 155,000	155,000	0.0%
CLEANING OF STREETS AND GUTTERS								
35-431-112	Salaries and Wages	\$ 656	\$ 1,148	\$ 1,000	\$ 29,240	\$ -	(1,000)	-100.0%
35-431-192	FICA/Medicare	50	84	500	1,440	-	(500)	-100.0%
		\$ 706	\$ 1,232	\$ 1,500	\$ 30,680	\$ -	(1,500)	-100.0%
SNOW AND ICE REMOVAL								
35-432-112	Salaries and Wages	\$ 605	\$ 32,497	\$ 44,000	\$ 38,455	\$ -	(44,000)	-100.0%
35-432-180	Overtime Salaries	540	48,012	71,000	76,695	-	(71,000)	-100.0%
35-432-192	FICA/Medicare	443	5,868	4,000	10,400	-	(4,000)	-100.0%
35-432-220	Operating Supplies	(136)	66,233	160,000	200,000	200,000	40,000	25.0%
35-432-450	Contracted Services	-	-	5,000	-	-	(5,000)	-100.0%
		\$ 1,452	\$ 152,610	\$ 284,000	\$ 325,550	\$ 200,000	(84,000)	-29.6%
TRAFFIC CONTROL DEVICES								
35-433-112	Salaries and Wages	\$ 99,706	\$ 91,137	\$ 111,000	\$ 98,810	\$ -	(111,000)	-100.0%
35-433-180	Overtime Salaries	475	499	1,000	560	-	(1,000)	-100.0%
35-433-192	FICA/Medicare	7,726	6,854	9,000	7,490	-	(9,000)	-100.0%
35-433-220	Operating Supplies	11,545	11,839	25,000	12,570	14,000	(11,000)	-44.0%
35-433-360	Utilities	1,906	734	800	590	1,000	200	25.0%
35-433-450	Contracted Services	43,981	88,567	120,000	60,000	100,000	(20,000)	-16.7%
		\$ 165,339	\$ 199,630	\$ 266,800	\$ 180,020	\$ 115,000	(151,800)	-56.9%
STORM SEWERS AND DRAINS								
35-436-112	Salaries and Wages	\$ 98,432	\$ 158,345	\$ 141,000	\$ 109,320	\$ -	(141,000)	-100.0%
35-436-180	Overtime Salaries	1,338	1,650	3,000	550	-	(3,000)	-100.0%
35-436-192	FICA/Medicare	8,222	12,146	14,000	8,260	-	(14,000)	-100.0%
35-436-220	Operating Supplies	3,873	13,342	20,000	46,020	-	(20,000)	-100.0%
35-436-450	Contracted Services	-	810	100,000	280	-	(100,000)	-100.0%
		\$ 111,865	\$ 186,293	\$ 278,000	\$ 164,430	\$ -	(278,000)	-100.0%
FLEET MAINTENANCE SERVICES								
35-437-112	Salaries and Wages	\$ 114,946	\$ 142,364	\$ 130,000	\$ 225,712	\$ -	(130,000)	-100.0%
35-437-180	Overtime Salaries	15,384	17,031	15,000	18,790	-	(15,000)	-100.0%
35-437-192	FICA/Medicare	11,413	12,214	11,000	20,470	-	(11,000)	-100.0%
35-437-220	Operating Supplies	46,495	45,073	55,000	46,176	43,000	(12,000)	-21.8%
35-437-450	Contracted Services	16,392	10,982	20,000	11,740	10,000	(10,000)	-50.0%
		\$ 204,630	\$ 227,664	\$ 231,000	\$ 322,888	\$ 53,000	(178,000)	-77.1%
ROAD AND BRIDGE MAINTENANCE								
35-438-112	Salaries and Wages	\$ 172,522	\$ 172,522	\$ 198,000	\$ 164,280	\$ -	(198,000)	-100.0%
35-438-180	Overtime Salaries	10,118	24,114	39,000	37,620	-	(39,000)	-100.0%
35-438-192	FICA/Medicare	14,629	14,729	17,000	15,980	-	(17,000)	-100.0%
35-438-220	Operating Supplies	17,825	4,343	20,000	11,586	10,000	(10,000)	-50.0%
35-438-450	Contracted Services	525	-	20,000	24,005	35,000	15,000	75.0%
		\$ 215,619	\$ 215,708	\$ 294,000	\$ 253,471	\$ 45,000	(249,000)	-84.7%
HIGHWAY CONSTRUCTION AND REBUILDING								
35-439-220	Operating Supplies	\$ -	\$ -	\$ 2,000	\$ -	\$ -	(2,000)	-100.0%
35-439-450	Contracted Services	-	623,458	550,000	33,560	2,000,000	1,450,000	263.6%
		\$ -	\$ 623,458	\$ 552,000	\$ 33,560	\$ 2,000,000	1,448,000	262.3%
TOTAL OPERATIONAL EXPENDITURES		\$ 699,611	\$ 1,606,595	\$ 1,907,300	\$ 1,310,599	\$ 2,568,000	660,700	34.6%
Income/(Loss) from Operations		\$ 654,919	\$ (261,665)	\$ (623,376)	\$ (1,851)	\$ (1,304,100)		

Projections

Making estimates of revenues and expenditures is a critical task and goal of budgeting. Some budget projections can be made through simple calculations while others require more analysis and interpretation.

In preparing this budget, many typical methods used to project revenues and expenditures were supplemented by other means due to unique influencing factors such as recovery from the pandemic, rampant inflation, rising interest rates, strong tax revenue, and community development. Many of the Township's key revenue sources ended up outperforming expectations while others fell in line with past performance.

Real estate tax revenue can be projected largely through mathematics, as it is levied in millage (1 mill = 0.1% of a home's assessed value). Each type of real estate tax has its own millage. To calculate the real estate tax income per fund, one would use the following calculation:

$$\begin{array}{rcl} & \text{Total Township Assessed Value} & \\ \times & \text{Millage} & \\ \hline = & \text{Total possible tax collected} & \\ - & \text{2\% to 5\% of uncollectable taxes} & \\ \hline = & \text{Total projected tax collected} & \end{array}$$

Because taxes are not automatically collected, there is always a small percentage of residents who do not pay their taxes. While these individuals' taxes become delinquent, the Township cannot use uncollectable taxes in projecting revenues. This percentage, typically about 2%, allows Township administrators to realistically predict revenues. Collections fluctuate as changes in total Township assessed value and millage occur. Development is expecting to marginally increase the Township's total assessed value.

Other types of taxes, such as the Earned Income Tax (EIT) are predicted through trend analysis while reviewing economic conditions such as unemployment. The Township's prior trends and other communities' trends are considered in these analyses. With a proposed rate increase taking effect in early 2026, Keystone Collections, the EIT administrator for Bucks County municipalities, is projecting partial-year collections, with a full year of collections at the new rate assumed beginning in 2027.

The strong commercial real estate and housing markets drove the near record revenues in 2021 and 2022 from the Real Estate Transfer Tax. The housing market stabilized due to high interest rates, though values remain at all-time highs. A small increase to Real Estate Transfer Tax revenue is expected in future years as newly-constructed residential

dwellings are finished and sold to homebuyers. Commercial real estate transfers have stabilized in recent years. Changes in interest rates may impact this revenue source.

Non-tax forms of revenue such as permit fees and program fees are based off trend analyses and planned adjustments to fees. These revenue sources can and often do fluctuate in direct correlation to the economy. Construction on the apartment development at the Oxford Valley Mall has driven past revenues. This trend is expected to continue in 2026 with several planned townhome developments. A high number of permits for existing residential properties is expected to continue in 2026.

Projecting expenditures is somewhat more complex than projecting revenues. Expenditures are projected more heavily on past trends, with planned changes in services and staffing incorporated. Rather than simply adding a set percentage to all line items of the budget, Middletown Township works with staff and department directors to determine likely costs for the coming year with prior years' numbers and any significant anticipated differences. Allocating changes in expenditures this way allows for changes in service to be determined more carefully. The Township places a strong emphasis on tracking expenses in their true categories so projections in subsequent years are based upon accurate data.

Staff salaries and wages are calculated individually for each employee classification. Raises are applied as directed by the applicable collective bargaining agreement (CBA) for each union, or as directed by the Board of Supervisors for non-union employees. In 2025, the Township negotiated new collective bargaining agreements with the Crossing Guards Association taking effect in 2026. Collective bargaining agreements for the other three unions, the Police Benevolent Association (PBA), Teamsters Local 107, and Public Works Association, have CBAs expiring in 2027.

Other personnel-related costs like insurances and the minimum municipal obligation (MMO) are based upon renewals from insurance providers and calculations from the Township actuary. Retirements, resignations, and additions are all considered in projecting expenditures for the upcoming year. The Township periodically releases requests for proposals for contracted services to ensure quality service and that fees paid are reflective of the market. In early 2026, the Township will be seeking proposals to identify a pension investment manager that is focused on maximizing returns with competitive fees.

Grants are not recorded into the budget until they are earned or awarded. Grants that have been applied for, but not yet received, are accounted for in the Capital Improvement Plan section of the budget. For smaller, high-priority projects, the Township tries to budget for them in case grant funding is not awarded.

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Revenues

Middletown Township's revenues are generally derived from one of two sources: taxes and fees for services. As a second-class township, Middletown Township has the legal authority to tax for the purposes of financing municipal services. Residents and businesses in Middletown Township are subject to three different, independent local taxing authorities: Middletown Township, Bucks County, and Neshaminy School District. The Township, County, and School District have the ability to tax a variety of assets and transactions, usually regulated with limitations by the Commonwealth of Pennsylvania. Municipalities and school districts are also empowered by Act 511 of 1965 to levy additional taxes.

The elected Middletown Township Tax Collector collects all Real Estate Taxes and the Per Capita Tax. The Bucks County Recorder of Deeds processes all transfers of commercial and residential real estate in Bucks County. Additionally, the Township contracts with two firms to perform collections of its Act 511 taxes. Keystone Collections Group collects the Earned Income Tax (EIT) for Middletown Township and all other municipalities in Bucks County. Berkheimer collects the Local Services Tax (LST), Mercantile Tax, Amusement Tax, and Parking Transaction Fee. Berkheimer also collects the Stormwater Impact Fee on behalf of the Township. Fees are collected by the firms at different rates for each tax in accordance with the chart below.

Collection Firm	Tax/Fee Type	Commission Collected
Berkheimer	Local Services Tax	1.75%
Berkheimer	Mercantile Tax	2.25%
Berkheimer	Amusement Tax	0.00%
Berkheimer	Parking Transaction Fee	0.00%
Berkheimer	Stormwater Impact Fee	\$1.50/bill
Keystone Collections Group	Earned Income Tax	1.34%
Bucks County Recorder of Deeds	Real Estate Transfer Tax	2.00%

Fees-for-services are mandatory and/or based upon utilization. For example, the solid waste and recycling fee and fire inspection fees are charged consistently to all applicable residents and businesses, while recreation program fees and building inspection and permit fees are only charged when those services are utilized. Mandatory fees are to ensure a clean, safe quality of life to all members of the community. Assessing fees based on utilization allows for the specialized services provided to the community by the Township to be financed by the people and businesses that utilize them. Additionally, charging fees for certain services allows for revenue from taxpayers to be focused on essential services, such as policing, fire protection, and road maintenance. Most fees-for-service are collected directly by Middletown Township.

Real Estate Taxes

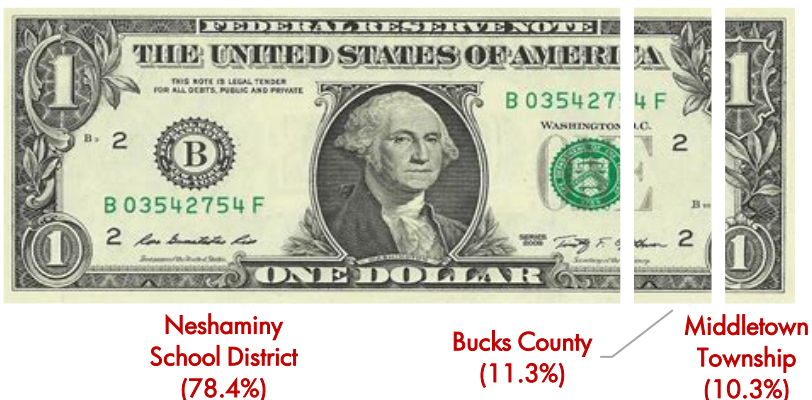
Middletown Township residents pay real estate taxes to three different local government authorities: Middletown Township, Neshaminy School District, and Bucks County. Real estate taxes are calculated by multiplying assessed value by a millage rate. One mill equals 0.1% of the assessed value of a property and its improvements.

The 2026 budget proposes a net increase of 6.08 mills across all funds, for a combined tax rate of 25.105 mills. The following tax rate changes are proposed:

- Fire Protection Fund – 3.080 mill increase (2026 total: 5.000 mills)
- Fire Apparatus Fund – 1.420 mill increase (2026 total: 2.500 mills)
- Ambulance & Rescue Fund – 0.300 mill increase (2026 total: 0.740 mills)
- Parks & Recreation Fund – 1.580 mill increase (2026 total: 3.500 mills)
- General Fund – 0.300 mill decrease (2026 total: 7.025 mills)

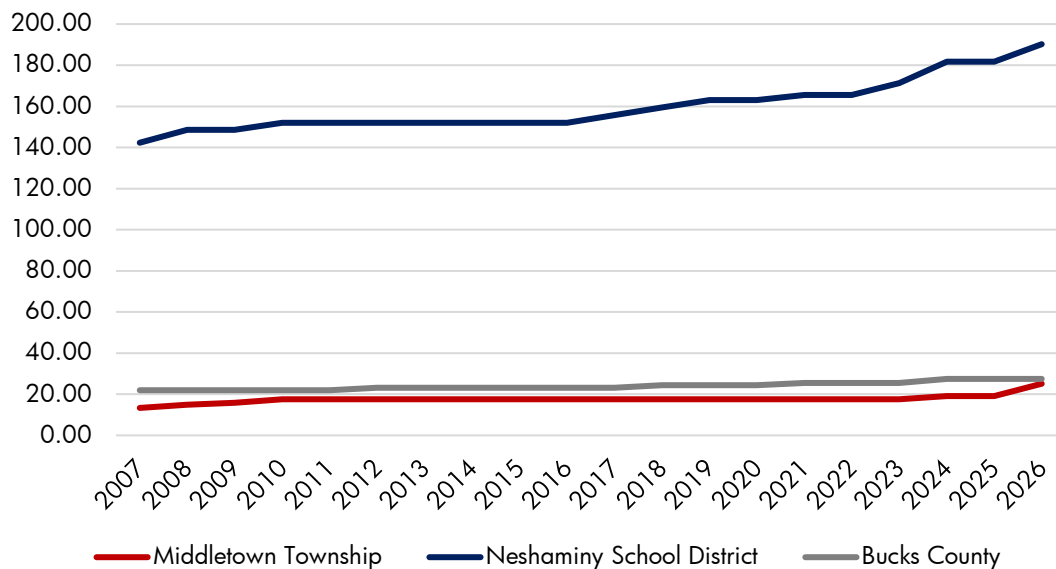
The Township last raised the Real Estate Tax by 1.455 mills across the Fire Protection Fund and Fire Apparatus Fund in 2024. Prior to this, Middletown Township had not raised Real Estate Taxes since 2010. The allocation of the Township's real estate taxes among funds has shifted incrementally in previous years without increasing the overall rate.

Of the Township's three taxing authorities, Middletown Township collects the least from what residents pay in Real Estate Taxes. At the proposed 2026 rate, residents of Middletown Township only pay 10.3% of their real estate taxes to the Township. The remaining 89.7% is split between Bucks County (11.3%) and Neshaminy School District (78.4%). Neshaminy School District currently levies 190.214 mills and Bucks County levies 27.45 mills. Both entities increased real estate taxes at least once since 2024. The numbers in the table below reflect rates as of November 2024. Bucks County and Neshaminy School District numbers are subject to change as they are not determined by Middletown Township. In 2026, residents will pay a combined real estate tax rate of 242.769 mills.

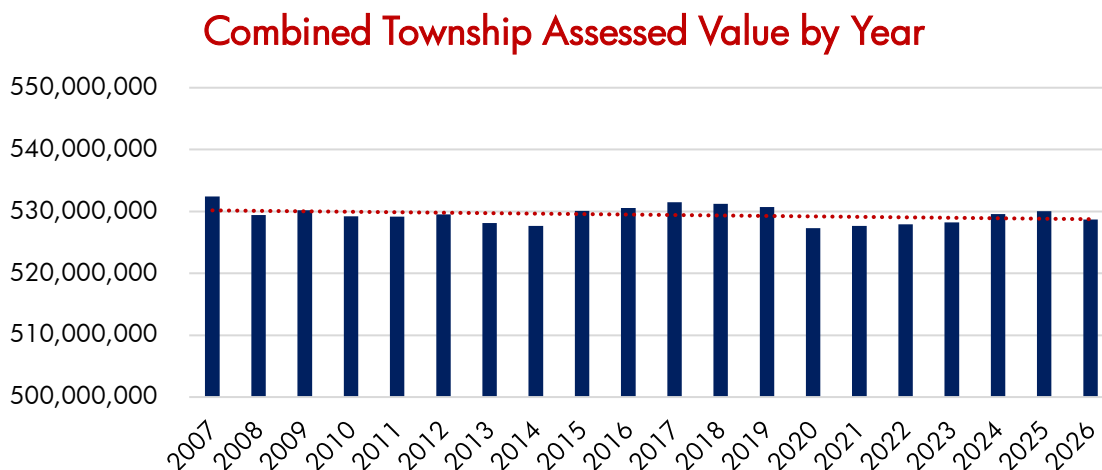


Year	Combined Township Assessed Value	Middletown Township	Neshaminy School District	Bucks County	Total Real Estate Millage
2026	\$ 528,713,910	25.105	190.214	27.45000	242.76900
2025	530,042,900	19.025	190.214	27.45000	236.68900
2024	529,564,690	19.025	181.675	27.45000	228.15000
2023	528,209,050	17.570	171.230	25.45000	214.25000
2022	527,924,290	17.570	171.230	25.45000	214.25000
2021	527,682,210	17.570	165.600	25.45000	208.62000
2020	527,288,950	17.570	163.100	24.45000	205.12000
2019	530,697,360	17.570	163.100	24.45000	205.12000
2018	531,237,950	17.570	159.500	24.45000	201.52000
2017	531,487,260	17.570	155.800	23.20000	196.57000
2016	530,541,620	17.570	152.000	23.20000	192.77000
2015	530,073,610	17.570	152.000	23.20000	192.77000
2014	527,666,530	17.570	152.000	23.20000	192.77000
2013	528,103,540	17.570	152.000	23.20000	192.77000
2012	529,526,770	17.570	152.000	23.20000	192.77000
2011	529,169,685	17.570	152.000	21.94211	191.51211
2010	529,215,470	17.570	152.000	21.94211	191.51211
2009	530,222,610	15.840	148.600	21.94211	186.38211
2008	529,440,660	14.840	148.600	21.94211	185.38211
2007	532,427,760	13.340	142.300	21.94211	177.58211

Real Estate Tax Millage - Trend Over Time



The combined assessed values of all properties in Middletown Township for 2026 will be \$528,713,910. This figure represents the tax base for real estate taxes. Since 2007, the total combined assessed value of all properties in Middletown Township has decreased by 0.7%. While new development and redevelopment causes this number to increase, appeals by large properties petitioning for a lower tax liability has consistently offset any increases. For example, during this period of time, the combined parcels that comprise the Oxford Valley Mall have reduced in taxable value from \$18,210,060 (2009) to \$4,110,340 (2025), a 78% reduction.



The market value and assessed value of a property are very different in Bucks County. The market value of a property reflects what a typical buyer would pay for a property. The assessed value of a property is determined by the Bucks County Board of Assessment and is the value that determines the amount paid in real estate taxes. Bucks County assesses all Township properties to determine an assessed property value based on the value of the land and any of its structures. Total real estate taxes paid are calculated as millage, multiplied by assessed property value.

Because Bucks County has not reassessed properties since 1972, the assessed value of a property is significantly less than the market value of their property. In an effort to narrow this gap in 2004, the State Tax Equalization Board adjusted the Common Level Ratio (CLR) in Bucks County to account for the relatively unchanged assessed value of homes. As a result, the assessed value of homes went up while tax rates declined, resulting in residents paying the same amount as before.

Adjustments to the CLR allow for current economic conditions to be fairly reflected for taxing purposes. The CLR bridges the gap between a property's market value and its assessed value. It is especially important for new construction as it allows a newer structure to have a comparable assessed value to existing structures. The CLR is also very useful when comparing tax rates to jurisdictions in other counties.

Tax Levy Summary

Of the 25.105 mills to be levied on real estate by the Township in 2026, most of the revenue is earmarked for specific purposes. Approximately 28% of real estate tax revenue is for the General Fund, meaning it can be spent on general operating expenses, such as public safety. 20% is used for repaying debt. 52% is utilized for special revenue funds, or funds that serve a specific governmental purpose. Enabled by the Second-Class Township Code, Middletown Township levies taxes for seven special revenue funds: street lighting, fire protection, parks & recreation, ambulance & rescue, road machinery, fire hydrants, and fire apparatus. All proposed Real Estate Tax increases in 2026 are for special revenue funds.

The chart below shows how Middletown Township will allocate real estate taxes in 2026. Changes are proposed to the General, Fire Protection, Parks & Recreation, Ambulance & Rescue, and Fire Apparatus Funds.

<i>YEAR</i>	GENERAL FUND	STREET LIGHT FUND	FIRE PROT. FUND	PARKS & REC FUND	AMBUL. & RESCUE FUND	ROAD MACH. FUND	FIRE HYDRANT FUND	FIRE APP. FUND	DEBT SERVICE FUND	<i>TOTAL</i>
2026	7.025	0.788	5.000	3.500	0.740	0.300	0.137	2.500	5.115	25.105
2025	7.325	0.788	1.920	1.920	0.440	0.300	0.137	1.080	5.115	19.025
2024	7.325	0.788	1.920	1.920	0.440	0.300	0.137	1.080	5.115	19.025
2023	7.325	0.788	0.920	1.920	0.440	0.300	0.137	0.625	5.115	17.570
2022	7.325	0.788	0.920	1.920	0.440	0.300	0.107	0.625	5.145	17.570
2021	7.325	0.788	0.920	1.920	0.440	0.300	0.107	0.625	5.145	17.570
2020	7.125	0.988	0.920	1.920	0.440	0.300	0.107	0.625	5.145	17.570
2019	7.125	0.988	0.920	1.920	0.440	0.300	0.107	0.625	5.145	17.570
2018	7.125	0.988	0.920	1.920	0.440	0.300	0.107	0.625	5.145	17.570
2017	7.125	0.988	0.920	1.920	0.440	0.300	0.107	0.625	5.145	17.570
2016	7.340	0.988	0.750	1.920	0.395	0.300	0.107	0.625	5.145	17.570
2015	7.340	0.988	0.750	1.920	0.395	0.300	0.107	0.625	5.145	17.570
2014	7.340	0.988	0.750	1.620	0.395	0.300	0.107	0.625	5.445	17.570
2013	7.340	0.988	0.750	1.620	0.395	0.300	0.107	0.625	5.445	17.570
2012	7.340	0.988	0.750	1.620	0.395	0.300	0.107	0.625	5.445	17.570
2011	7.485	0.988	0.750	1.620	0.395	0.300	0.107	0.625	5.300	17.570
2010	7.000	0.800	0.750	1.620	0.395	0.300	0.080	0.625	6.000	17.570
2009	7.000	0.700	0.750	1.620	0.395	0.300	0.070	0.625	4.380	15.840

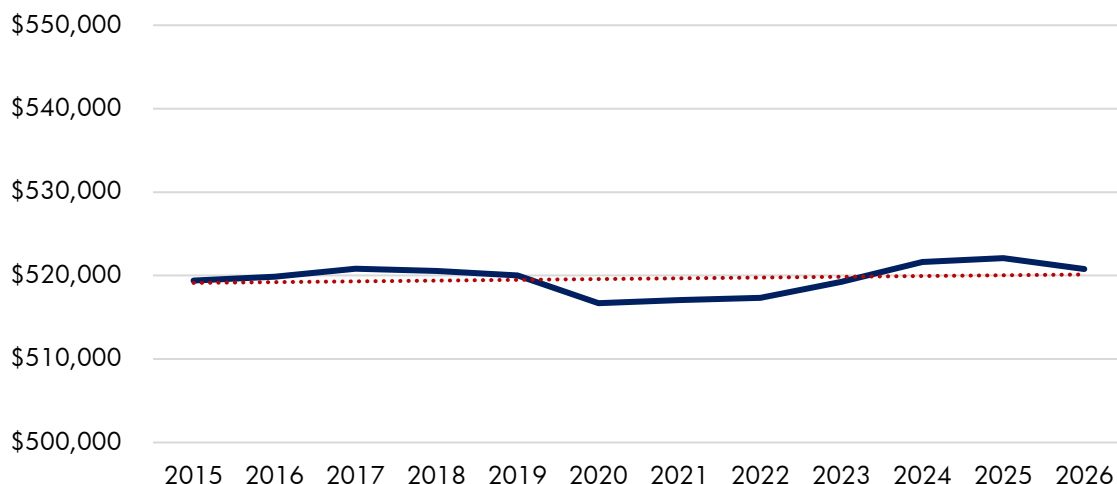
Real Estate Tax Revenue by Fund

The value of a mill is based upon the total assessed value of all properties in the Township. In 2026, the value of one mill is calculated to be approximately \$520,783. The revenue for each fund is calculated based upon this number, less a small amount for anticipated uncollectable taxes. In total, \$13,006,000 is expected in real estate tax revenue for 2026, approximately \$4.1 million more in revenue across all funds than was received in 2025, due to the total proposed 6.08 mill increase.

Real Estate Tax revenue per mill has decreased slightly since 2025 due to recent assessment appeals. Over the last 20 years, the average amount of real estate tax revenue generated per mill has remained relatively unchanged.

Fund	Estimated 2026 Assessed Value (Less Appeals, Adjustments, and Uncollectable)	2026 Tax Levy	Estimated Tax Revenue
General Fund	528,713,910	7.0250	3,640,000
Street Lighting Fund	528,713,910	0.7880	408,000
Fire Protection Fund	528,713,910	5.0000	2,591,000
Parks & Rec Fund	528,713,910	3.5000	1,813,000
Ambulance & Rescue Fund	528,713,910	0.7400	383,000
Road Machinery Fund	528,713,910	0.3000	155,000
Fire Hydrant Fund	528,713,910	0.1370	71,000
Fire Apparatus Fund	528,713,910	2.5000	1,295,000
Debt Service Fund	528,713,910	5.1150	2,650,000
TOTAL - ALL FUNDS	528,713,910	25.1050	13,006,000

Value of 1 Mill - Over Time



Bucks County Real Estate Tax Comparison

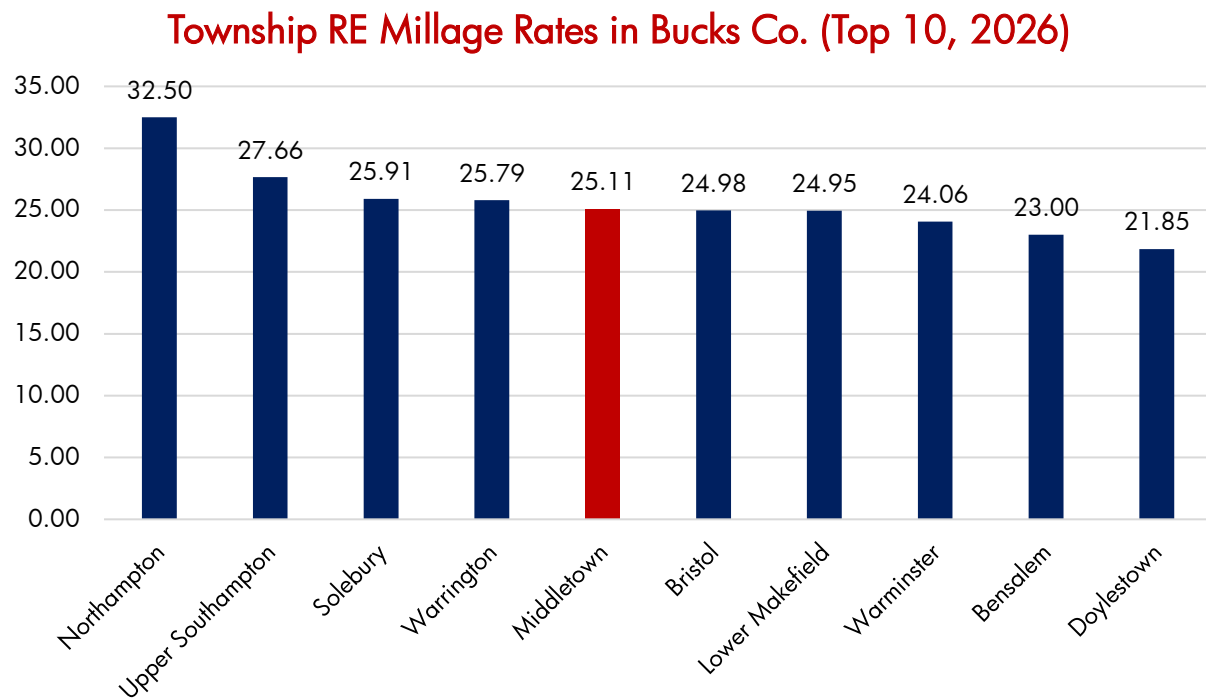
Residents of Middletown Township will pay a combined total of 242.77 mills in Real Estate Taxes to Neshaminy School District, Bucks County, and Middletown Township in 2026. Due primarily to school district taxes, Middletown Township will have the 3rd highest combined millage rate of townships in Bucks County (behind Bristol Township and Lower Makefield Township), as noted in the chart. As for Township-only Real Estate Taxes, Middletown Township ranks 5th in Bucks County.

Rank	Township	Twp Millage*	School District	SD Millage**	County Millage**	Total Millage
1	Bristol	24.98	Bristol Twp	226.74	27.45	279.17
2	Lower Makefield	24.95	Pennsbury	204.00	27.45	256.40
3	Middletown	25.11	Neshaminy	190.21	27.45	242.77
4	Falls	8.97	Pennsbury	204.00	27.45	240.42
5	Lower Southampton	16.33	Neshaminy	190.21	27.45	233.99
6	Bensalem	23.00	Bensalem	181.33	27.45	231.78
7	Upper Southampton	27.66	Centennial	172.66	27.45	227.77
8	Warminster	24.06	Centennial	172.66	27.45	224.17
9	Richland	13.55	Quakertown	175.65	27.45	216.65
10	Haycock	6.00	Quakertown	175.65	27.45	209.10
11	Milford	2.00	Quakertown	175.65	27.45	205.10
12	Northampton	32.50	Council Rock	144.90	27.45	204.85
13	Warrington	25.79	Central Bucks	146.55	27.45	199.79
14	Doylestown	21.85	Central Bucks	146.55	27.45	195.85
15	New Britain	16.00	Central Bucks	146.55	27.45	190.00
16	Warwick	15.25	Central Bucks	146.55	27.45	189.25
17	Plumstead	14.94	Central Bucks	146.55	27.45	188.94
18	Wrightstown	13.50	Council Rock	144.90	27.45	185.85
19	Newtown	13.12	Council Rock	144.90	27.45	185.46
20	East Rockhill	12.24	Pennridge	140.19	27.45	179.87
21	Upper Makefield	6.45	Council Rock	144.90	27.45	178.80
22	Buckingham	4.75	Central Bucks	146.55	27.45	178.75
23	Hilltown	8.75	Pennridge	140.19	27.45	176.39
24	Bedminster	7.50	Pennridge	140.19	27.45	175.14
25	West Rockhill	7.25	Pennridge	140.19	27.45	174.89
26	Solebury	25.91	NH/Solebury	120.51	27.45	173.87
27	Springfield	17.00	Palisades	120.40	27.45	164.85
28	Tinicum	8.50	Palisades	120.40	27.45	156.35
29	Durham	8.00	Palisades	120.40	27.45	155.85
30	Nockamixon	7.00	Palisades	120.40	27.45	154.85
31	Bridgeton	6.00	Palisades	120.40	27.45	153.85

*Except for Middletown Township, millage rates are as of 2025 and do not reflect potential increases for 2026.

**Neshaminy School District and Bucks County millage rates are subject to change and may change by the coming budget year.

Of the four townships levying higher real estate taxes than Middletown Township, Northampton Township (32.50 mills) is the only direct neighbor to Middletown Township. Upper Southampton Township (27.66 mills), Solebury Township (25.91 mills), and Warrington Township (25.79 mills) are a few miles to the west and north of Middletown Township. Several of the municipalities with the highest real estate tax rates in Bucks County have increased real estate taxes in recent years to pay for changes or expansions in fire protection services.



Greater Philadelphia Real Estate Tax Comparison

Because of Middletown's size, demographic composition, and economic vibrancy, there are few municipalities in Bucks County that are comparable for tax purposes. Home to a large mall, hospital, and amusement park, a community like Middletown has a greater draw on public services, and tax rates often reflect this reality. Looking at other similar municipalities in neighboring Montgomery and Delaware Counties, several others are comparable on a tax basis.

County Boards of Assessment are responsible for determining assessed (taxable) values of properties since they are not tied to inflation or the economy like market values are. Because counties reassess (or do not reassess) at different times, the Common Level Ratio (CLR) is used in Pennsylvania to compare tax rates and true values across jurisdictions. CLR factors are determined annually in July by the Pennsylvania Department of Revenue.

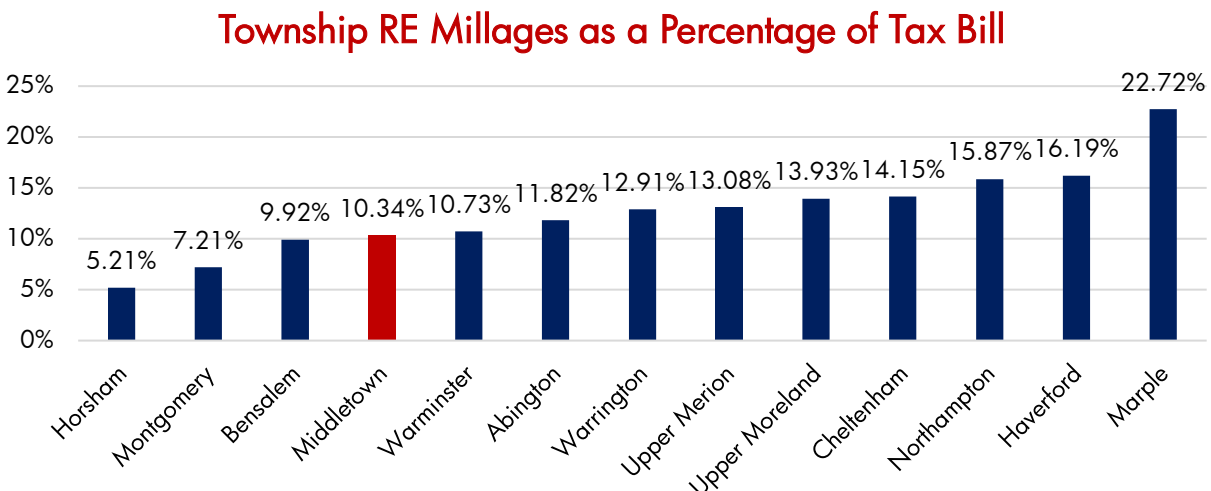
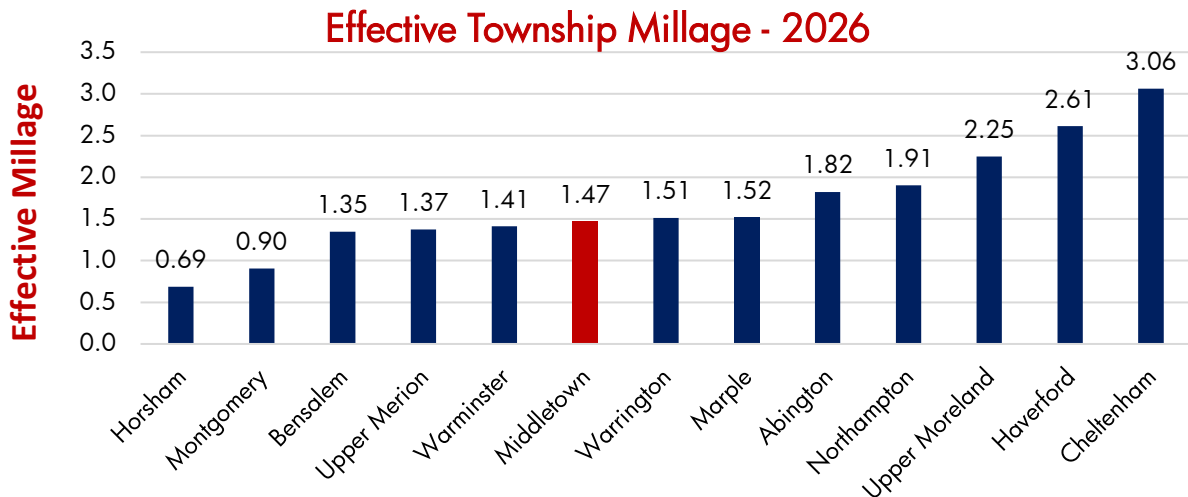
Rank	Township	County	Township Millage	School District Millage	County Millage	Total Millage	Common Level Ratio Factor	Effective Twp. Millage	Effective Total Millage
1	Cheltenham	Montgomery	9.9552	54.7700	5.6420	70.3672	3.25	3.0631	21.6514
2	Haverford	Delaware	4.5450	19.6509	3.8730	28.0689	1.74	2.6121	16.1316
3	Upper Moreland	Montgomery	7.3090	39.5138	5.6420	52.4648	3.25	2.2489	16.1430
4	Northampton	Bucks	32.5000	144.8978	27.4500	204.8478	17.06	1.9050	12.0075
5	Abington	Montgomery	5.9220	38.5500	5.6420	50.1140	3.25	1.8222	15.4197
6	Marple	Delaware	2.6380	12.4741	3.8730	11.6089	1.74	1.5161	6.6718
7	Warrington	Bucks	25.7900	146.5500	27.4500	199.7900	17.06	1.5117	11.7110
8	Middletown	Bucks	25.1050	190.2137	27.4500	242.7687	17.06	1.4716	14.2303
9	Warminster	Bucks	24.0600	172.6563	27.4500	224.1663	17.06	1.4103	13.1399
10	Upper Merion	Montgomery	4.4610	24.0100	5.6420	34.1130	3.25	1.3726	10.4963
11	Bensalem	Bucks	23.0000	181.3315	27.4500	231.7815	17.06	1.3482	13.5863
12	Montgomery	Montgomery	2.9400	32.2040	5.6420	40.7860	3.25	0.9046	12.5495
13	Horsham	Montgomery	2.2300	34.9700	5.6420	42.8420	3.25	0.6862	13.1822

Bucks County has the one of the highest CLR factors in the state at 17.06, indicative of a significant period without reassessing properties. The CLR factor works similarly to the Consumer Price Index (CPI) factor, in that it creates a consistent basis to compare real estate taxes. Like the CPI, the CLR factor changes incrementally each year based on a variety of factors. Without using the CLR factor to compare property taxes across counties, it would appear that tax rates are far higher than other municipalities, while assessed property values are far lower. The CLR factor equalizes millage rates by accounting for differences in assessed values. Montgomery County's CLR factor is 3.25 for 2025-2026. Delaware County reassessed properties in 2021, resulting in a lower CLR factor of 1.74.

Effective millage rates are calculated by applying the CLR factor to a community's township and total millage rates, using the following calculation:

$$\begin{array}{rcl} 25.105 & & \text{(Township Millage)} \\ \div & 17.06 & \text{(CLR Factor)} \\ \hline 1.47 & & \text{(Effective Township Millage)} \end{array}$$

As shown in the graphs below, when looking at comparable communities in the Philadelphia metropolitan area, Middletown Township's real estate taxes are comparable to other similar communities. When the CLR factor is considered, an effective millage rate is generated, making it comparable across multiple jurisdictions. Generally, Middletown Township and other similar Bucks County municipalities levy a lower amount of real estate taxes than similar communities in Montgomery and Delaware Counties.



Impact of Taxes

Residents of Middletown Township pay, on average, \$738 in Real Estate Taxes to the Township. The proposed tax increase equates to approximately an additional \$180 per household per year. The average assessment of a Township home is \$29,410. Middletown Township levies Real Estate Taxes totaling 25.105 mills, or 2.5105%, depending on the value determined by the Bucks County Board of Assessment of an individual's home. Since Bucks County has not comprehensively reassessed properties since the 1970s, the average home assessment remains far below market value. The amount paid in Real Estate Taxes is calculated in the following way:

$$\begin{array}{rcl}
 \$29,410 & & \text{(Average Assessed Real Estate Property Value)} \\
 \times & 0.025105 & \text{(Township Millage rate- 1 mill = 0.001\%)} \\
 \hline
 \$738.34 & & \text{(Average Total Township Real Estate Taxes)}
 \end{array}$$

Comparison of Real Estate Taxes in Selected Township Neighborhoods					
	Avg. Assessment of Sample Properties	Middletown Township	Neshaminy School District *	Bucks County *	Total Real Estate Tax Bill
2025/2026 Millage Rates		25.105	190.214	27.450	242.769
Average Residential Assessment	\$29,410	\$738.34	\$5,594.18	\$807.30	\$7,139.83
Selected Township Developments:					
Snowball Gate	\$30,960	\$777.25	\$5,889.02	\$849.85	\$ 7,516.12
Highland Park	\$24,088	604.73	4,581.87	661.22	5,847.81
Maple Point	\$41,504	1,041.96	7,894.63	1,139.28	10,075.87
Hollybrooke	\$21,128	530.42	4,018.84	579.96	5,129.22
Parkland	\$24,060	604.03	4,576.54	660.45	5,841.01
Villages of Shadybrook	\$38,302	961.57	7,285.57	1,051.39	9,298.53
Villages of Flowers Mill	\$35,314	886.56	6,717.21	969.37	8,573.13
*Neshaminy School District and Bucks County are independent taxing authorities. The rates shown reflect rates as of November 2025 and are not to be considered binding for the purposes of this document.					

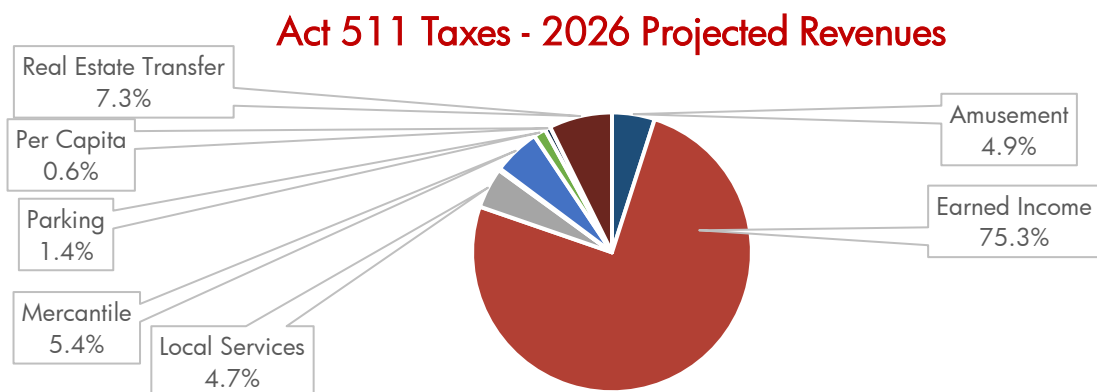
Act 511 Taxes

Pennsylvania Act 511 of 1965 specifies the types of taxes and limits municipalities may levy in their jurisdictions. The table below represents all Act 511 taxes Middletown Township levies, and the corresponding rates. Each type of tax can vary from percentages, a flat dollar amount, to millage. An increase to the Earned Income Tax rate from 0.5% to 1.0% is proposed for 2026. No other rate adjustments are proposed. Additional tax detail is provided on the following pages.

Schedule of Act 511 Taxes - Middletown Township							
Tax	2026	2025	2024	2023	2022	2021	2020
Amusement	5%	5%	5%	5%	5%	5%	5%
Earned Income	1.00%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Local Services	\$47.00	\$47.00	\$47.00	\$47.00	\$47.00	\$47.00	\$47.00
Mech. Device - Vending	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Mech. Device - Amusement	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Mercantile - Wholesale	0.5 mill	0.5 mill	0.5 mill	0.5 mill	0.5 mill	0.5 mill	0.5 mill
Mercantile - Retail	0.75 mill	0.75 mill	0.75 mill	0.75 mill	0.75 mill	0.75 mill	0.75 mill
Parking Transaction Fee	10%	10%	10%	10%	10%	10%	10%
Per Capita	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Real Estate Transfer	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

The elected Middletown Township Tax Collector collects the Per Capita Tax. The Township also works with two tax collection agencies, Berkheimer and Keystone Collections, to collect the other Act 511 Taxes.

The following tables show collections on a cash accounting basis as they are reported by the tax collectors. The Township accounts for these revenues on a modified accrual basis. Additionally, some tables reflect gross tax collections, or the total amount of money collected, and some tables reflect tax collections net of fees.



Amusement Tax

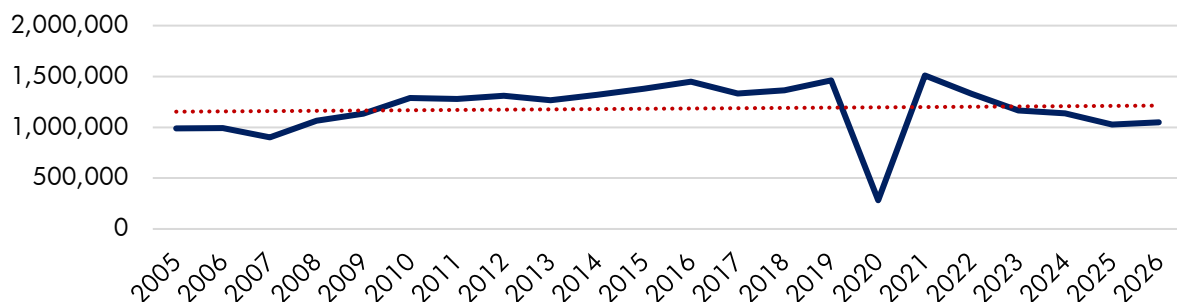


Middletown Township and the Neshaminy School District levy an Amusement Tax at a combined rate of 10%, which is shared equally by both. The tax is levied on any business that offers entertainment within the Township/School District. Taxable entities include but are not limited to: amusement parks, golf courses, shows, sporting events, musical performances, circuses and/or any event with an admission charge or where entertainment is offered. Returns for this tax are due monthly on the prior month's gross ticket sales. Sesame Place theme park is the largest contributor to this tax category. Revenue has leveled off in recent years and is projected conservatively in 2026.

Amusement Taxes are collected by Berkheimer Tax Administrator at no cost to the Township. The table below outlines the amount of each tax collected over the last several years, expected revenue by the end of the year, as well as budgeted projections for the upcoming year.

SUMMARY OF AMUSEMENT TAX RATES AND COLLECTIONS			
	Middletown Township	Neshaminy School District	Total
Rate	5%	5%	10%
YEAR	AMUSEMENT TAX COLLECTIONS BY YEAR (MIDDLETOWN PORTION)		
2026 - Budgeted	1,050,000		
2025 - Projected	1,026,078		
2024	1,137,710		
2023	1,165,981		
2022	1,329,079		
2021	1,509,645		
2020	282,161		
2019	1,460,447		
2018	1,364,243		

Amusement Tax Revenue Yearly Trend



Earned Income Tax

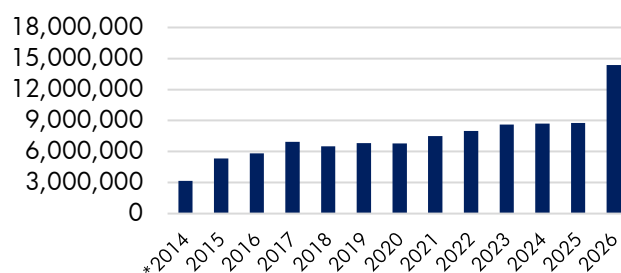
First instituted in 2014 at a rate of 0.5%, the 2026 proposed budget contemplates an increase to the Earned Income Tax (EIT) to a rate of 1.0% to provide additional, consistent revenue to the Township to support the cost of providing government services. In Pennsylvania, EIT is remitted to an individual's municipality of residence. This tax is levied on all residents of Middletown Township, regardless of where they work. Forms of retirement income are generally not subject to the EIT. This is depicted as "Resident Collections" in this section. Additionally, individuals working in Middletown Township who live in another municipality that does not collect EIT pay the EIT to Middletown Township, depicted as "Non-Resident Collections" in this section.

All individuals who work in the City of Philadelphia but live elsewhere are subject to the City Wage Tax for non-residents, which is 3.43% as of November 2025, among the highest local income taxes in the United States. Municipalities with residents working in the City of Philadelphia cannot collect EIT for these individuals. As required by state law, collection of EIT is governed by the Bucks County Tax Collection Committee (TCC), which selects the county-wide EIT collector, Keystone Collections.

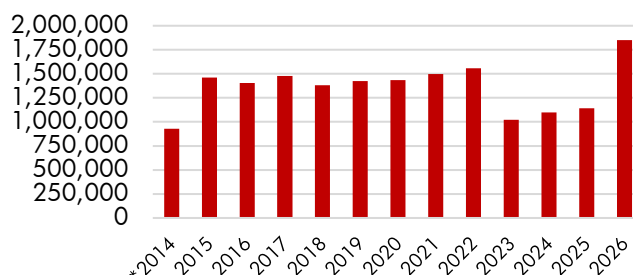
Rising wages in the last two years have resulted in strong returns for the EIT—approximately \$8.7 million in 2025. At a rate of 1.0%, the amount of resident collections will eventually double. However, due to the institution of the new tax rate shortly before the new tax year, only a partial year of collections is contemplated in 2026, approximately \$14.3 million. By 2027, resident collections are expected to exceed \$17 million. It is estimated that residents are paying more than 20% of this additional revenue to another municipality with a higher EIT rate and will not experience a net impact.

Nearby Falls Township, Langhorne Borough, and Morrisville Borough have all enacted the EIT in recent years. Since 2022, there has been a nearly 40% reduction in Middletown Township's non-resident collections. Non-resident collections will trend similar to resident collections at the new tax rate, expected to exceed \$1.8 million in 2026. Non-resident collections may decline if other municipalities whose residents work in Middletown Township (i.e. Lower Makefield Township) institute their own EIT.

Earned Income Tax - Resident



Earned Income Tax - Non-Resident



EARNED INCOME TAX COLLECTIONS BY YEAR				
Year	Resident	Non-Resident	Total Collections	% Change
2026	14,363,400	1,851,000	16,214,400	63.88%
2025	8,753,193	1,140,831	9,894,025	0.99%
2024	8,700,378	1,096,816	9,797,193	1.54%
2023	8,626,230	1,022,388	9,648,618	0.94%
2022	8,002,519	1,556,336	9,558,856	6.10%
2021	7,511,995	1,497,443	9,009,439	9.77%
2020	6,773,623	1,433,646	8,207,270	-0.49%
2019	6,823,383	1,424,605	8,247,988	4.59%
2018	6,504,615	1,381,546	7,886,161	-6.30%
2017	6,937,377	1,479,182	8,416,559	16.34%
2016	5,831,028	1,403,405	7,234,433	6.65%
2015	5,320,954	1,462,393	6,783,347	66.23%
*2014	3,153,750	926,994	4,080,744	
*Tax was levied for the first time in 2014 and represents partial-year collections.				

EARNED INCOME TAX COLLECTIONS BY MONTH							
<i>Resident Collections</i>							
Month	2019	2020	2021	2022	2023	2024	2025
January	271,104	375,333	314,729	373,308	480,612	448,766	444,169
February	1,008,644	15,671	1,020,386	1,085,694	1,142,295	1,171,494	1,226,150
March	347,210	325,759	429,076	506,306	418,633	448,126	416,309
April	586,459	295,935	487,467	511,366	664,303	735,444	691,952
May	1,360,139	1,183,608	1,322,925	1,450,648	1,593,270	1,562,313	1,648,004
June	360,445	465,687	433,103	537,561	527,893	430,200	446,263
July	351,050	606,283	335,871	389,256	412,744	443,236	451,261
August	870,590	930,684	1,045,494	1,035,276	1,189,129	1,067,651	1,127,554
September	254,026	269,725	361,926	371,105	376,919	394,452	347,182
October	284,729	201,875	316,430	426,673	389,909	501,852	514,350
November	883,292	933,193	1,125,043	1,089,781	1,103,600	1,141,133	1,090,000
December	245,695	269,872	319,545	225,546	326,924	355,710	350,000
Total	6,823,383	6,773,623	7,511,995	8,002,519	8,626,230	8,700,378	8,753,193
<i>Non-Resident Collections</i>							
Month	2019	2020	2021	2022	2023	2024	2025
January	41,532	101,030	71,341	85,628	52,716	51,392	45,412
February	305,629	265,243	326,003	317,195	322,657	230,403	239,635
March	13,263	11,592	8,486	30,720	8,241	2,146	6,037
April	62,489	57,191	68,603	50,075	59,075	58,002	42,605
May	272,590	310,646	272,471	294,384	227,244	204,058	230,884
June	13,784	10,035	8,367	11,124	9,625	7,840	7,107
July	86,211	100,364	52,220	62,646	56,651	37,870	71,914
August	265,276	227,078	306,731	315,806	228,113	227,779	214,315
September	8,409	12,415	9,886	8,795	5,230	4,449	3,429
October	62,989	18,593	72,158	41,332	48,532	52,991	64,492
November	278,840	312,977	291,172	327,887	536	214,472	210,000
December	13,593	6,483	10,005	10,745	3,770	5,412	5,000
Total	1,424,605	1,433,646	1,497,443	1,556,336	1,022,388	1,096,816	1,140,831
<i>All Collections</i>							
Total:	\$8,247,988	\$8,207,270	\$9,009,439	\$9,558,856	\$9,648,618	\$9,797,193	\$9,894,025
*Figures denote gross collections and are not net of accruals and fees.							

By instituting a 1.0% EIT rate, Middletown Township would join Falls Township, Bensalem Township, Lower Southampton Township, Langhorne Borough, Penndel Borough, and Hulmeville Borough who also have a 1.0% EIT, a common characteristic for municipalities in lower Bucks County. Notably, none of the school districts in lower Bucks County have an EIT. The below chart shows all townships in Bucks County as well as all municipalities in the Neshaminy School District and their accompanying tax rates for those jurisdictions.

Rank	Township	Twp EIT*	School District	SD EIT*	Total EIT
1	Milford	0.75%	Quakertown	1.00%	1.75%
1	East Rockhill	0.75%	Pennridge	1.00%	1.75%
1	Bedminster	0.75%	Pennridge	1.00%	1.75%
1	West Rockhill	0.75%	Pennridge	1.00%	1.75%
5	Richland	0.60%	Quakertown	1.00%	1.60%
6	Haycock	0.50%	Quakertown	1.00%	1.50%
6	Hilltown	0.50%	Pennridge	1.00%	1.50%
8	Springfield	0.75%	Palisades	0.50%	1.25%
8	Tinicum	0.75%	Palisades	0.50%	1.25%
8	Nockamixon	0.75%	Palisades	0.50%	1.25%
11	New Britain	0.63%	Central Bucks	0.50%	1.13%
12	Falls	1.00%	Pennsbury	0.00%	1.00%
12	Bensalem	1.00%	Bensalem	0.00%	1.00%
12	Lower Southampton	1.00%	Neshaminy	0.00%	1.00%
12	Middletown	1.00%	Neshaminy	0.00%	1.00%
16	Upper Southampton	0.50%	Centennial	0.50%	1.00%
16	Warminster	0.50%	Centennial	0.50%	1.00%
16	Northampton	0.50%	Council Rock	0.50%	1.00%
16	Warrington	0.50%	Central Bucks	0.50%	1.00%
16	Doylestown	0.50%	Central Bucks	0.50%	1.00%
16	Warwick	0.50%	Central Bucks	0.50%	1.00%
16	Plumstead	0.50%	Central Bucks	0.50%	1.00%
16	Wrightstown	0.50%	Council Rock	0.50%	1.00%
16	Newtown	0.50%	Council Rock	0.50%	1.00%
16	Upper Makefield	0.50%	Council Rock	0.50%	1.00%
16	Buckingham	0.50%	Central Bucks	0.50%	1.00%
16	Solebury	0.50%	NH/Solebury	0.50%	1.00%
16	Durham	0.50%	Palisades	0.50%	1.00%
16	Bridgeton	0.50%	Palisades	0.50%	1.00%
30	Bristol	0.50%	Bristol Twp	0.00%	0.50%
31	Lower Makefield	0.00%	Pennsbury	0.00%	0.00%

Municipality	Muni EIT*	School District	SD EIT*	Total EIT
Langhorne Borough	1.00%	Neshaminy	0.00%	1.00%
Penndel Borough	1.00%	Neshaminy	0.00%	1.00%
Hulmeville Borough	1.00%	Neshaminy	0.00%	1.00%
Lower Southampton Township	1.00%	Neshaminy	0.00%	1.00%
Middletown Township	1.00%	Neshaminy	0.00%	1.00%
Langhorne Manor Borough	0.00%	Neshaminy	0.00%	0.00%

*Denotes current rates as of November 2025 except proposed 2026 Middletown Township rate.

Local Services Tax

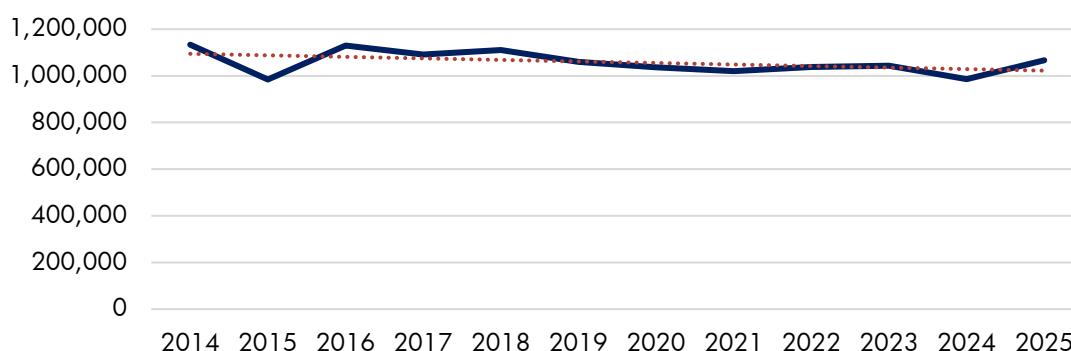
The Local Services Tax is imposed upon each individual engaged in any occupation in Middletown Township. It is the responsibility of the employer to deduct the tax of \$52 per year at a rate of \$1 per week employed from their employees' pay. The tax is shared with Neshaminy School District with \$47 going to Middletown Township, and \$5 going to the School District.

Employers are required to remit the tax collected on a quarterly basis to Berkheimer, the tax administrator assigned to collect this tax. Individuals who are self-employed and whose business or practice is in Middletown Township are also required to pay the \$52 Local Services Tax. The total Local Services Tax paid by an individual in a calendar year is limited to \$52, regardless of the number of employers an individual works for during the year or the number of taxing districts in which an individual may work.

The Local Services Tax is projected to stay on target with prior years' collections.

LOCAL SERVICES TAX COLLECTIONS BY YEAR		
Year	Total Collections	% Change
2026 - Budgeted	1,000,000	-6.31%
2025 - Projected	1,067,305	8.21%
2024	1,020,000	-5.49%
2023	1,043,579	0.56%
2022	1,037,724	1.75%
2021	1,019,829	-1.63%
2020	1,036,728	-2.15%
2019	1,059,490	-4.65%
2018	1,111,139	1.82%
2017	1,091,284	-3.37%
2016	1,129,355	14.74%
2015	984,249	-13.17%
2014	1,133,549	11.68%

Local Services Tax Revenue Yearly Trend

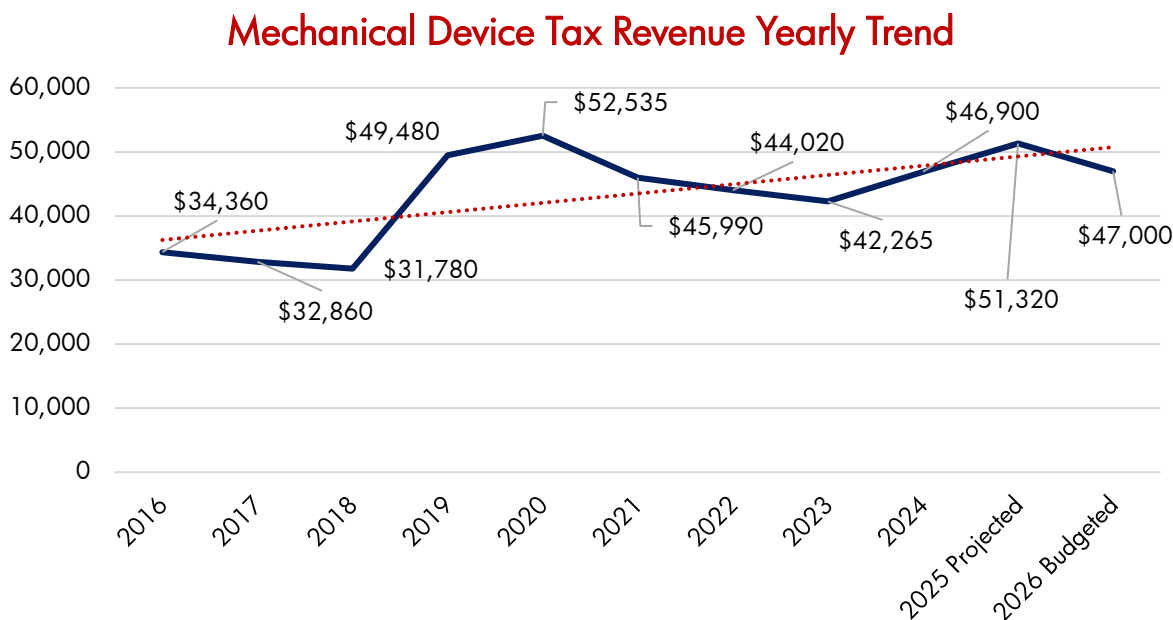


Mechanical Device Tax

The Mechanical Device Tax is levied on businesses in the Township with vending and amusement machines. Vending machines are subject to a \$20.00 tax per year per machine, while amusement machines are subject to a \$100.00 tax per year per machine.

Vending machines include any automated machine offering the sale of food, drinks, or goods. Amusement machines refer to arcade games and any automated machine used for recreation purposes. These devices are registered with the Township and the tax is billed to the businesses each year by the Finance Department. The Finance Department collaborates with the Department of Fire & Emergency Services to maintain an updated list of devices subject to the Mechanical Device Tax.

Stronger efforts to send additional notices have improved mechanical devices revenue. As this is a flat tax not based on revenues generated by the machines, tax revenue is expected to be consistent with prior years. The chart below shows the combined revenue generated by vending and amusement machines.



Mercantile Tax

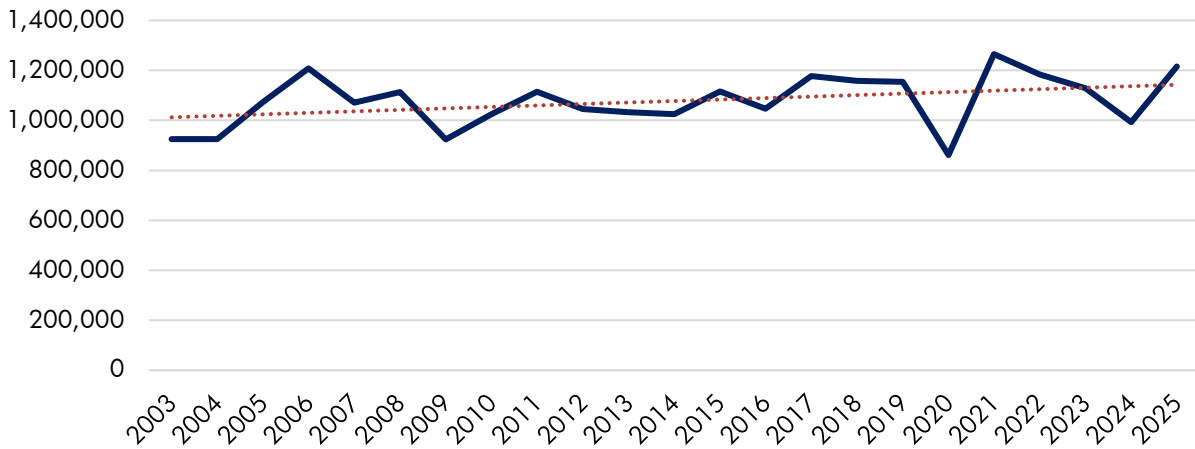
Mercantile Tax is levied on the gross receipts of retail trade, wholesale trade, and food/refreshment trade businesses in Middletown Township. The breakdown of the Mercantile Tax is 0.75 mill for retail sales, 0.50 mill for wholesale sales, and \$2 each for a retail or wholesale license. Neshaminy School District also collects Mercantile Taxes on the same areas as Middletown Township. Below is a breakdown of tax rates for Middletown Township, Neshaminy School District, and the combined rate by category. The largest revenue driver in the Mercantile Tax is automotive sales from the Township's car dealerships, followed by grocery stores and big-box retailers.

Like the Amusement Tax, the Mercantile Tax is collected by Berkheimer Tax Administrator. The table below outlines the amount of each tax collected in prior years, as well as budgeted projections for the upcoming year.

Category	Middletown Township	Neshaminy School District	Total
Retail Sales	.75 mill	.75 mill	1.5 mills
Wholesale Sales	.50 mill	.50 mill	1.0 mill
Retail or Wholesale License	\$2 each	\$2 each	\$4 each

YEAR	MERCANTILE TAX COLLECTIONS BY YEAR
2026 - Budgeted	1,150,000
2025 - Projected	1,215,900
2024	992,682
2023	1,128,287
2022	1,184,286
2021	1,265,203
2020	861,211
2019	1,154,769
2018	1,158,235
2017	1,177,552
2016	1,046,011
2015	1,116,110
2014	1,024,321
2013	1,032,229
2012	1,045,066
2011	1,114,116

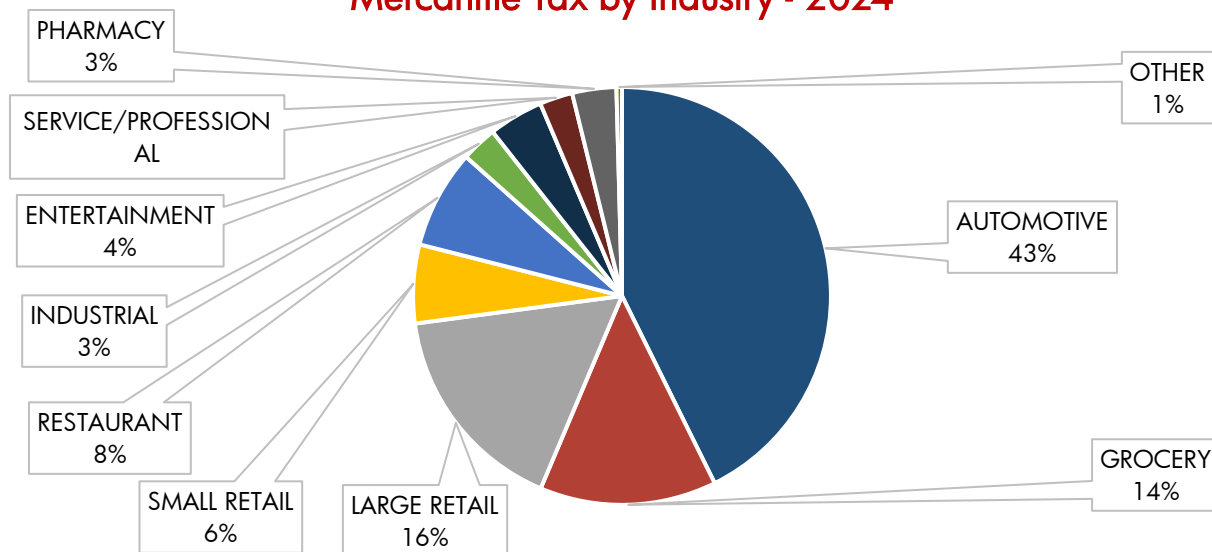
Mercantile Tax Revenue Yearly Trend



Mercantile Tax revenues have recovered strongly since being impacted by the pandemic. Aside from the business composition of the community, the national economy is the most reliable indicator for Mercantile Tax performance—evident in the 17% revenue drop in 2008 and 26% drop in 2020. Fortunately, the Mercantile Tax has performed consistently in recent years, experiencing a peak in 2021 due to payment of delinquent taxes from 2020. The 2026 Budget anticipates Mercantile Tax revenue to remain consistent with recent post-pandemic levels.

The chart below depicts the various sectors contributing to the Mercantile Tax. This analysis of 2024 Mercantile Tax income shows the automotive industry, heavily driven by the Township's numerous auto dealers, as a heavy contributor to the tax, followed by grocery stores and large retailers. These three categories yield a combined 73% of Mercantile Tax revenue.

Mercantile Tax by Industry - 2024

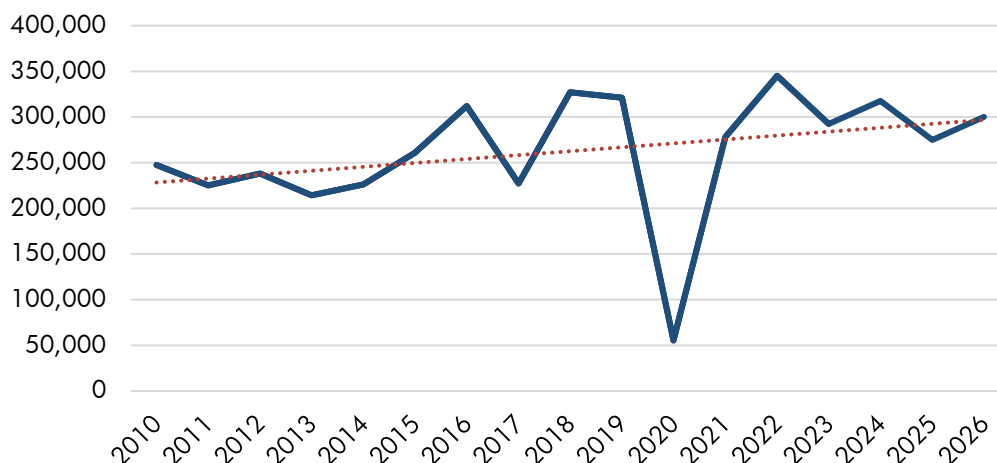


Parking Transaction Fee

The parking transaction fee is charged to all businesses that charge patrons for parking. Businesses with free parking are not required to pay this fee. The parking transaction fee is 10% of gross parking revenue. The primary contributor to this fee is Sesame Place theme park. This fee is an important revenue stream to the Township because the Township does not have any metered parking to generate revenue. A dramatic dip was experienced in 2020, consistent with that of the Amusement Tax, due to Sesame Place's limited operations in 2020. Revenue reached a record high in 2022, but has dropped slightly since, consistent with the performance of the Amusement Tax.

PARKING TRANSACTION FEE COLLECTIONS		
Year	Total Collections	% Change
2026 - Budgeted	300,000	9.08%
2025 - Projected	275,018	-13.41%
2024	317,592	8.57%
2023	292,534	-15.23%
2022	345,092	24.11%
2021	278,048	402.41%
2020	55,343	-82.76%
2019	320,961	-1.89%
2018	327,151	44.00%
2017	227,193	-27.22%
2016	312,160	19.61%
2015	260,992	15.44%
2014	226,091	5.56%
2013	214,177	-10.07%
2012	238,155	5.83%

Parking Transaction Fee Revenue Yearly Trend



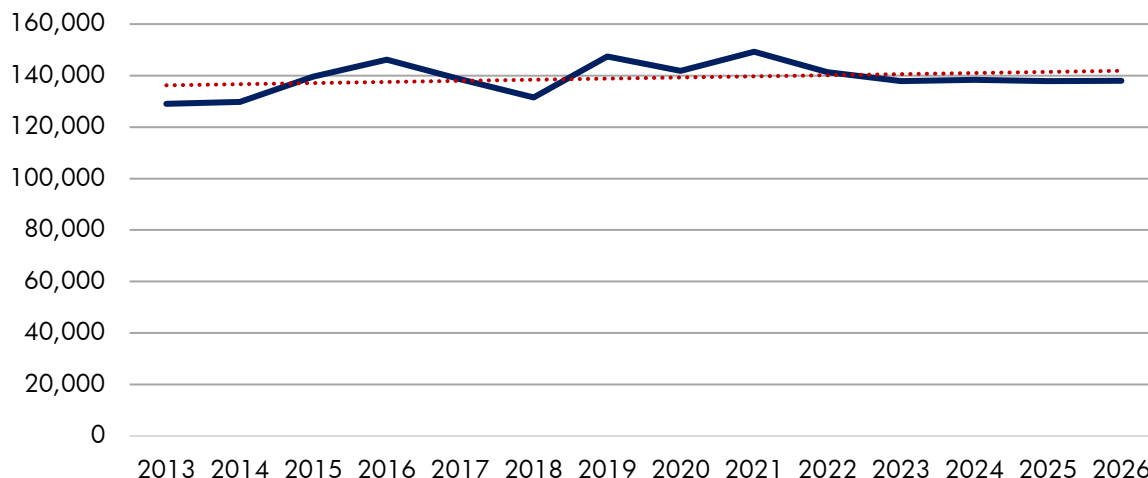
Per Capita Tax

The Per Capita Tax is a flat rate tax levied upon individuals, eighteen years of age or older, residing within Middletown Township who earn more than \$5,000 per year. Only residents of the Township are subject to the tax. The Per Capita Tax rate for Middletown Township is \$5 per individual, while the Per Capita Tax for Neshaminy School District is \$10 per individual. A combined Per Capital Tax is billed by the elected Township Tax Collector on July 1st of each year. If paid in July or August of a given year, residents receive a 2% discount. If paid after October 31st, residents are required to pay an additional 5% for delinquency.

Residents earning less than \$5,000 per year are eligible for exoneration from the Per Capita Tax.

PER CAPITA TAX COLLECTIONS BY YEAR		
Year	Collections	% Change
2026 - Budgeted	138,000	0.15%
2025 - Projected	137,792	-0.44%
2024	138,403	0.38%
2023	137,883	-2.46%
2022	141,360	-5.29%
2021	149,262	5.25%
2020	141,816	-3.82%
2019	147,446	12.12%
2018	131,509	-5.09%
2017	138,561	-5.17%
2016	146,119	4.65%
2015	139,627	7.58%
2014	129,790	0.59%
2013	129,031	

Per Capita Tax Collections Revenue Yearly Trend

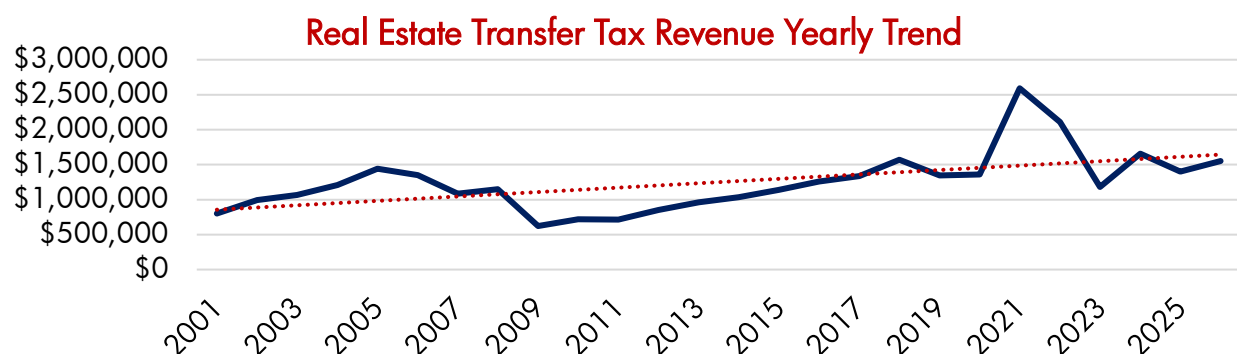


Real Estate Transfer Tax

The Pennsylvania Real Estate Transfer Tax is imposed at a rate of one percent on the value of real estate transferred by deed, instrument, long-term lease or other writing. This one percent is split equally between Middletown Township and Neshaminy School District. Both the grantor and grantee are liable for payment of the tax. Below lists the 0.5% income to Middletown Township.

Collections from the Real Estate Transfer Tax are affected by the number of properties transferred in a given period of time, as well as their sale value. Housing market conditions and the transfer of commercial properties create fluctuations from year to year. In 2021 and 2022, the transfer of several large commercial properties, compounded by record-low interest rates, shattered revenues from the last two decades. Rising interest rates and a calm commercial real estate market resulted in a decline in revenue in 2023. Since 2023, residential transfers are the primary and most consistent source of Real Estate Transfer Tax revenue.

REAL ESTATE TRANSFER TAX COLLECTIONS BY MONTH								
Month	2022		2023		2024		2025	
	Transfers	Revenue	Transfers	Revenue	Transfers	Revenue	Transfers	Revenue
January	42	\$297,122	30	\$69,139	37	\$112,087	31	\$156,193
February	33	63,266	21	42,347	28	54,772	15	34,081
March	44	95,450	29	55,925	30	318,511	21	38,583
April	42	84,997	29	66,430	34	76,671	35	82,941
May	51	275,142	38	95,141	44	106,752	38	85,790
June	55	440,756	40	213,789	38	96,465	39	104,854
July	45	131,465	53	125,157	59	167,985	61	176,115
August	72	245,226	56	129,570	48	116,775	52	157,172
September	54	209,187	37	119,558	41	119,371	36	125,422
October	43	100,115	34	121,150	41	95,737	42	129,183
November	36	93,586	39	90,187	39	105,710	36	96,000 <i>est</i>
December	34	71,962	24	57,007	42	287,599	38	113,817 <i>est</i>
Totals	551	\$2,108,274	434	\$1,180,500	481	\$1,658,436	444	\$1,300,151
Average	46	\$175,689	36	\$98,375	36	\$138,203	36	\$108,346
Mkt. Value		\$421,654,716		\$236,100,014		\$331,687,144		\$260,030,252



Cable Television Franchise Fee

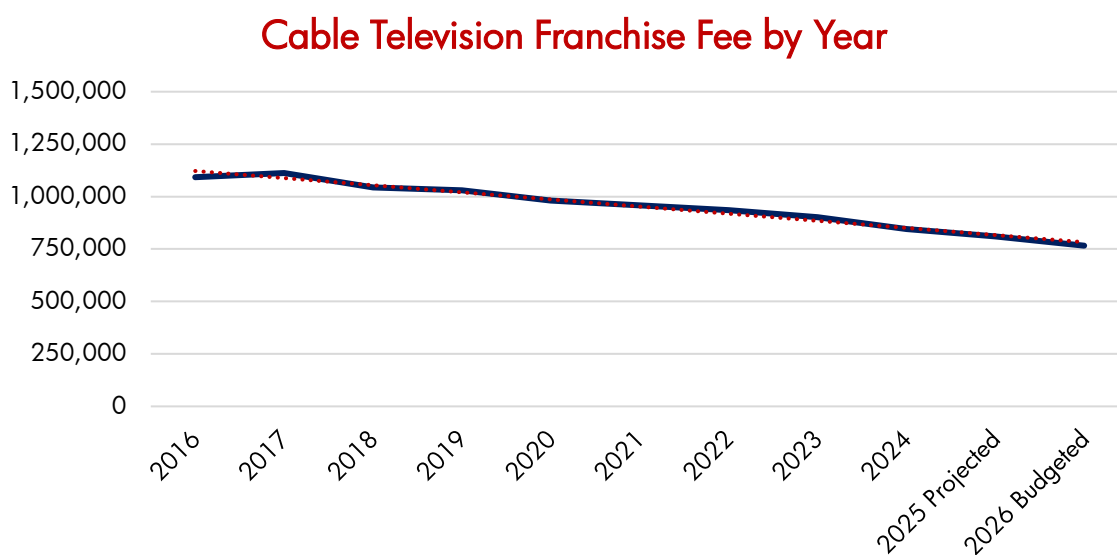
Enabled by the Cable Communications Act of 1984, the Cable Television Franchise Fee is an annual fee charged by local governments to private cable television companies as compensation for using the Township's right-of-way.

The two cable television companies subject to this fee are Comcast and Verizon. The Township's right-of-way is its legal ability to use and/or enter private property without owning or possessing it. The Township recently signed new cable franchise agreements with Comcast and Verizon Fios for ten-year and five-year terms, respectively. These new agreements maintain the existing Cable Television Franchise Fee rates as before.

Although the fee is paid to the Township by Comcast and Verizon, the amount paid is based upon the revenue generated by Middletown Township residents utilizing their services. As digital entertainment options become more prevalent, more people are "cutting the cord" and cancelling traditional cable television plans. As a result, there is a steady decline in revenue from the Cable Television Franchise Fee. This decline is expected to continue moving forward.

Despite the fact that cable providers provide internet services to customers over the same infrastructure used to provide cable service, franchise fees do not apply to internet services.

As part of the renegotiation process, audits of recent fee collections were performed on both Comcast and Verizon in 2023 and 2024. Both companies showed full compliance.



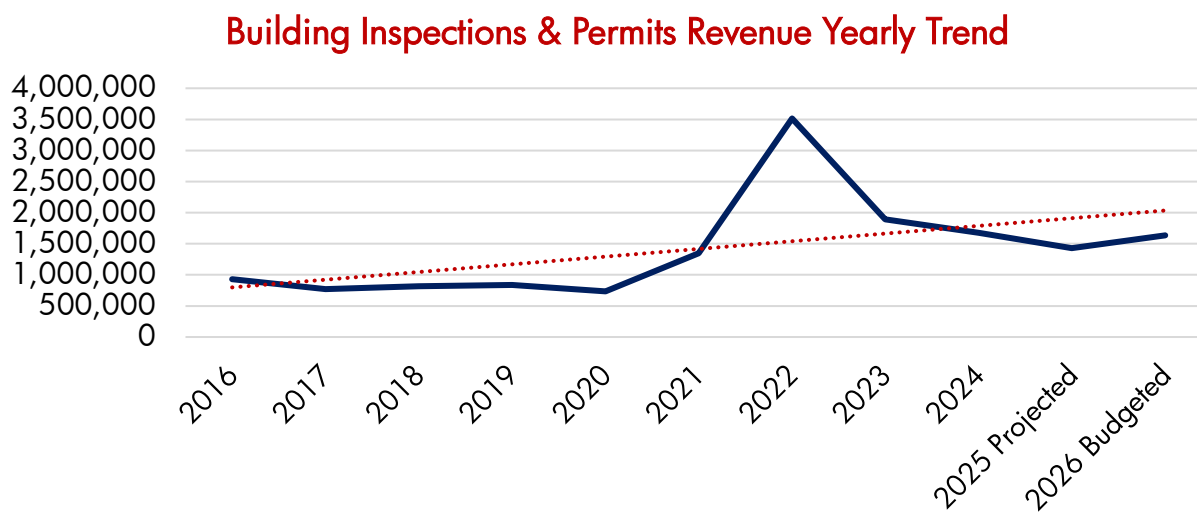
Building Inspections & Permits

Like all municipal governments in Pennsylvania, Middletown Township is responsible for administering the Pennsylvania Uniform Construction Code (UCC), which establishes standards and requirements for building construction to ensure structures are built safely. Most construction on residential and commercial property requires permits issued by the Township, either building, electrical, plumbing, or zoning. These permits are administered by the Township's Department of Building and Zoning.

In addition to construction-related permits, revenue is generated from other areas, including fees associated with land development and zoning projects, licensing, and inspections. Together, all of these services generate a significant amount of revenue for the Township. These revenues can be positively impacted by large commercial developments, and negatively impacted by a poor economy. The costs of permits and inspections are governed by the Township's fee schedule.

A comprehensive update to the Township's fee schedule is planned to take effect in 2026. Increased revenue in 2026 is anticipated from adjusted fees. The volume of permits driving the fee revenue is expected to remain consistent with 2025. Additionally, adjustments to fees will be made to be sure revenues more appropriately cover actual costs incurred by the Township to administer permit programs and review processes.

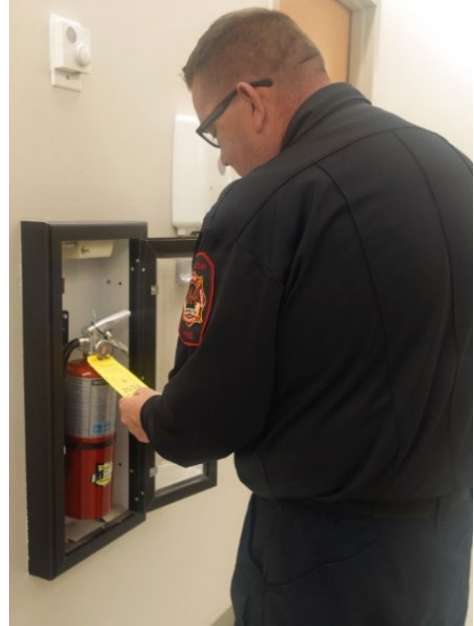
After experiencing significant swings between 2020 and 2022, revenues have stabilized significantly. The current level of revenue is driven by residents making more improvements to their homes, and the ongoing redevelopment of commercial real estate. The Atlee Square Apartments at the Oxford Valley Mall bolstered permit revenue in recent years. Three approved townhome developments on Woodbourne Road will bolster permit revenue in 2026.



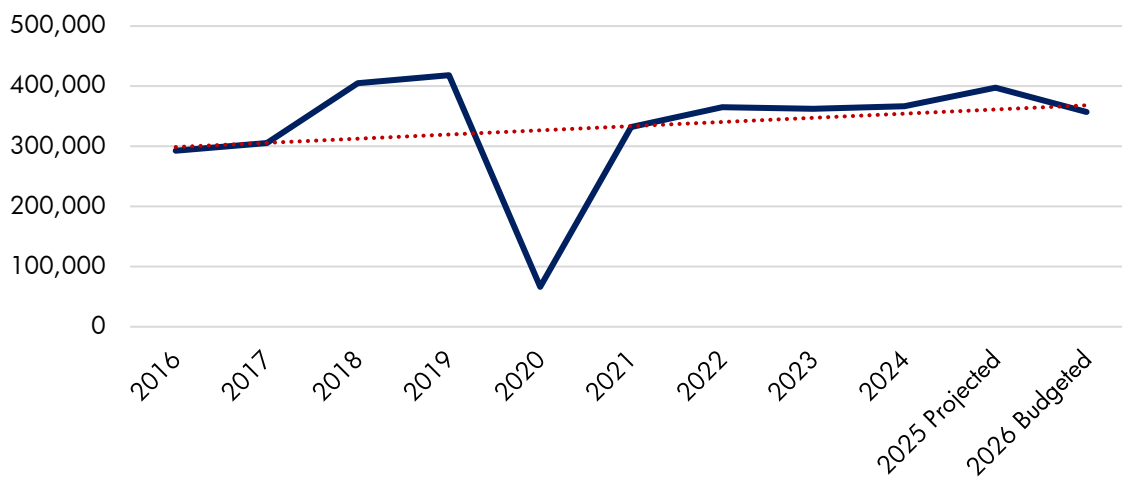
Fire Inspections

Middletown Township is responsible for administering fire safety inspections (FSIs) and fire permits for businesses. Businesses are inspected every year to enforce compliance with the Township's Fire Code. If any violations are found, guidance is given to businesses so they may make the necessary modifications to come into compliance upon reinspection. FSIs are carried out by the Department of Fire & Emergency Services each year. A fee is collected from businesses for the inspection each year. The fee is based on the size of the structure being inspected. Businesses that require a reinspection are only charged if more than one reinspection is needed to enforce fire code compliance.

The FSI program was paused in 2020 due to the pandemic. In recent years, revenues have fully restored to pre-pandemic levels. The fee schedule will be adjusted in 2026 for the FSI program, but a conservative estimate based on historical trends is projected. FSIs can only be performed at commercial buildings that are occupied—vacant buildings are generally not inspected. Excessive vacancies in commercial buildings can negatively impact revenue from FSIs, though this issue is not anticipated.



Fire Inspection Revenue Yearly Trend



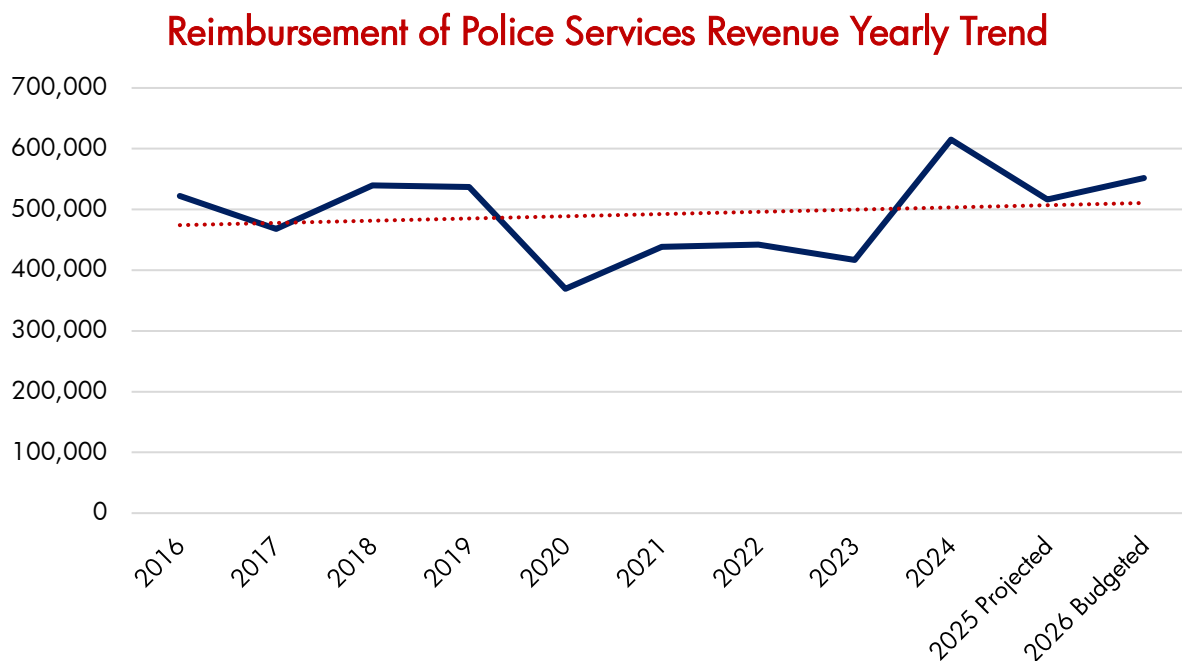
Reimbursement of Police Services

Middletown Township provides police services to the community every hour of every day. Some organizations in the Township require additional police services to provide added security due to the increased potential for crime.

The Township has agreements with the Oxford Valley Mall, Sesame Place theme park, and Neshaminy School District to provide additional police services at their facilities for an additional cost. These agreements allow for police officers to be dedicated to protecting their facilities without impacting police services to the community at large.

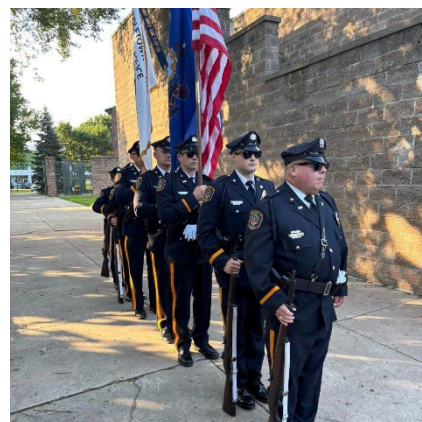
In 2020, the pandemic impacted all three organizations that are provided supplemental police services. As a result, a 50% decline in revenue occurred in 2020 compared to prior years. Revenues since the pandemic have stabilized.

In 2023, an agreement was signed with the Neshaminy School District to add one additional School Resource Officer, for a total of three, which resulted in an increase in revenue. Discussions with Sesame Place and the Oxford Valley Mall about their policing needs are expected to occur in 2026 as well which may impact future revenue in this category.



Police Fines

The Middletown Township Police Department is charged with enforcing the Pennsylvania Motor Vehicle Code within the Township. This code identifies the proper utilization of a motor vehicle, as well as registration requirements. Additionally, the Police Department is in charge of enforcing the Township's ordinances. Some violations, such as parking and vehicle code violations, carry fines with them that must be paid by the offender. The Township receives modest revenue each year from the fines generated by the issuance of these violations.

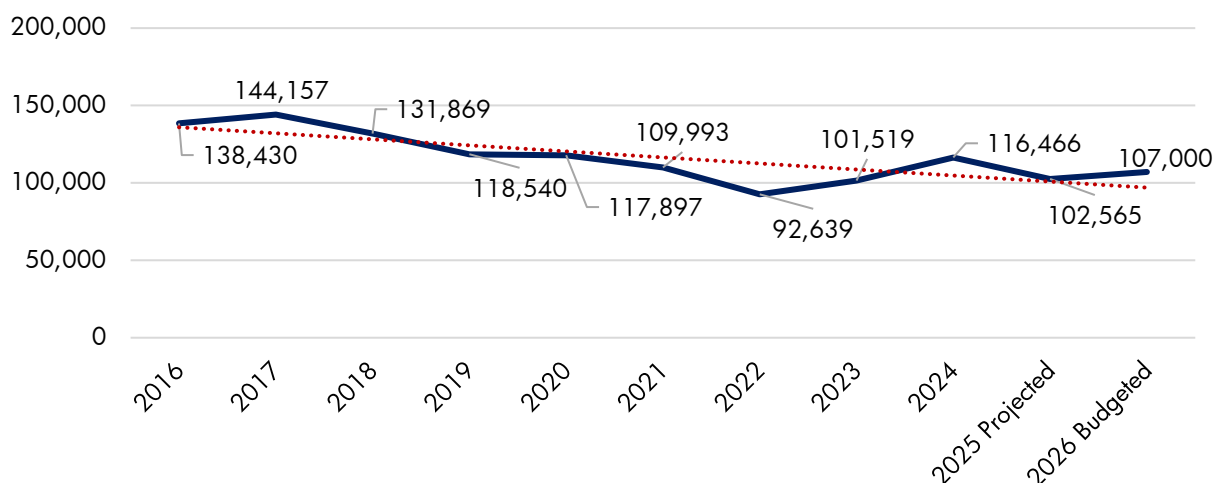


Additionally, the Pennsylvania State Police is responsible for enforcing the law on state roads and highways. Middletown Township is entitled to a portion of the fines generated from tickets issued with the Township by State Police. The chart below shows a combination of revenue from Middletown Township Police and State Police fines.

Important to note, Pennsylvania is the only state where local police officers do not have the ability to enforce speed using radar, the most common method in practice nationwide. Compared to communities in other states, Pennsylvania local governments derive very little revenue from speeding tickets. However, Pennsylvania State Police are permitted to use radar.

The Board of Supervisors enacted an ordinance to increase parking fines and add a violation for commercial vehicle parking in 2023. In cases like parking, police officers are trained to work with residents in violation when possible to resolve the matter before issuing a citation.

Police Fines Revenue Yearly Trend



Recreation Program Fees

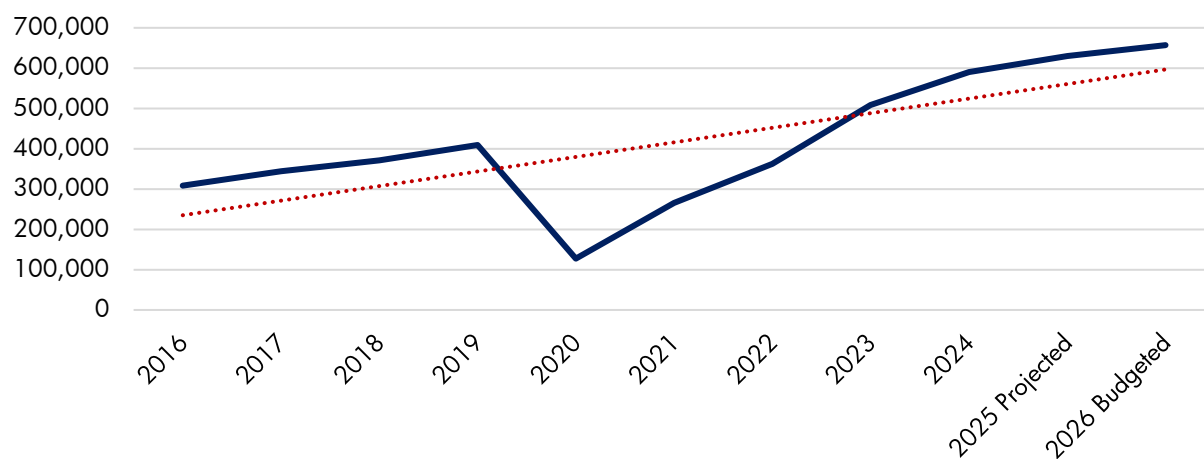
The Department Parks & Recreation hosts a variety of classes and programs throughout the year aimed at providing educational and fun activities to the community. Many programs offered have a fee associated with them. The fee for most programs is typically based on the costs associated with administering the program, as well as interest and demand from participants. The largest revenue driver in this category is summer camp, which serves more than 500 children each year. Second to summer camp, basketball leagues held for various age groups typically serve 280 people each year.



The pandemic significantly impacted program fee revenue in 2020. Normal recreation programming returned in 2021 and new programs have been consistently added since. Fee revenue has rebounded and has continued to reach all-time records. Normal registration volumes, more class offerings, and increased programming fees are all expected to contribute to continued strong recreation program fee revenue in 2026.

In 2024, Township staff collaborated to evaluate both revenues and expenditures from recreation programs to ensure programs are financially self-sustaining. Additionally, a comparative analysis was performed against programs offered by other nearby municipalities as Middletown Township's programs are available to non-residents at a higher fee. As a result, fees for certain programs were adjusted. This effort continues to make sure costs are covered by fees paid by participants.

Recreation Program Fees by Year



Solid Waste/Recycling Fees

Middletown Township provides solid waste and recycling services through a single-hauler contract. The Township solicits bids from solid waste and recycling haulers to provide this service several years at a time. A new contract took effect in 2025 with service modifications in an effort to control costs. 2026 marks the second year of the five-year contract with Waste Management.

Residents living in multi-family complexes or in neighborhoods with homeowners' associations typically contract their trash separately and are not served by the Township's contract. Select townhome neighborhoods served by the Township's contract remain with manual collection.

Residents pay \$476 for solid waste and recycling services each year. Although the contract requires different amounts to be paid to Waste Management each year, the Township smooths the cost of collections over the life of the contract to assist residents' financial planning efforts. This fee-for-service is included on most residents' Real Estate Tax bill, though some properties are directly billed by the Township. The fees collected are put into the Sanitation Fund and are paid out to Waste Management as their contract requires. Generally, 2% to 5% of fees paid are assumed to be delinquent or uncollectable.

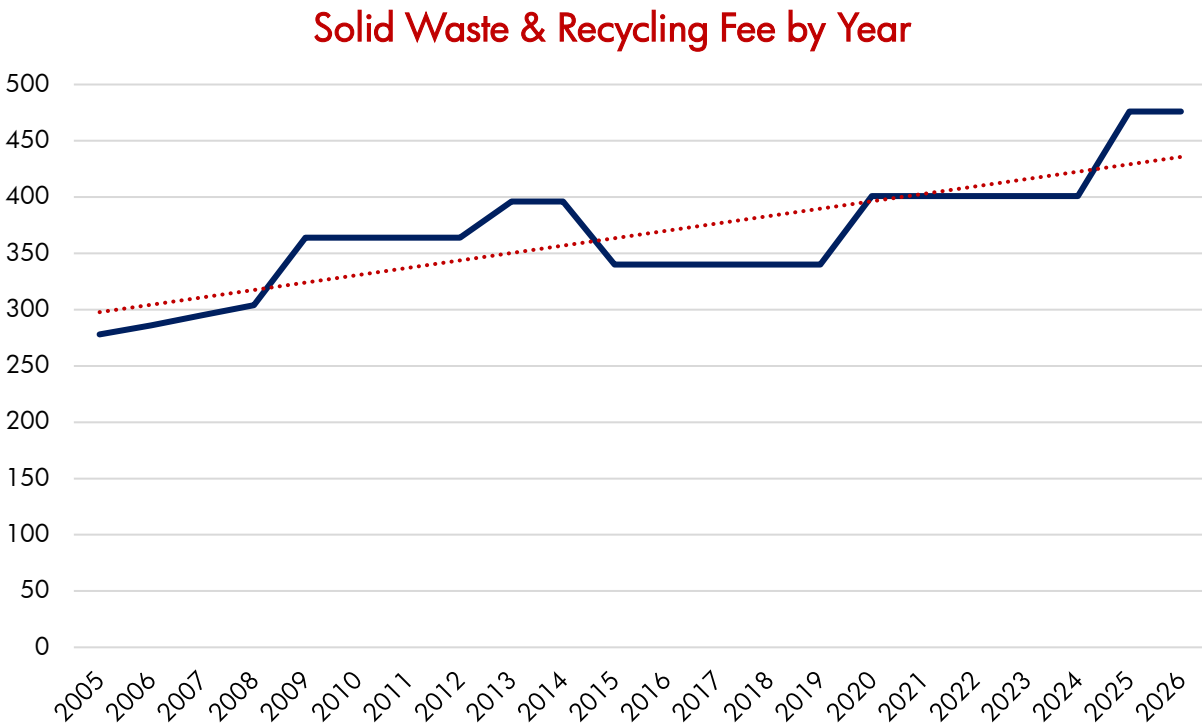
Several factors influence the cost of solid waste and recycling services. The contract that began in 2025 is impacted significantly by rising wages for sanitation workers, compounded by rampant inflation increasing the price of equipment. Recycled materials also no longer possess the value they once did.

Middletown Township residents are unfortunately not alone in facing the rising cost of waste collection. Rates from some neighboring communities were significantly higher than Middletown prior to the contract taking effect in 2025.

Solid Waste & Recycling Rate History								
Year	Rate	% Change	Year	Rate	% Change	Year	Rate	% Change
2026	476	0.00%	2018	340	0.00%	2010	364	0.00%
2025	476	18.70%	2017	340	0.00%	2009	364	19.74%
2024	401	0.00%	2016	340	0.00%	2008	304	3.05%
2023	401	0.00%	2015	340	-14.14%	2007	295	3.15%
2022	401	0.00%	2014	396	0.00%	2006	286	2.88%
2021	401	0.00%	2013	396	8.79%	2005	278	
2020	401	17.94%	2012	364	0.00%			
2019	340	0.00%	2011	364	0.00%			

SOLID WASTE COLLECTION AND RECYCLING COSTS				
<i>Waste Collection Fee Revenue</i>				
<u>Year</u>	<u># of Units</u>	<u>Cost Per Household</u>	<u>Annual Revenue</u>	<u>Net of Uncollectible/ Delinquent</u>
2026	12,412	476	5,908,112	5,789,950
2025	*12,412	476	5,908,112	5,789,950
2024	12,227	401	4,903,027	4,657,876
2023	12,224	401	4,901,824	4,656,733
2022	12,222	401	4,901,022	4,655,971
2021	12,213	401	4,907,438	4,662,066
2020	12,211	401	4,907,438	4,662,066
2019	12,186	340	4,143,240	4,138,000
2018	12,145	340	4,129,300	4,179,601
2017	12,142	340	4,128,280	4,119,987
2016	12,142	340	4,128,280	4,094,587
2015	12,142	340	4,128,280	4,045,714
2014	12,141	396	4,807,836	4,711,679
2013	12,129	396	4,803,084	4,707,022
2012	12,129	364	4,414,956	4,326,657

*Denotes updated house count.



Stormwater Impact Fee

Taking effect in 2025, the Middletown Township Board of Supervisors implemented a Stormwater Impact Fee to support the Township's cost to provide and maintain stormwater management infrastructure and to ensure the quality of stormwater runoff. Prior to the Stormwater Impact Fee, the Township did not have a reliable or sufficient source of revenue to support this cost. Proceeds of the Stormwater Impact Fee are managed in the Stormwater Fund.

Fees are assessed annually to all developed properties in the Township. Single-family residential properties are assessed a flat fee of \$5 per month (\$60 per year), applicable to freestanding (single-family) homes, townhomes, duplexes, and condominiums. Non-single family residential properties are assessed a tiered fee based upon the amount of impervious surface area, or the amount of area that cannot absorb stormwater, present at the property. Fees for non-single family residential range from \$12 per month (\$144 per year) to \$500 per month (\$6,000 per year) per parcel. If unpaid, property owners are subject to a lien at which point the fee becomes paid at the penalty rate when the property is sold.

Non-Single Family Residential Property Stormwater Impact Fee		
Tier	Impervious Area (IA) Range (sq.ft.)	Annual Fee
Tier 0	< 400 sq. ft.	None
Tier 1	400 – 4,000 sq. ft.	\$144.00
Tier 2	4,001 – 6,000 sq. ft.	\$216.00
Tier 3	6,001 – 8,000 sq. ft.	\$288.00
Tier 4	> 8,000 sq. ft.	\$144.00 per 4,000 sq.ft. IA**
**Maximum annual fee of \$6,000 per parcel per year.		

The Stormwater Advisory Committee was established in 2025 to provide long-term oversight of Stormwater Impact Fee proceeds. No increase to the Stormwater Impact Fee is proposed for 2026. Berkheimer is the appointed collector of the Stormwater Impact Fee and receives a commission of \$1.50 per bill.

As a new fee administered through a new service, collections below typical rates of collection. A rate of collection of 85% to 88% is anticipated for 2025 and 2026 while property owners become accustomed to paying the fee. In 2026, \$1,611,000 in revenue is anticipated to be received. Without adjusting the fee itself, revenue will increase as the rate of collection increases.

Non-single family residential property owners are eligible to apply for a credit (reduction) to their Stormwater Impact Fee if they have stormwater best management practices (BMPs) present at the property. Credits vary depending on the type(s) of BMPs present. Residential property owners are also eligible to obtain credit by participating in an eligible community event or learning how to properly install a rain barrel.

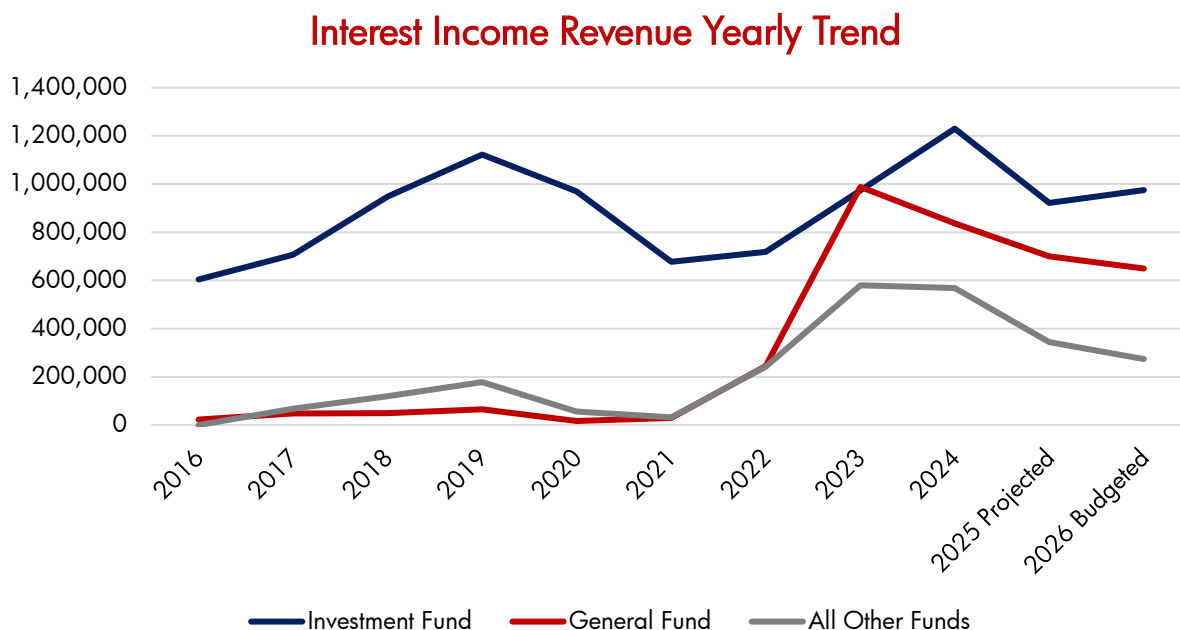
Interest Income

The US Federal Reserve adjusts interest rates which ultimately determines how much money lenders can earn from lending out money to borrowers. Interest rates are commonly adjusted in an attempt to influence the economy toward slow, stable growth. Attributable to US Federal Reserve's efforts to combat rampant inflation, interest rates reached 15-year highs in 2024. Heading into 2026, interest rates are continuing the slow decline they began in 2025. Interest rates are expected to continue a slow decline into 2026.

Any funds held in cash by the Township are in accounts that yield strong income from interest rates. In the chart below, the Township's two largest funds—the General Fund and the Investment Fund—are depicted individually as they are historically the largest generators of interest income. A third line depicts the collective interest income earned from all other funds. Interest income in the General Fund has declined faster as the fund balance has been depleted in recent years.

The Investment Fund is actively managed in an investment portfolio to earn more revenue since the original \$40 million balance is restricted from spending. Revenues from investment activities are separate from interest income and are not charted below.

The Township has calculated anticipated interest income in 2026 with the assumption that interest rates will continue to gradually decline.



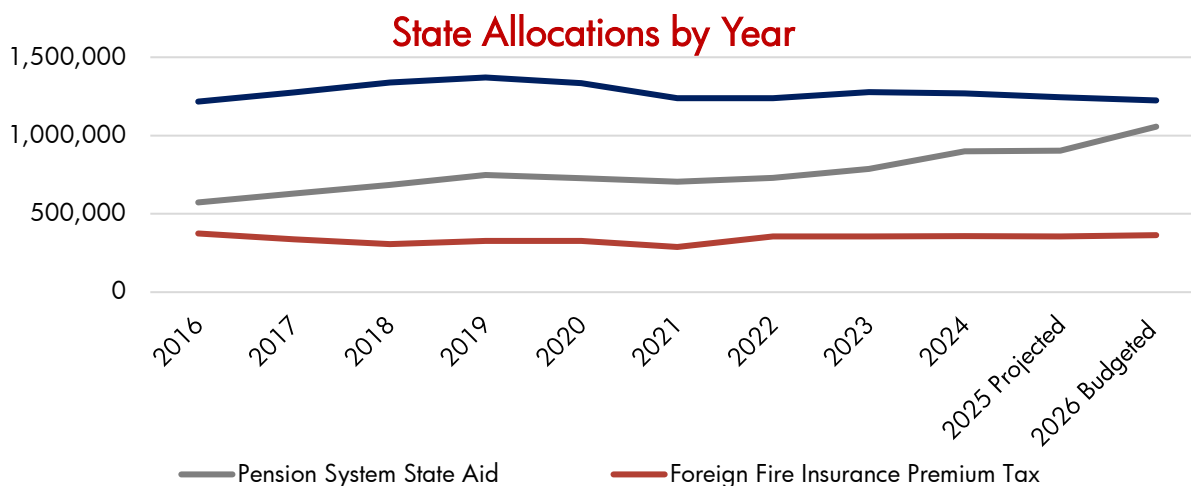
State Allocations

Each year, municipalities receive allocations from the Commonwealth of Pennsylvania. These allocations are taxes collected statewide and distributed to municipalities to defray costs of providing essential services. The primary categories of state allocations received each year are the Pension System State Aid, the Foreign Fire Insurance Premium Tax, and the Motor Vehicle Fuel Tax.

Since the 1980s, the Commonwealth of Pennsylvania has provided direct contributions to offset the cost of providing pensions to public employees, both uniformed (police) and non-uniformed. Revenue for Pension System State Aid is generated by a 2% tax on foreign (out-of-state) insurance companies on premiums for casualty insurance sold to Pennsylvanians. Allocations are based on each municipality's pension plan and plan enrollees.

Similar to Pension System State Aid, the Foreign Fire Insurance Premium Tax is a 2% tax levied by the Commonwealth of Pennsylvania on foreign (out-of-state) insurance companies on premiums for fire insurance sold to Pennsylvanians. Proceeds are distributed through the Township to the relief associations for the five volunteer emergency response agencies serving the Township. This funding can be used in a variety of ways to support the work of volunteer fire companies. This revenue is accounted for in the Fire Protection Fund.

The Motor Vehicle Fuel Tax is an excise tax charge to motorists purchasing gasoline. In 2025, the state set the tax rate at \$0.5870 per gallon. Drivers of alternative fuel vehicles are also subject to a tax based upon the type of fuel—\$0.0172/kWh for electric vehicles in 2025. Proceeds from this tax are allocated to municipalities based on eligible road mileage and population and must be used on maintaining and improving roads. 20% of the allocation may be used on major equipment. This money resides in the Highway Aid Fund. The Commonwealth of Pennsylvania has strict guidelines on how these funds can be spent and routinely audits to ensure compliance.



Expenditures

Middletown Township works hard throughout the year to ensure resources are allocated so that it can provide the high-quality services the community expects and deserves. The majority of what the Township spends in the General Fund is related to staffing, including salaries and wages, insurance costs, and pension benefits. These expenditures allow the Township to recruit and retain talented employees who are trained to provide essential services critical to quality of life.

Expenditures generally increase year-over-year because of inflation or contractual obligations. Overall, total expenditures are expected to trend normally into 2026, however, this budget proposes increases in equipment and staff so the Township can complete more projects to benefit the community. In the General Fund, expenditures have historically outpaced revenue, leading to structural deficits in prior years. The proposed 2026 budget is a structurally balanced budget and revenues are greater than expenses.

The focus of this section will be to identify and explain the major expenditure areas that enable the Township to provide its services. Most costs discussed are expended from the General Fund, though expenditures from several funds are consolidated into each category presented. Additionally, some expenditures are broken into sub-categories within the same fund, such as salaries and wages. The goal of this discussion and analysis of expenditures is to examine costs without the boundaries of funds and budget departments to provide a transparent picture of how the Township allocates its resources.



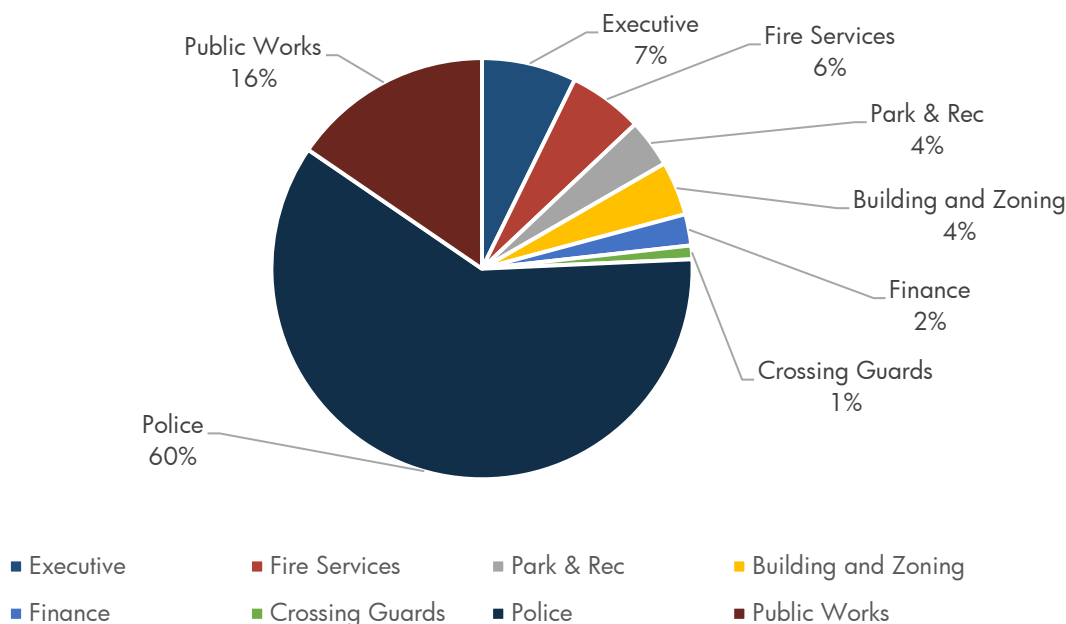
Salaries & Wages

The salaries and wages category refers to the direct compensation of salaried and hourly employees for their time worked. Nearly all employees belong to a labor union or bargaining unit, the leadership of which negotiates with management for compensation and benefits every few years. The rate of compensation is determined by the written agreements between the Township and the labor unions, known as the collective bargaining agreement (CBA). CBAs are particularly valuable in identifying future costs as they apply to several years at a time. Wage increases in 2026 are 4.0% for nearly all employees. CBAs with the Teamsters Local 107, Public Works Association and the Police all expire in 2027.

Wage-related benefits such as holiday pay and shift differential are included in this category, while overtime and employer-paid payroll taxes are excluded.

Salaries and wages have increased across all departments primarily due to contractually obligated cost of living adjustments. The 2026 budget reflects salary and wages at full staffing levels and includes the addition of new employees in key departments.

Salaries and Wages by Department - 2026 Budget



The two largest categories in salaries & wages are Police (60%) and Public Works (16%). These two departments have the largest number of employees and compensation levels are some of the highest across all departments. Administrative personnel for each department are included above.

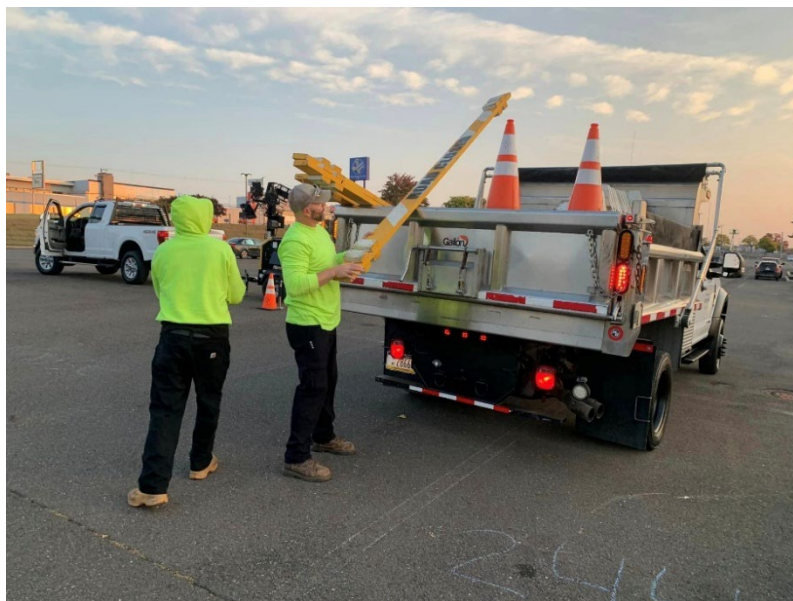
Police

The 2026 budget proposes full staffing levels for the Police Department. The Oxford Valley Mall, Sesame Place, and Neshaminy School District reimburse the Township for additional policing services provided by the Police Department. School Crossing Guard wages are managed by the Police Department and are split equally with Neshaminy School District. The reimbursements are recognized as revenue and the full cost of staff time is recognized as an expenditure.



Public Works

Salaries and wages for the Department of Public Works are paid from several account numbers across multiple funds. Activities for specialized purposes are paid from the respective funds, such as Street Light Repairs, Parks Maintenance, Stormwater Improvements and Capital Projects. Any other staff costs that are not allocated to a specific fund are carried by the General Fund. In previous years, costs were also allocated to activities covered by the Highway Aid Fund, which has strict monitoring and reporting requirements. In 2026, the wages were reallocated to the General



Fund so the Highway Aid contributions could be used for increased road paving. The Township maintains a breakdown of staff time across specific categories throughout the year for comparison and analysis purposes. The specific categories include snow and ice removal, traffic control devices, storm sewers & drains, fleet maintenance services, and road and bridge maintenance.

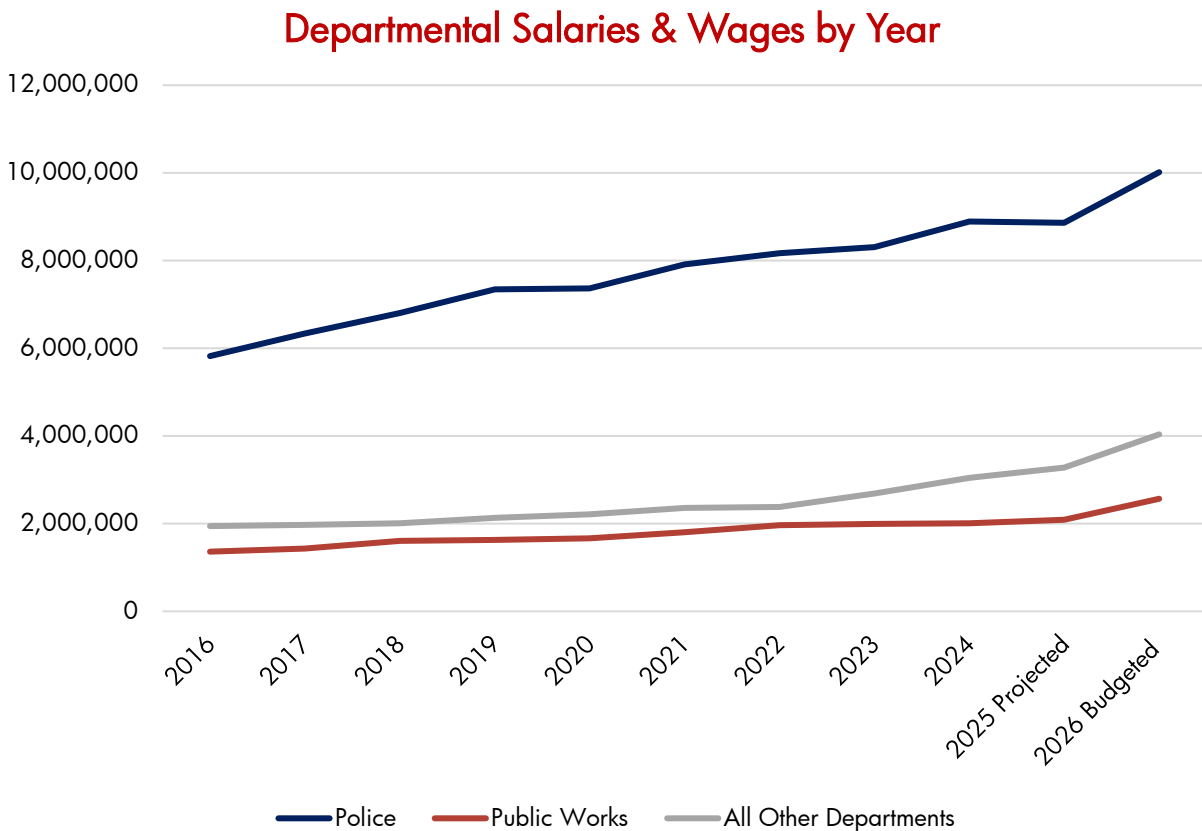
Other Departments

In 2026, a portion of Executive wages will be allocated to the Sanitation, Farm and Stormwater Funds. In addition, a portion of Park and Recreation administration wages will be allocated to the Sanitation and Farm Funds. Parks and Recreation staff are otherwise accounted for in the Parks and Recreation Fund. Salaries and wages for all other employees are accounted for in the General Fund.

The 2026 budget proposes the following staff increases:

- Five (5) Equipment Operators in Public Works to focus on stormwater maintenance operations.
- Fire Lieutenant to provide structure to the Department of Fire and Emergency Services.
- Professional Engineer to reduce the cost to develop and implement infrastructure maintenance and improvement projects.
- Reclassification of a part-time Information Technology position to full-time to prioritize cybersecurity.

The Township has also submitted a FEMA SAFER grant application to hire additional fire fighters in the near future.



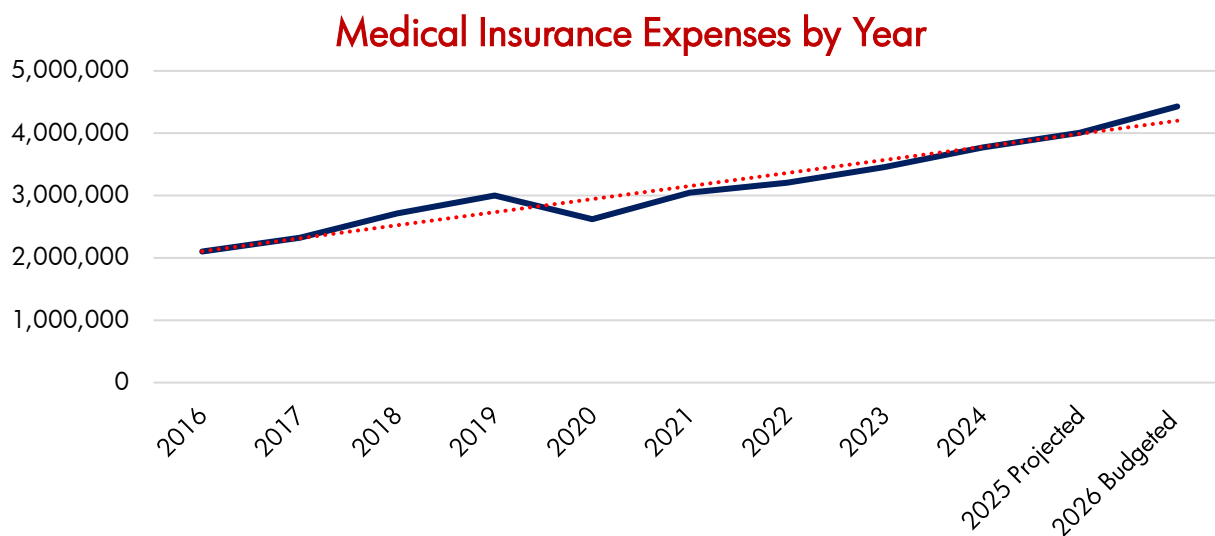
Medical Insurance

All full-time Township employees are entitled to medical insurance benefits as required by the Affordable Care Act (ACA). Retired police officers are also entitled to post-retirement medical insurance benefits as required by their CBA. In 2020, the Township transitioned its medical insurance plan to the Delaware Valley Health Trust, a municipal insurance pool aimed at stabilizing costs and emphasizing employee health and wellness. Prior to 2020, the Township's medical insurance was with Independence Blue Cross. Employees have the option of insuring themselves, as well as their spouse and/or children. Employees may opt out by providing proof of insurance and receive an incentive payment from the Township in lieu of benefits.

Medical insurance consists of three primary components: premiums, deductibles, and co-pays. Premiums are the monthly cost to have insurance, and the rates increase annually when the insurance plan is renewed. Deductibles are a pre-determined amount that must be paid by the user before the plan covers all additional medical expenses. Co-pays are a cost-sharing mechanism between the user and the insurance provider and do not affect Township costs.

The Township also provides vision and dental insurance to all employees. For budgeting purposes, the cost of the vision and dental insurance is incorporated into the medical insurance line item in all departments.

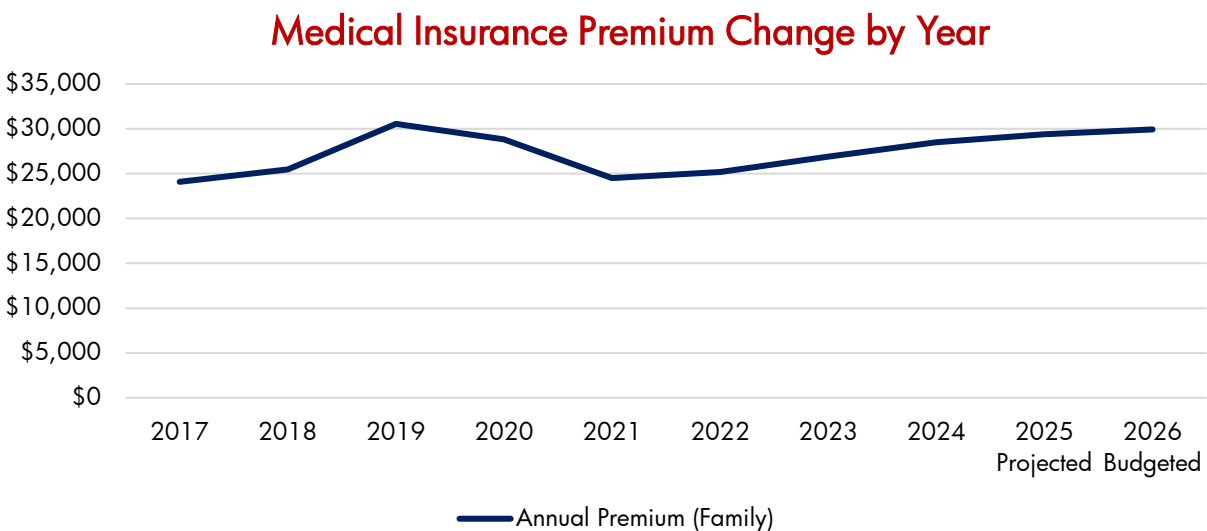
The largest increase in medical insurance year-over-year is an increase in the number of employees that increase coverage to include dependents, as premiums are higher for that level of coverage. There is also a continued increase in retired police officer coverage as retirees are covered by insurance for longer periods of time.



Premiums

Premiums are paid by the Township for all Uniform Police employees, including retirees. In addition, the Township pays the premiums for any Non-Uniform employees that are covered as individuals. All other Non-Uniform employees that are covered with dependents (Couple, Parent and Child, and Family) contribute up to 12% of the monthly premium for their insurance coverage, based on the employee's compensation. Premiums are the costliest component of medical insurance.

Medical insurance can be one of the most volatile costs for any employer. Premium renewals have stabilized significantly since transitioning to the Delaware Valley Health Trust in 2020. The chart below depicts the annual premium rate for a family (employee plus spouse and children) by year. The cost of insurance is expected to increase at a slower, more consistent pace than in prior years. In 2026, medical insurance is increasing by approximately 6.6%.



Deductibles

The Township provides a high-deductible health plan (HDHP), meaning deductibles are higher, but the monthly premiums are lower. The deductible for individuals is \$3,000 and it increases to \$6,000 for employees with dependents. For Uniform Police employees and retirees, the Township contributes 100% of the deductible annually. For Non-Uniform employees, the Township contributes the first 80% (\$2,400 or \$4,800) of the deductible, the employee is responsible for 20%.

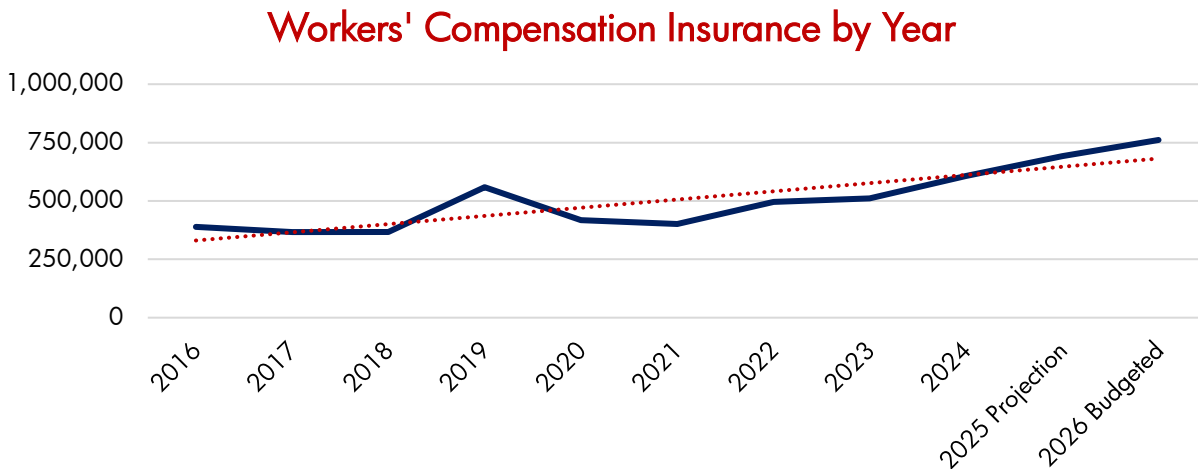
The Uniform Police employees are in a Health Reimbursement Arrangement (HRA) funding arrangement. The Township funds the deductibles as they are used by employees. The Non-Uniform employees transitioned from a Health Reimbursement Arrangement (HRA) to a Health Savings Account (HSA) funding arrangement in 2025. Employees will now have a tax-advantaged mechanism to save toward their post-retirement medical expenses.

Workers' Compensation Insurance

Employees are entitled by law to conduct their work in a safe environment. When an employee is injured at work and unable to perform their regular duties, they are eligible to receive workers' compensation, which allows the injured employee to be paid their regular rate of pay without depleting their earned leave time. Employees sustaining injuries that are not related to their work are not eligible for workers' compensation.

Because Middletown Township, like many municipal governments, has a high number of employees performing emergency response or manual labor, the potential for workplace injuries is higher than workplaces comprised primarily of office workers. As a result, the cost of workers' compensation insurance reflects the increased potential for workplace injuries. Like medical insurance, Middletown Township belongs to the Delaware Valley Workers' Compensation Trust, a municipal pool that allows the Township's risk to be spread across all participants in the Trust.

Workers' compensation insurance costs are primarily determined by the total payroll of the Township's employees for a given year. Additionally, the volume of claims year-over-year contributes to annual increases to workers' compensation insurance costs.



Rising premium costs since 2024 attributable to the reclassification of Fire Inspectors to Firefighters and a high experience modification due to the volume of claims.

Volunteer Fire Companies

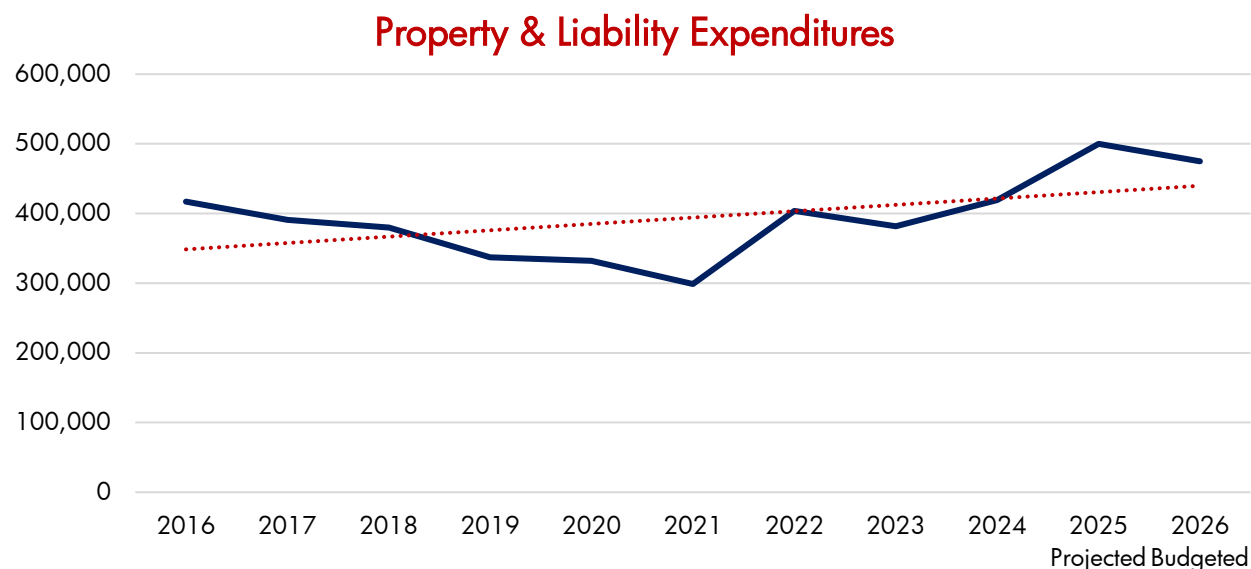
In 2022, Middletown Township began assuming the cost of its share of workers' compensation insurance premiums for the four volunteer fire companies that serve our community. Beginning in 2025, this contribution was included in total Workers Compensation expense shown above.

Property & Liability Insurance

Middletown Township, like many municipal governments, owns considerable assets ranging from real estate and roads, to traffic signals, buildings, and vehicles. Utilized by thousands of residents and many more visiting or passing through each year, the Township's property and assets bring with them a certain level of risk to the Township. For example, roads and traffic signal equipment increase the Township's exposure to damage by motorists in the event of an accident.

Property and liability insurance allows the Township to be compensated for damages to its property and assets. Additionally, in the event a lawsuit is filed against the Township related to a property or some activities of the Township, the firm insuring the Township will provide legal assistance.

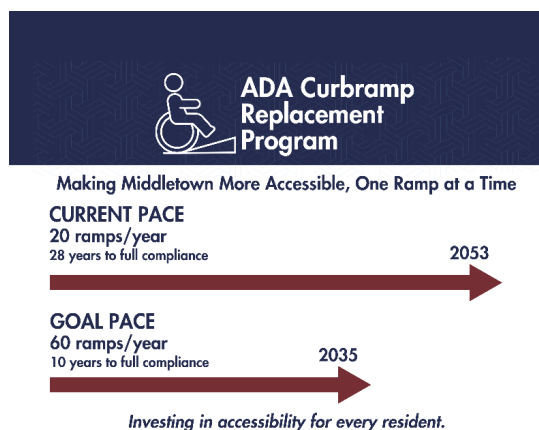
The Township appoints a broker who markets and requests proposals from insurance firms each fall to provide insurance services for the upcoming year. The cost of this insurance is typically related to the Township's assets, past claims, and potential risk determined by the insurance firm. Middletown Township has enjoyed stable property and liability insurance premiums for several years. The Township continues to take measures to mitigate potential risk at public facilities in an effort to curtail rising costs. Cybersecurity is a contributing factor to rising property and liability insurance costs due to the Township's increased exposure to ransomware and cyber-attacks.



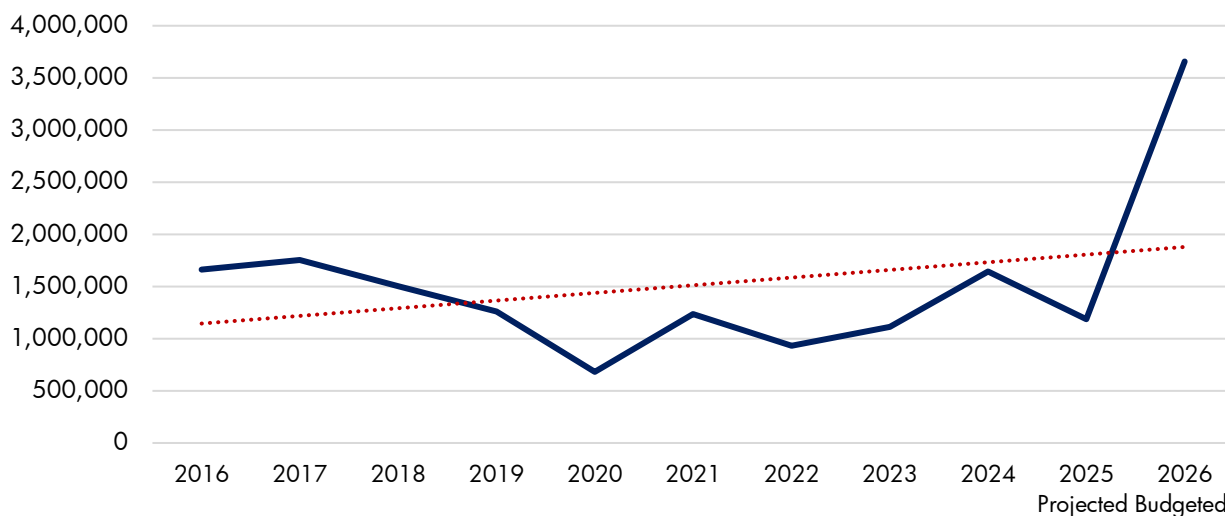
Contracted Services

The contracted services category in the budget refers to any services provided by an agency other than Middletown Township and its employees. Most departments utilize one or more contracted service providers to support or supplement their departments. These tasks range from janitorial services to road paving. Contracted services allow the Township to obtain specialized services in smaller quantities in lieu of adding additional staff or specialized training, which increases costs and long-term obligations such as medical insurance and pension benefits.

Construction services are carried by the Capital and Highway Aid Funds and include the annual road paving, curb ramp and other major projects. The General Fund also incurs significant services costs related to Building and Zoning inspections and Police support services. For 2026, increases in contracted services are for the expanded road paving and ADA curb ramp programs, as well as updates to the Subdivision & Land Development Ordinance (SALDO) and Zoning Ordinance and a feasibility study to prepare for the future of the Middletown Country Club.



Contracted Services by Year (All Funds)

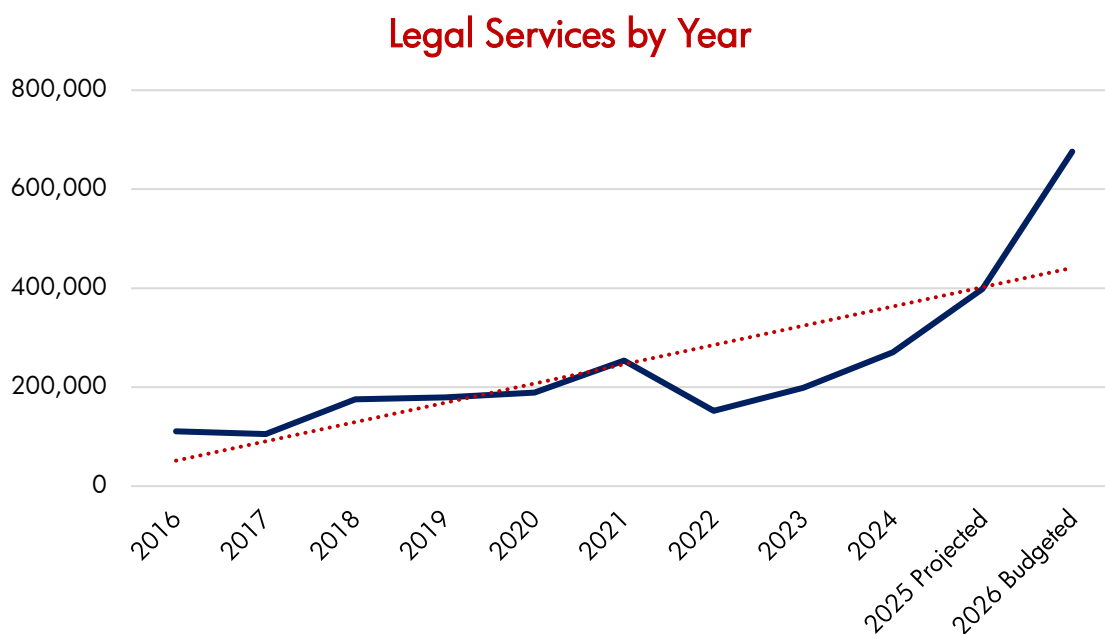


Legal Services

The Middletown Township Board of Supervisors appoints the Township Solicitor, charged with representing the Township in all legal matters. The Township's current solicitor, Jim Esposito, Esq., from the law firm Curtin & Heefner, was appointed in 2018. In addition to advising the Board of Supervisors during their public meetings, the Township Solicitor handles all legal matters. As a consultant, the Township Solicitor bills the Township for services provided each month.

In addition to the Township Solicitor who provides general legal services, the Board of Supervisors is advised by special legal counsel for matters pertaining to personnel and labor. The Township's labor council is provided by Hill Wallack LLP.

Expenditures for legal services are directly associated with the number of active lawsuits and legal appeals involving the Township each year, as well as other formal matters such as contract negotiations. The chart below represents the Township's combined expenditures on general and special legal services. Expenses for legal services were elevated in 2024 due to multiple personnel matters and a complex zoning matter. The increases in 2025 and 2026 are primarily for special legal counsel related to personnel and labor issues.



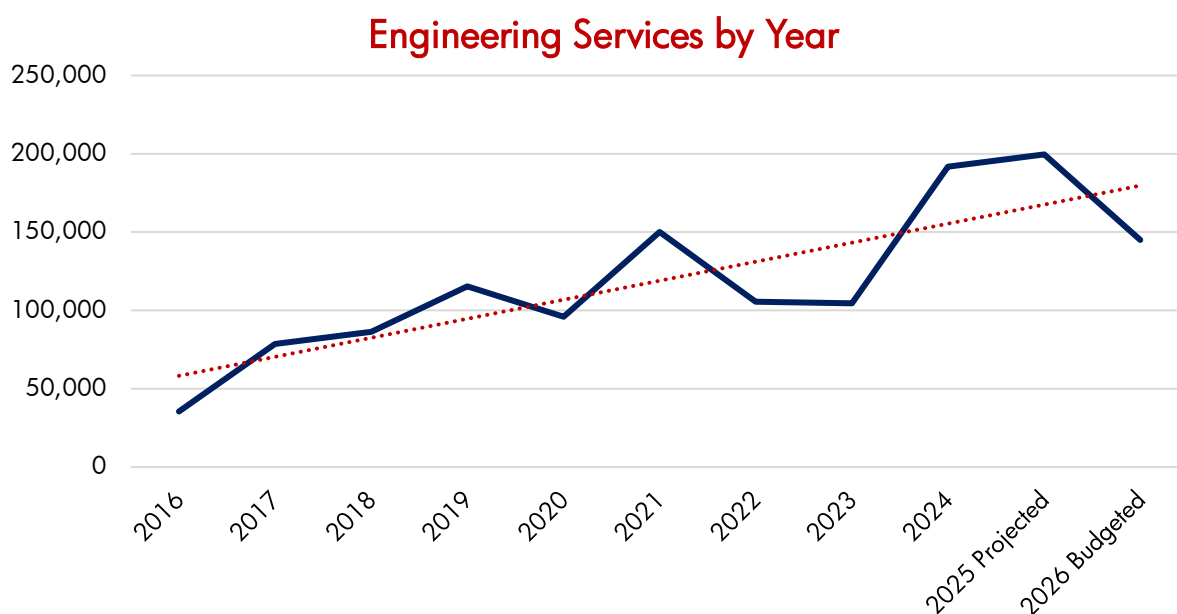
Engineering Services

The Middletown Township Board of Supervisors appoints a Township Engineer who represents the Township for matters requiring the official review of a professional engineer. The Township Engineer's services are utilized during all subdivision and land development projects in the Township to ensure compliance with applicable laws and Township ordinances, as well as on infrastructure. The Township Engineer, Isaac Kessler, P.E, from the firm Remington & Vernick Engineers, was appointed in 2018.

In addition to the Township Engineer, the Middletown Township Board of Supervisors has also appointed Pennoni to advise on matters pertaining to roadways and traffic.

The Township Engineer also reviews permit applications for pools and other minor projects reviewed by the Township. Most of those projects are accounted for in escrow accounts or have fees associated with them to avoid any direct cost to the Township and are therefore excluded from the chart below. The chart below represents those costs incurred directly by the Township for general engineering in the General Fund that are not reimbursed or offset by another source.

Costs spent for engineering capital improvement projects are in accounts associated with the projects and are not reflected in the graph below. Engineering services costs were higher in 2024 and 2025 as the Township prepared the Stormwater Impact Fee studies. A proposal to add a staff engineer is expected to primarily reduce the costs incurred in the Capital Fund.



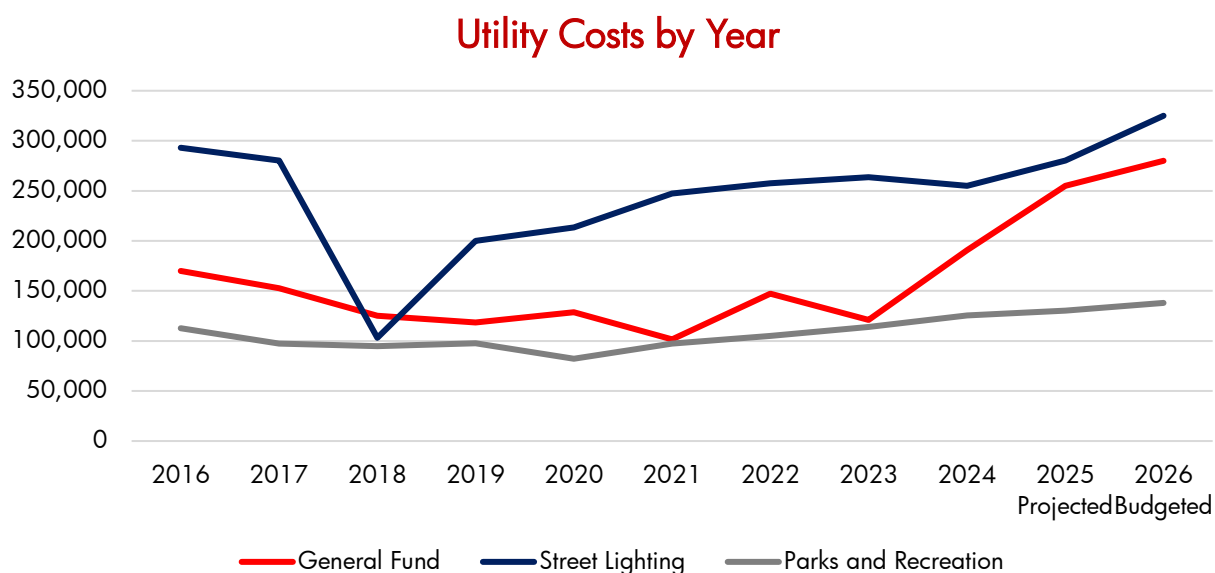
Utilities

Electric utilities are provided to all residents in suburban Philadelphia by the Pennsylvania Electric Company (PECO). Middletown Township pays for electricity within its facilities as well as for streetlights throughout neighborhoods in the Township. Electricity supplied to streetlights is paid from the Street Lighting Fund, dedicated for this specific purpose. Electricity at the Middletown Township Municipal Center and other indoor facilities is paid from the General Fund.

Since 2017, Middletown Township has been replacing streetlights and interior lights with LED lights that are more energy-efficient than traditional light bulbs, saving several hundred thousand dollars. The Township has continued to replace field lights with LEDs to further reduce energy usage. The conversion of field lights at Middletown Community Park to LEDs was completed in 2025.

Important to note for budget purposes, the Township periodically locks in supply rates from energy providers for electric and natural gas utilities for a specified term. While energy consumption may be declining through the use of efficient lighting and appliances, this may not be as clearly depicted in dollars if the cost of the utility increases. The Township's current energy supply contract expires in spring of 2026. The Township is actively monitoring the market for a new supply contract. Rates are considerably higher than the current contract and are driving expense assumptions for 2026. Just like homeowners, the Township is also subject to rate increases in the delivery charge from PECO on utility bills. This drives incremental increases between energy supply contract periods.

The Township proudly utilizes 100% renewable energy for the Township's operations, achieving a key goal of the Climate Action Plan.

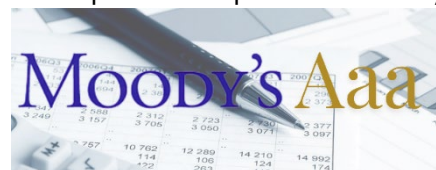


Debt Service and Limitations

Debt Service

Incurring debt to finance major projects is a normal, common practice in municipal government. This practice allows the Township to build or complete projects quickly and to pay for them in following years. This allows normal programs or services to resume uninterrupted, similar to the way a person takes out a loan to make a large purchase. The Township does not plan to issue any new debt in 2026.

Taking advantage of then-record-low interest rates, Middletown Township refinanced General Obligation Bonds Series of 2012, Series of 2014, and Series of 2016 by issuing the Series of 2020 in the amount of \$13,895,000 and Series of 2021 in the amount of \$6,260,000. The Series of 2020 General Obligation Bond was used to pay off the balances of the Series of 2012 and Series 2014 bonds and issued an additional \$3 million of debt to utilize on infrastructure improvements.



Each time debt is issued, the Township must receive an official credit rating to assess the Township's position to borrow money. A strong credit rating typically results in more favorable interest rates. Middletown Township was given a credit rating of Aaa in both 2020 and 2021 by Moody's—the highest possible credit rating—as a result of strong fund balances, careful financial management, and a robust local economy. In 2023, Moody's affirmed Middletown Township's credit rating, and cited the Township's financial outlook as "stable."

The Township is also paying off a municipal note for the LED Streetlight Conversion Project from 2017. This is a type of loan used commonly for capital projects involving multiple municipalities with a lower interest rate and shorter window of time than a general obligation bond.

Debt Limitations

Municipalities in Pennsylvania are regulated by the Local Government Unit Debt Act (Act 177) of 1996, which establishes legal limitations for incurring debt. The statute establishes a Township's borrowing base as a three-year average of revenues. As of November 2025, the Township's borrowing base is \$39,909,190. The Township is legally allowed to borrow 250% (2.5 times) its borrowing base for non-electoral debt. When including non-electoral debt and lease rental debt, this limit increases to 350% (3.5 times) the borrowing base. For 2026, the Township's non-electoral debt limit is \$99,772,970. The Township's total debt limit including lease rental debt is \$139,682,160. The Township will have \$6,239,652 in debt principal at the end of 2026, which is 6.30% of the non-electoral debt limit. Additionally, this regulation limits a municipality from borrowing more than 85% of the taxes and revenues received in that fiscal year at any one time.

2026 Debt Service Summary

2026 DEBT SERVICE SCHEDULE						
GENERAL OBLIGATION BONDS						
<u>FUND</u>	<u>YEAR</u>	<u>DUE DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>12/31/26 BALANCE</u>
Debt Service	2020	4/15/26	\$ -	\$ 81,300	\$ 81,300	
		10/15/26	550,000	81,300	631,300	
			\$ 550,000	\$ 162,600	\$ 712,600	\$4,835,000
Debt Service	2021	2/15/26	\$ -	76,000	\$ 76,000	
		8/15/26	1,825,000	76,000	1,901,000	
			\$1,825,000	\$ 152,000	\$ 1,977,000	\$ 1,215,000
Total General Obligation Bonds			\$2,375,000	\$314,600	\$2,689,600	\$6,050,000
MUNICIPAL NOTES						
<u>FUND</u>	<u>YEAR</u>	<u>DUE DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>12/31/26 BALANCE</u>
LED Street Light Note	2017	Monthly	121,857	7,551	129,408	\$189,652
Total Notes			\$ 121,857	\$ 7,551	\$ 129,408	\$ 189,652
ALL DEBT						
			<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>12/31/26 BALANCE</u>
Total 2026 Debt Service			\$2,496,857	\$322,151	\$2,819,008	\$6,239,652

General Obligation Bonds

The Series of 2020 and Series of 2021 General Obligation Bonds refinanced older bonds and allowed the Township to take on a variety of capital improvement projects related to transportation and accessibility. Some funding was used to improve stormwater management efforts, while other funding was used to finance road repairs. The following tables show the principal and interest payments on each bond for each year and the remaining principal on each bond.

Series of 2020

2026 DEBT SERVICE SCHEDULE - SERIES OF 2020						
<i>GENERAL OBLIGATION BOND (\$13,895,000 - 10 Years)</i>						
Purpose:	(1) To refund the Township's General Obligation Bonds, Series of 2012 current outstanding in the aggregate principal amount of \$6,350,000 (the "2012 Bonds"), (2) the refunding of the Township's General Obligation Bonds, Series of 2014 currently outstanding in the aggregate principal amount of \$6,005,000 (the "2014 Bonds"), (3) capital projects of the Township related to certain improvements and upgrades to the Townships infrastructure and (4) paying the costs and expenses related to the issuance of the Bonds.					
<u>Year</u>	<u>Interest Rate</u>	<u>Principal (Due Oct 15)</u>	<u>Interest (Due April 15)</u>	<u>Interest (Due Oct 15)</u>	<u>Total Interest</u>	<u>Principal Balance</u>
2020	5.000%	\$1,525,000	\$192,766	\$192,766	\$ 385,532	\$12,370,000
2021	5.000%	1,440,000	255,925	255,925	511,850	10,930,000
2022	5.000%	1,510,000	219,925	219,925	439,850	9,420,000
2023	5.000%	1,580,000	182,175	182,175	364,350	7,840,000
2024	5.000%	1,660,000	142,675	142,675	285,350	6,180,000
2025	5.000%	795,000	101,175	101,175	202,350	5,385,000
2026	5.000%	550,000	81,300	81,300	162,600	4,835,000
2027	5.000%	1,280,000	67,550	67,550	135,100	3,555,000
2028	2.000%	2,615,000	35,550	35,550	71,100	940,000
2029	2.000%	940,000	9,400	9,400	18,800	0
TOTALS		\$13,895,000	\$ 1,288,441	\$ 1,288,441	\$2,576,882	

The Series of 2020 general obligation bond refunded bonds from 2012 and 2014 and provided approximately \$3,000,000 of additional funds to be used for infrastructure improvements. The following infrastructure projects were financed using proceeds from the Series of 2020 general obligation bond:

- Langhorne-Yardley Road Traffic Improvement Project Engineering,
- 2021 Road Improvement Program,
- 2022 Road Improvement Program,
- Replacement of a footbridge connecting pedestrian traffic over Mill Creek in Levittown,
- Site improvements at the Department of Public Works,
- Paving of a lot for pickleball courts at the Raymond Mongillo Community Center, and
- Paving of parking lots at Twin Oaks Park.

Series of 2021

2026 DEBT SERVICE SCHEDULE - SERIES OF 2021						
GENERAL OBLIGATION BOND (\$6,260,000 - 7 Years)						
Purpose:	(1) The advance refunding of the Township's General Obligation Bonds, Series of 2016 currently outstanding in the aggregate principal amount of \$6,260,000, (2) the review, planning, design, engineering, construction, reconstruction, furnishing, equipping, repair, alteration, renovation, acquisition, replacement, and improvement of Township streets, roads, highways, intersections, rights-of-way, curbs, sidewalks, bridges, traffic monitoring, and/or control devices, storm-water management facilities, and all related facilities, and (3) paying the costs and expenses relating to the issuance of the Bonds					
Year	Interest Rate	Principal (Due Aug 15)	Interest (Due Feb 15)	Interest (Due Aug 15)	Total Interest	Principal Balance
2021	5.000%	340,000	-	45,211	45,211	5,920,000
2022	5.000%	445,000	148,000	148,000	296,000	5,475,000
2023	5.000%	475,000	136,875	136,875	273,750	5,000,000
2024	5.000%	495,000	125,000	125,000	250,000	4,505,000
2025	5.000%	1,465,000	112,625	112,625	225,250	3,040,000
2026	5.000%	1,825,000	76,000	76,000	152,000	1,215,000
2027	5.000%	1,215,000	30,375	30,375	60,750	0
TOTALS		\$ 6,260,000	\$ 628,875	\$ 674,086	\$ 1,302,961	
<i>*Amortization schedule updated to show actual payments made.</i>						

The Series of 2021 general obligation bond refunded a bond from 2016. Since the Township was able to achieve a favorable interest rate, this bond refunding resulted in a savings of approximately \$294,000. No additional funds were borrowed under the Series of 2021 general obligation bond.

LED Street Lighting (Series of 2017)

In 2017, the Township participated in the [Regional Streetlight Procurement Program](#) supported by the Delaware Valley Regional Planning Commission (DVRPC). The program encouraged municipalities to switch to light-emitting diodes (LEDs), which have a longer lifespan, smaller carbon footprint, and cost less to keep on. The municipal note allowed the Township to replace approximately 3,000 fixtures at one time with LED lights. LED lights not only emit brighter, wider light than traditional bulbs, but the lower operating cost will allow the Township to address lighting in parks which feature older-style lights. LED streetlights bring approximately \$150,000 per year of utility and maintenance savings. The Township routinely transfers funds from the Street Lighting Fund to the Debt Service Fund to offset the cost of the repayment of the note.

Early payments were made in 2019 which resulted in the timetable for this debt to be paid off being shortened by one year. The amortization table below is updated to reflect the actual payments made to date and the new loan amortization for the remaining principal and interest due.

2026 DEBT SERVICE SCHEDULE - SERIES OF 2017				
<i>MUNICIPAL NOTE (\$1,306,448 - 12 Years)</i>				
<u>Purpose:</u>		To finance the purchase of LED street lights and other outdoor lighting improvement measures.		
<u>Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal Balance</u>
2017	2.950%	\$ 76,565	\$ 31,274	\$ 1,229,883
2018	2.950%	125,794	35,012	1,104,089
2019	2.950%	134,105	31,020	969,984
2020	2.950%	102,112	24,990	867,872
2021	2.950%	105,165	24,243	762,707
2022	2.950%	108,310	19,219	654,397
2023	2.950%	102,589	17,859	551,808
2024	2.950%	114,422	14,986	437,386
2025	2.950%	117,936	11,472	319,450
2026	2.950%	121,512	7,896	197,938
2027	2.950%	125,197	4,211	72,741
2028	2.950%	71,058	714	-
TOTALS		\$ 1,306,448	\$ 222,895	
<i>*Amortization schedule updated to show actual payments made.</i>				

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Capital Improvement Plan

The Middletown Township Capital Improvement Plan (CIP) represents a schedule of major and needed improvements to the Township's physical property and infrastructure, as well as equipment and vehicles necessary to perform the core functions of municipal operations.

Projects planned for 2026 are described individually. Additionally, expected changes to operating costs, if any, are listed for each 2026 project. The 2026 CIP proposes a total of \$10,435,890 in projects. An additional \$48.9 million in projects are proposed between 2027 and 2030. Projects that have been previously budgeted but not yet completed are noted in the plan but will not be described in detail.

For 2026, projects have been separated between "Capital Improvement Projects" and "Capital Maintenance Projects" with the goal of differentiating the cost of maintaining existing facilities and infrastructure as compared to new projects. Capital Improvement Projects are defined as new assets or upgrades to existing assets to increase functionality or to adapt them for new uses. Capital Maintenance Projects are those that preserve the current function and value of assets the Township already owns by replacing or restoring them as needed.

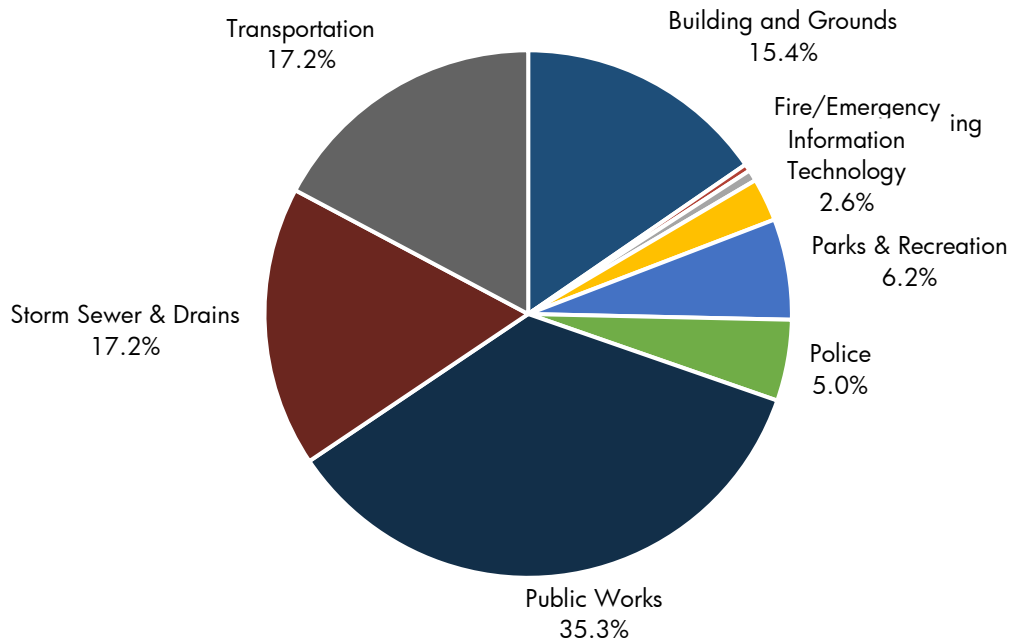
All projects are categorized based upon their purpose and asset type. These categories largely parallel the Township's departments, as well as categories where the Township invests significant funds into capital improvements. The CIP is comprised of projects in the following ten categories:

- Building & Grounds
- Building & Zoning
- Fire & Emergency Services
- Information Technology
- Parks & Recreation
- Police
- Public Works
- Storm Sewer & Drains
- *Sustainability
- Transportation

No projects are planned in 2026 in the Sustainability category. Each category will list separate the Capital Improvement Projects and Capital Maintenance Projects planned for 2026.



2026 Capital Projects by Category



Purpose

Middletown Township's CIP proactively plans for future capital needs and offers six primary benefits to the Township:

- Provides effective project and financial management to minimize budget variability.
- Allows for prioritizing of capital needs to ensure the most important projects are funded.
- Allows for consideration of current expenditures' financial effects on future projects.
- Saves Township funds through replacing, repairing, or upgrading infrastructure before maintenance or emergency repair costs escalate.
- Protects resident safety by ensuring emergency vehicle reliability and removing safety hazards from Township infrastructure.
- Positions the Township to earn grant funding to minimize the direct cost of projects.

The Township is able to anticipate its upcoming capital needs and prioritize completion based on available funds. A key feature to having a detailed long-term plan is the ability to view projects across all departments together to determine how they align with the Township's long-term goals. It also helps stakeholders understand the impact each project has on the plan as a whole.

Proactively addressing capital needs also can save the Township money over the duration of the plan. Replacing vehicles, for example, prevents sudden increases in vehicle maintenance and can prevent lost productivity if a vehicle were to break down while in use.

In addition to financial benefits, capital planning also improves quality of service and safety for residents. Replacing aging patrol vehicles can ensure a rapid police response time. Repairing walking paths in parks increases the safety of the residents who use those facilities. It also gives residents an assurance of when to expect major infrastructure changes to occur.

Projects included in the CIP generally have a long-life expectancy and high cost. Generally, capital projects in this plan cost at least \$10,000 and last for five or more years. Some projects involve one-time purchases, such as vehicle replacement, while others involve multi-year construction plans. Additionally, some projects are replacements or upgrades to existing equipment and facilities, while others bring new assets to the Township.

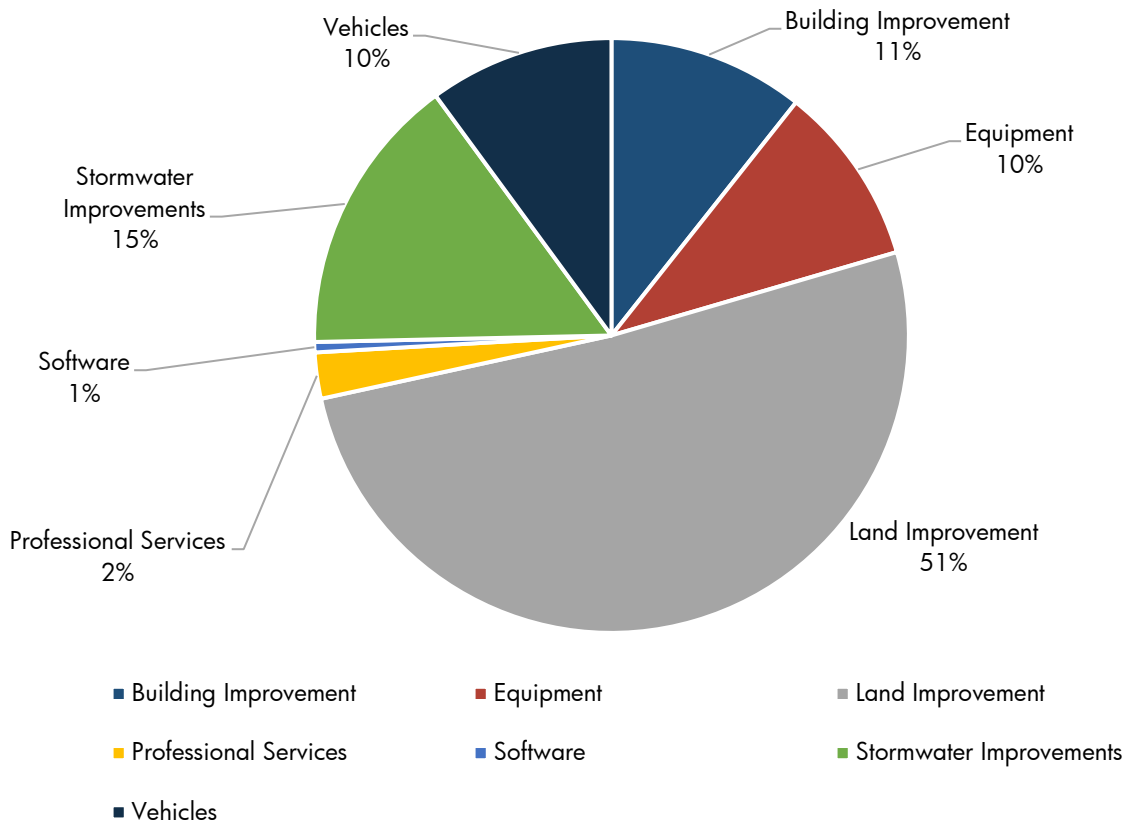
The Township takes consideration of how best to allocate resources as funding is required to complete projects and ensure their long-term maintenance and operation. Each department has a specific mission, as well as objectives for the upcoming years. Departments propose projects to the Board of Supervisors that they believe will best meet the needs of the community.

Planned Projects by Asset Type

Capital improvement projects are organized into one of five asset types:

- Building Improvements
 - Building improvements consist of any modifications to an existing structure.
- Equipment
 - Equipment consists of tools (other than vehicles) used to perform work. Equipment includes physical tools used to perform manual labor and technological and virtual tools such as computers and software systems.
- Land Improvements
 - Land improvements consist of permanent modifications to land, such as construction of buildings and structures, drainage infrastructure, road improvements, and major equipment used for recreation purposes. The term “infrastructure improvements” may also be used to describe this category. The below chart separates Stormwater Improvements into its own category to show a further breakdown.
- Professional Services
 - Professional services consist of consultants performing studies or assisting with grant writing.
- Software
 - Software systems consist of the digital platforms designed to house and process information and facilitate services delivered to the community.
- Vehicles
 - Cars, trucks, and utility vehicles used across all departments.

2025 Capital Projects by Asset Type



Tracking capital improvement projects by asset category is important because each asset type carries a different requirement for financial reporting and accounting for depreciation. It is also a valuable tool in long-term planning since some asset types need to be replaced sooner than others. For example, a vehicle typically has a depreciable life of up to ten years, while stormwater and drainage improvements typically have a depreciable life of fifty years.

Funding Overview

Middletown Township does not levy a tax specifically for funding capital improvement projects. Because there is no dedicated source of funding for capital improvement projects, the Township has historically used a few strategies to ensure necessary projects are completed. Capital projects are typically funded through transfers from other funds, grants, and debt issuances. In recent years, capital improvement projects have been funded by transfers to the Capital Fund from the General Fund and the Investment Fund. Specific tax funds can also support related capital projects, such as using the Street Lighting Fund to replace street light poles and using the Highway Aid Fund to repave

roadways. This can be accomplished either through an interfund transfer or by expending the project within the tax fund directly.

In 2025, the Board of Supervisors instituted a Stormwater Impact Fee, which is used for maintaining and expanding stormwater management infrastructure and completing projects that improve the quality of stormwater runoff. Additional information about the Stormwater Impact Fee is provided elsewhere in the budget document.

Grants are awarded to the Township by a variety of local, state, federal, and private agencies, and serve as a vital funding source for capital improvement projects. The Township routinely pursues grants ranging from a few thousand dollars to several million dollars. The Township is awarded on average \$1,000,000 in grants per year, with most grants supporting the purchase of emergency vehicles and transportation improvements. More than \$1.4 million of grant revenue has been earned for capital projects planned in 2026. Another \$2.5 million has been requested in additional grants for capital projects from various granting agencies that are pending review as of November 2025 for projects planned in 2026. Only grant funds awarded to the Township at the time of budget preparation are calculated as revenues in the 2026 Budget.

The Township periodically issues debt by way of a General Obligation Bond or a Municipal Note to support infrastructure improvements. Most recently in January 2020, the Township issued a General Obligation Bond to refund past bonds and issued an additional \$3 million of debt to spend on infrastructure improvements. The Township completed spending these funds in 2022. Debt service payments are financed by a portion of the Real Estate Tax. No new debt issuances are contemplated in 2026.



2026 Capital Projects

2026 CAPITAL MAINTENANCE & IMPROVEMENT PROJECTS BY CATEGORY						
Category // Project	Total Capital Maintenance	Total Capital Improvements	Earned Grant Funding	Potential Grant Funding	Due From Other Funds	Capital Fund Cost
Building & Grounds						
North Station Updates	\$ 128,750			\$ 128,750		
Municipal Center Roof Repair	\$ 1,100,000			\$ 1,000,000		\$ 100,000
Concrete Replacement	\$ 300,000			\$ 200,000		\$ 100,000
*Lobby Security Project		\$ 50,000				\$ 50,000
TOTAL	\$ 1,528,750	\$ 50,000	\$ 0	\$ 1,328,750	\$ 0	\$ 250,000
Building & Zoning						
*Electric Vehicle	\$ 45,000		\$ 7,500			\$ 37,500
TOTAL	\$ 45,000	\$ 0	\$ 7,500	\$ 0	\$ 0	\$ 37,500
Fire & Emergency Services						
Fire Command Vehicle		\$ 70,000				\$ 70,000
TOTAL	\$ 0	\$ 70,000	\$ 0	\$ 0	\$ 0	\$ 70,000
Information Technology						
Desktop Computer Replacement	\$ 68,500					\$ 68,500
Mobile Data Terminals (MDTs)	\$ 37,000					\$ 37,000
Network Maintenance	\$ 15,000					\$ 15,000
Broadcast System Upgrades		\$ 150,000				\$ 150,000
TOTAL	\$ 120,500	\$ 150,000	\$ 0	\$ 0	\$ 0	\$ 270,500
Parks & Recreation						
Community Center Updates	\$ 50,000				\$ 50,000	
Middletown Community Park	\$ 30,000				\$ 30,000	
Simmons Park	\$ 350,000			\$ 60,000	\$ 290,000	
Det. Christopher Jones Park	\$ 100,000				\$ 100,000	
Twin Oaks Park	\$ 53,000				\$ 53,000	
Facility Improvements	\$ 50,000				\$ 50,000	
TOTAL	\$ 633,000	\$ 0	\$ 0	\$ 60,000	\$ 573,000	\$ 0
Police						
Vehicles & Equipment	\$ 330,000			\$ 270,952		\$ 59,048
Body & In-Car Cameras	\$ 110,000					\$ 110,000
Weapons & Gear	\$ 45,000					\$ 45,000
Indoor Firearm Range	\$ 25,000					\$ 25,000
TOTAL	\$ 510,000	\$ 0	\$ 0	\$ 270,952	\$ 0	\$ 239,048

2026 CAPITAL MAINTENANCE & IMPROVEMENT PROJECTS BY CATEGORY (CONT.)

Category // Project	Total Capital Maintenance	Total Capital Improvements	Earned Grant Funding	Potential Grant Funding	Due From Other Funds	Capital Fund Cost
Public Works						
Road Program	\$ 2,000,000				\$2,000,000	
Public Works Building Improvements		\$ 150,000				\$ 150,000
Vehicles	\$ 546,000	\$ 335,000		\$ 820,808	\$ 60,192	
Heavy Equipment	\$ 36,500	\$ 135,000			\$ 171,500	
Light Equipment	\$ 30,000				\$ 30,000	
*Guiderail Work	\$ 55,000					\$ 55,000
Roadway Striping	\$ 35,000				\$ 35,000	
Footbridge Repair	\$ 40,000					\$ 40,000
TOTAL	\$ 2,742,500	\$ 620,000	\$ 0	\$ 820,808	\$2,296,692	\$ 245,000
Storm Sewer & Drains						
Inlet Tops & Collars	\$ 160,000				\$ 160,000	
*Langhorne Gables		\$ 644,140	\$ 644,140			
*Reetz Avenue Culvert		\$ 450,000			\$ 450,000	
Hillside Avenue		\$ 310,000			\$ 310,000	
Engineer Future Projects		\$ 198,000			\$ 198,000	
TOTAL	\$ 160,000	\$ 1,602,140	\$ 644,140	\$ 0	\$ 1,118,000	\$ 0
Transportation						
ADA Curb Ramp Program		\$ 750,000				\$ 750,000
*Langhorne-Yardley/Maple Point Crossing		\$ 200,000	\$ 146,283			\$ 53,717
*School Zone Improvements		\$ 500,000	\$ 300,000			\$ 200,000
*Maple Ave/N. Flowers Mill Signal Improvements		\$ 175,000	\$ 138,888			\$ 36,112
*Pedestrian Signal Equipment Upgrades		\$ 229,000	\$ 229,000			
Traffic Signal Mast Arm Replacement	\$ 150,000					\$ 150,000
S. Flowers Mill Bridge Clearance		\$ 200,000				\$ 65,000
TOTAL	\$ 150,000	\$ 2,054,000	\$ 814,171	\$ 0	\$ 0	\$1,254,829
	Total Capital Maintenance	Total Capital Improvements	Earned Grant Funding	Potential Grant Funding	Due From Other Funds	Capital Fund Cost
TOTAL COSTS	\$ 5,889,750	\$ 4,456,140	\$ 1,465,811	\$ 2,480,510	\$3,987,692	\$2,501,877

**Denotes funds already appropriated and carried forward from prior year.*

Five-Year Capital Project Plan

Category // Project		2026-2030 CAPITAL PROJECT PLAN				
Building & Grounds	2026	2027	2028	2029	2030	Five-Year Total
North Station Updates	\$ 128,750					\$ 128,750
Muni. Center Improvements	\$1,150,000	\$ 525,000	\$ 40,000	\$ 50,000	\$ 50,000	\$ 1,815,000
Concrete Replacement	\$ 300,000					\$ 300,000
Langhorne Spring Water Co.		\$ 340,000	\$ 60,000			\$ 400,000
TOTAL	\$1,578,750	\$ 865,000	\$ 100,000	\$ 50,000	\$ 50,000	\$ 2,643,750
Building & Zoning	2026	2027	2028	2029	2030	Five-Year Total
Electric Vehicle	\$ 45,000	\$ 45,000				\$ 90,000
TOTAL	\$ 45,000	\$ 45,000	\$ 0	\$ 0	\$ 0	\$ 90,000
Fire & Emergency Services	2026	2027	2028	2029	2030	Five-Year Total
Vehicles	\$ 70,000	\$ 70,000				\$ 140,000
Fire Apparatus & Equipment		\$3,860,000		\$1,450,000		\$ 5,310,000
TOTAL	\$ 70,000	\$3,930,000	\$ 0	\$1,450,000	\$ 0	\$ 5,450,000
Information Technology	2026	2027	2028	2029	2030	Five-Year Total
Desktop Computer Replacement	\$ 68,500	\$ 11,000	\$ 44,500	\$ 68,500	\$ 10,000	\$ 202,500
Mobile Data Terminals (MDTs)	\$ 37,000	\$ 25,000	\$ 35,000	\$ 30,000	\$ 35,000	\$ 162,000
Network Maintenance	\$ 15,000	\$ 30,000	\$ 48,000			\$ 93,000
Broadcast System Upgrades	\$ 150,000					\$ 150,000
Website Redesign		\$ 75,000				\$ 75,000
Software Systems		\$ 550,000	\$ 250,000			\$ 800,000
Wireless Updates				\$ 180,000		\$ 180,000
Security System Replacement					\$ 252,000	\$ 252,000
TOTAL	\$ 270,500	\$ 691,000	\$ 377,500	\$ 278,500	\$ 297,000	\$ 1,914,500
Parks & Recreation	2026	2027	2028	2029	2030	Five-Year Total
Community Center Updates	\$ 50,000	\$ 200,000	\$ 300,000			\$ 550,000
Middletown Community Park	\$ 30,000	\$ 100,000	\$1,000,000		\$ 350,000	\$ 1,480,000
Simmons Park	\$ 350,000	\$ 200,000		\$ 200,000		\$ 750,000
Det. Christopher Jones Park	\$ 100,000					\$ 100,000
Twin Oaks Park	\$ 53,000					\$ 53,000
Facility Improvements	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
Firefighters' Park		\$ 155,000			\$ 500,000	\$ 655,000
Deep Dale East Park		\$ 100,000				\$ 100,000
Upper Orchard Park				\$ 125,000		\$ 125,000
Forsythia Crossing Park				\$ 250,000		\$ 250,000
TOTAL	\$ 633,000	\$805,000	\$1,350,000	\$ 625,000	\$ 900,000	\$ 4,313,000
Police	2026	2027	2028	2029	2030	Five-Year Total
Vehicles & Equipment	\$ 330,000	\$ 427,500	\$ 385,000	\$ 437,500	\$ 445,000	\$ 2,025,000
Body & In-Car Cameras	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000		\$ 440,000
Weapons & Gear	\$ 45,000	\$ 15,000				\$ 60,000
Indoor Firearm Range	\$ 25,000					\$ 25,000
TOTAL	\$ 510,000	\$ 552,500	\$ 495,000	\$ 547,500	\$ 445,000	\$ 2,550,000

Category // Project	2026-2030 CAPITAL PROJECT PLAN (CONT.)					
Public Works	2026	2027	2028	2029	2030	Five-Year Total
Road Program	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$10,000,000
Public Works Building Improvement	\$ 150,000	\$ 3,000,000	\$ 2,000,000			\$5,150,000
Vehicles	\$ 881,000	\$ 500,000	\$ 570,000	\$28,000	\$590,000	\$2,569,000
Heavy Equipment	\$ 171,500	\$ 273,500			\$65,000	\$510,000
Light Equipment	\$ 30,000	\$ 10,000	\$ 32,000	\$12,000	\$34,000	\$118,000
Guiderail ork	\$ 55,000	\$ 25,000			\$ -	\$80,000
Roadway Striping	\$ 35,000	\$ 75,000	\$ 75,000	\$ 75,000	\$75,000	\$335,000
Footbridge Repair/Replace.	\$ 40,000	\$ 50,000	\$ 625,000	\$250,000		\$965,000
TOTAL	\$ 3,362,500	\$ 5,933,500	\$5,302,000	\$2,365,000	\$2,764,000	\$19,727,000
Storm Sewer & Drains	2026	2027	2028	2029	2030	Five-Year Total
Inlet Tops & Collars	\$ 160,000	\$ 150,000	\$ 175,000	\$ 150,000	\$ 200,000	\$ 835,000
Langhorne Gables Phase II	\$ 644,140					\$ 644,140
Reetz Avenue Culvert	\$ 450,000					\$ 450,000
Hillside Avenue	\$ 310,000					\$ 310,000
Engineer Future Projects	\$ 198,000	\$ 75,000	\$ 260,000	\$ 11,000		\$ 544,000
Streambank Restorations		\$ 1,570,000	\$ 1,890,000	\$ 500,000	\$ 750,000	\$ 4,710,000
Richardson Avenue		\$ 150,000				\$ 150,000
Playwicki Street Culvert		\$ 330,000				\$ 330,000
Wheeler Way				\$ 350,000		\$ 350,000
Sediment Removal				\$ 1,000,000		\$ 1,000,000
Silver Lake Road					\$ 110,000	\$ 110,000
TOTAL	\$ 1,762,140	\$ 2,275,000	\$ 2,325,000	\$ 2,011,000	\$ 1,060,000	\$9,433,140
Sustainability	2026	2027	2028	2029	2030	Five-Year Total
Solar Projects		\$ 200,000	\$ 350,000		\$ 550,000	\$ 1,100,000
Park Recycling Containers		\$ 50,000				\$ 50,000
EV Charging Stations			\$ 60,000	\$ 80,000	\$ 550,000	\$ 690,000
Weatherization			\$ 150,000			\$ 150,000
TOTAL	\$ 0	\$ 250,000	\$ 560,000	\$ 80,000	\$ 1,100,000	\$ 1,990,000
Transportation	2026	2027	2028	2029	2030	Five-Year Total
ADA Curb Ramp Program	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 3,750,000
L-Y Rd./Maple Pt. Xing	\$ 200,000					\$ 200,000
School Zone Improvements	\$ 500,000					\$ 500,000
Maple/N. Flow. Mill Signals	\$ 175,000					\$ 175,000
Pedestrian Signal Equipment	\$ 229,000					\$ 229,000
Traffic Signal Mast Arms	\$ 150,000	\$ 100,000	\$ 25,000	\$ 150,000	\$ 150,000	\$ 675,000
S. Flowers Mill Bridge Clearance	\$ 200,000					\$ 200,000
Bike Lane and Sharrows		\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,000,000
Illuminated Signal Signs		\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 80,000
Sidewalk Construction		\$ 200,000	\$ 600,000	\$ 1,500,000		\$ 2,300,000
Turn Lane Addition		\$ 50,000				\$ 50,000
Adaptive Signal System Expansion			\$ 300,000	\$ 300,000	\$ 500,000	\$ 1,100,000
TOTAL	\$ 2,204,000	\$ 1,620,000	\$ 2,295,000	\$ 3,220,000	\$1,920,000	\$11,259,000
ALL CATEGORIES	2026	2027	2028	2029	2030	Five-Year Total
TOTAL COSTS	\$10,435,890	\$16,967,000	\$12,804,500	\$10,627,000	\$8,536,000	\$59,370,390

Impact on Operating Expenses

Several projects in the Capital Improvement Plan will have an ongoing impact to the Township's operating budget, meaning select projects will reflect an additional expense or savings to the Township beyond this fiscal year, which are considered during the authorization process by the Board of Supervisors. Projects with no or indefinite future impacts to operating costs are excluded from the table below. Savings are listed as positive numbers; expenses are listed as negative numbers (in parentheses). In 2026, the Township expects to save a net total of approximately \$12,750 from its capital improvement projects.

Building & Ground	Savings (Expense)	Source of Savings
Municipal Center Roof Repair	\$ 35,000	Energy efficiency; reduced maintenance costs.
Building & Zoning	Savings (Expense)	Source of Savings
Electric Vehicle	\$ 4,500	Fuel efficiency; reduced maintenance costs
Parks & Recreation	Savings (Expense)	Source of Savings
Facility Improvements	\$ 2,500	Reduced energy consumption from new systems.
Police	Savings (Expense)	Source of Savings
Vehicles (Police)	\$ 10,000	Fuel efficiency; reduced maintenance costs.
Public Works	Savings (Expense)	Source of Savings
Road Improvement	\$ 10,000	Staff efficiency of 200 hours for less road maintenance; savings on road repair materials.
Vehicles (DPW)	\$ 15,000	Fuel efficiency; reduced maintenance costs.
Heavy Equipment (DPW)	\$ 5,000	Fuel efficiency; reduced maintenance costs; additional piece of equipment (added maintenance).
Stormwater	Savings (Expense)	Source of Savings
Inlet Tops & Collars	\$ (100,000)	Staff time of 1,500 hours to install infrastructure.
Reetz Avenue Culvert	\$ 5,000	Estimated reduction in staff time for maintenance.
Transportation	Savings (Expense)	Source of Savings
Langhorne-Yardley Road Maple Point Crossing	\$ 250	Increased energy utilization for new amenity.
School Zone Improvements	\$ 1,000	Reduced energy consumption.
Maple Avenue/N. Flowers Mill Signal Improvements	\$ 5,000	Reduced contracted services.
S. Flowers Mill	\$ 20,000	Reduced staff time responding to emergencies.
TOTAL NET SAVINGS	\$ 12,750	

Building & Grounds

The Building and Grounds category includes any physical improvements to Township facilities that are not otherwise assigned to a different category. Most expenditures in this category are maintenance items for the Middletown Township Municipal Center, but may include other Township-owned facilities. Some expenditures are ongoing grounds improvements, while others are significant, individual upgrades such as security enhancements. At 25 years of age, the routine maintenance costs for the Middletown Township Municipal Center are beginning to increase. These projects are typically funded by the Capital Fund.

Building & Grounds	2026	2027	2028	2029	2030	Five-Year Total
North Station Updates	\$ 128,750					\$ 128,750
Municipal Center Improvements	\$ 1,150,000	\$ 525,000	\$ 40,000	\$ 50,000	\$ 50,000	\$ 1,815,000
Concrete Replacement	\$ 300,000					\$ 300,000
Langhorne Spring Water Company		\$ 340,000	\$ 60,000			\$ 400,000
TOTAL	\$ 1,578,750	\$ 865,000	\$ 100,000	\$ 50,000	\$ 50,000	\$ 2,643,750

North Station Updates - \$128,750

Built in 2008, the North Station houses satellite stations for both the Langhorne-Middletown Fire Co. and Penn-del-Middletown Emergency Squad. Unlike most other stations in the Township, this facility is owned by Middletown



Township and leased to the emergency response agencies. The agencies are responsible to maintain the day-to-day needs of the station. However, large repairs may necessitate Township involvement.

Much of the building and its finishes are original. Flooring in the vehicle bays was replaced in 2025. The exterior stucco is beginning to deteriorate, due in part to an issue with the roof. A grant application has been submitted to the Bucks County Redevelopment Authority (RDA) Municipal Grants Program for funding. If external funding is not secured, these repairs will be carried by the Capital Fund.

As the only fire station owned by the Township and one of the only locally with bunking quarters, this station will continue to play a central role in the delivery of fire services to the community.

Municipal Center Improvements - \$1,150,000

The Middletown Township Municipal Center welcomes thousands of residents, business owners, contractors, and others seeking to access Township services each year. Since the building was constructed in 2001, the perimeter of the roof has begun to leak during heavy storms. As this issue has persisted, damage to the facility continues to worsen. While a full replacement of the metal roof is not anticipated, significant repairs will be needed to make sure water does not enter the interior of the building. While this work is underway, the downspouts on the building will also be addressed to be sure stormwater runoff from the roof is being managed and discharged appropriately. Additionally, a small issue with the roof overhang near the secure Police parking lot will also be addressed. A grant application has been submitted to support the cost of the roof repair.

In addition to the roof, a security enhancement to the interior of the building will also be completed, for which funds were allocated in 2025 and are being carried forward.

Concrete Replacement - \$300,000

In addition to the roof, the concrete in front of the Municipal Center is also beginning to show its age. Pavers in the building's courtyard area are uneven and can create a tripping hazard. Elsewhere, there are sections of concrete that have deteriorated due to weather and use. A grant application will be submitted to assist with the cost of this project.

Staff from the Public Works department may be able to assist with elements of this project in an effort to control costs.

Building & Zoning

The Department of Building & Zoning oversees all permitting, land development, zoning, code enforcement, and inspections for the Township. Their efforts ensure structures are safe for residents and business patrons to inhabit and preserve a comfortable quality of life for the community. The Department of Building & Zoning typically has few capital expenses, with the primary need being for vehicles for certain inspectors and officers in the field. These purchases are typically made from the Capital Fund, unless grants or other funds are available.

Building & Zoning	2026	2027	2028	2029	2030	Five-Year Total
*Electric Vehicle	\$ 45,000	\$ 45,000				\$ 90,000
TOTAL	\$ 45,000	\$ 45,000	\$ 0	\$ 0	\$ 0	\$ 90,000

Electric Vehicle- \$45,000

One electric inspector vehicle is proposed in 2026. Funds for this purchase were allocated in and are being carried forward from 2025. A \$7,500 grant from the Pennsylvania Department of Environmental Protection (DEP) has been earned to offset the vehicle cost. An electric vehicle also has a lower maintenance and operating cost than a typical gasoline-powered vehicle. The balance of the purchase will be expended from the Capital Fund.



Fire & Emergency Services

The Department of Fire & Emergency Services is responsible for fire inspections, fire prevention, and daytime emergency response. The Township is served by four volunteer fire companies supplemented by paid firefighters from the Department of Fire & Emergency Services. All fire services are under the direction of the career Fire Chief.

Many of the Department's needs are funded through the Capital Fund, but grant funding is available in some cases as well. Vehicles and equipment are periodically purchased to support these efforts. Larger firefighting apparatus is funded through a special Real Estate Tax levy held in the Fire Apparatus Fund. Authorized in October 2023, a fire engine for use by career firefighters is planned for purchase in early 2027. Two additional engines were authorized for the volunteer fire companies, all of which will be expended from the newly-created Fire Apparatus Fund.

Fire & Emergency Services	2026	2027	2028	2029	2030	Five-Year Total
Vehicles	\$ 70,000	\$ 70,000				\$ 140,000
Fire Apparatus & Equipment		<u>\$3,860,000</u>		<u>\$1,450,000</u>		<u>\$ 5,310,000</u>
TOTAL	\$ 70,000	\$3,930,000	\$ 0	\$1,450,000	\$ 0	\$ 5,450,000

Fire Command Vehicle - \$70,000

In addition to large apparatus used to respond to emergencies, smaller utility-body trucks are also incorporated into the fleet to minimize wear on apparatus and to facilitate command of fireground operations. With a new Chief of Fire & Emergency Services planned to be hired in 2026, a vehicle that is conducive to command operations on the scene of an emergency is planned for purchase in 2026. A vehicle currently assign to this role will be repurposed in the Public Works department.

This purchase will be made from the Capital Fund.

Information Technology

Information Technology (IT) expenditures typically involve significant upgrades or changes to the Township's software, hardware, and network capabilities. Most IT equipment purchases, such as new servers or annual computer upgrades, are considered capital projects. IT projects are typically funded through the Capital Fund. Even though some projects are specific to single departments, all technology capital expenses are incurred here.

Information Technology	2026	2027	2028	2029	2030	Five-Year Total
Desktop Computer Replacement	\$ 68,500	\$ 11,000	\$ 44,500	\$ 68,500	\$ 10,000	\$ 202,500
Mobile Data Terminals (MDTs)	\$ 37,000	\$ 25,000	\$ 35,000	\$ 30,000	\$ 35,000	\$ 162,000
Network Maintenance	\$ 15,000	\$ 30,000	\$ 48,000			\$ 93,000
Broadcast System Upgrades	\$ 150,000					\$ 150,000
Website Redesign		\$ 75,000				\$ 75,000
Software Systems		\$ 550,000	\$ 250,000			\$ 800,000
Wireless Updates				\$ 180,000		\$ 180,000
Security System Replacement					\$ 252,000	\$ 252,000
TOTAL	\$ 270,000	\$ 691,000	\$ 377,500	\$ 278,500	\$297,000	\$ 1,914,500

Desktop Computer Replacement - \$68,500

Most Township employees require the use of a computer for their day-to-day tasks. As computers age, they become obsolete and are more likely to impact efficiency. The Township has developed a schedule to regularly replace all of its computers. Replacing computers is essential to ensuring that employees can work efficiently. The first year of the computer replacement plan was implemented in 2020. Computers are replaced, on average, every five to six years.

Many computers are being replaced with laptops to allow employees the ability to perform work away from their work station. Prices for new computers are expected to increase steadily in future years. New computers will require less maintenance and be more secure than the machines they will replace. The purchases will be made through the Capital Fund.

Mobile Data Terminals (MDTs) - \$37,000

Each Police Department and Fire & Emergency Services Department vehicle has an on-board computer that allows reporting and data access for officers on patrol or in the field. They are especially valuable when interacting with members of the public or suspects as they can access records necessary for law enforcement and emergency response purposes. Future project costs are expected to increase due to rising technology prices and anticipated equipment failure. The MDTs will be purchased using funds from the Capital Fund.

Network Maintenance - \$15,000

The Township's network—the backbone of all digital services—is one of the most vital pieces of infrastructure in the Township's possession. Maintaining the devices and systems that comprise the Township's network is vital to the delivery of nearly every service provided by the Township. Network switches are planned to be replaced in 2026. Long-term network maintenance costs are expected to decrease as more systems are migrated from an on-site to a cloud-based network.

This purchase will be made from the Capital Fund.

Broadcast System Upgrades - \$150,000

The Township's Public Hall is equipped with a broadcast system utilized to record and transmit public meetings for residents to view from home. The system for the Public Hall routinely needs investment to ensure the viewers receive the best possible experience. New microphones were purchased in 2025 for use in this space.

In 2026, system improvements are planned in an effort to modernize the system and make it more conducive to automation. Currently, one to three people are needed to facilitate recordings. An automated system has the potential to reduce the need for staffing some recordings.

Also in 2026, the Township will begin to record and televise meetings of the Planning Commission. Upgrades to the system will be vital if additional advisory boards move to televised meetings in the future. This purchase will be made from the Capital Fund.

Parks & Recreation

Capital investments in the Parks & Recreation Department primarily include improving and maintaining facilities, constructing new amenities, making changes for safety, and replacing equipment. Specific projects range from routine maintenance at buildings to replacing amenities at parks. While maintenance services and minor equipment replacement are funded through operating expenditures, this plan focuses on larger improvements and upgrades that have a higher cost and longer lifespan than minor improvements.

With an increase to the Parks & Recreation Real Estate Tax in 2026, the Parks & Recreation Fund will be better suited to supporting capital maintenance projects long-term, relying less upon the Capital Fund. State grants from the PA Department of Conservation and Natural Resources (DCNR) and PA Department of Community and Economic Development (DCED) also support the cost of planned Parks & Recreation capital projects.

Parks & Recreation	2026	2027	2028	2029	2030	Five-Year Total
Community Center Updates	\$ 50,000	\$ 200,000	\$ 300,000			\$ 550,000
Middletown Community Park	\$ 30,000	\$ 100,000	\$1,000,000		\$ 350,000	\$ 1,480,000
Simmons Park	\$ 350,000	\$ 200,000		\$ 200,000		\$ 750,000
Det. Christopher Jones Park	\$ 100,000					\$ 100,000
Twin Oaks Park	\$ 53,000					\$ 53,000
Facility Improvements	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
Firefighters' Park		\$ 155,000			\$ 500,000	\$ 655,000
Deep Dale East Park		\$ 100,000				\$ 100,000
Upper Orchard Park				\$ 125,000		\$ 125,000
Forsythia Crossing Park				\$ 250,000		\$ 250,000
TOTAL	\$ 633,000	\$ 805,000	\$1,350,000	\$ 625,000	\$ 900,000	\$ 4,313,000

Community Center Updates - \$50,000

The Raymond P. Mongillo Community Center, located on Trenton Road in Levittown, houses the activities and services of the Middletown Senior Citizen Association. Originally operated as a school, this facility served as the Municipal Center for several decades until the current Municipal Center was opened in 2001. While many updates have been made to the Community Center over the years, aspects of the facility still show its age. One such example is the restroom facilities. While an accessible restroom is available, the most centrally-located restroom at the building is not conducive to serving an older clientele. A restroom renovation compliant with the Americans with Disability Act (ADA) is planned for 2026. The Public Works department will assist with aspects of the project in an effort to control costs.

Middletown Community Park - \$30,000

One of the largest parks in the Township, Middletown Community Park houses several baseball and soccer fields, as well as a skatepark and barn facility used for recreation programming. With so much activity, security for both the facilities and visitors is a growing priority. Security enhancements were made to the barn facility in recent years. In 2026, security cameras are planned for the remainder of the park. Similar security enhancements may be implemented at other parks in future years. This project will be expended from the Parks & Recreation Fund.

Simmons Park - \$350,000

Originally known as Veterans Park, Lance Corporal Harry J. Simmons, Jr. Park was renamed to honor the Langhorne-native who gave his life serving in the United States Marine Corps in the Vietnam War. Tennis courts at the park are showing signs of age and need to be updated. Repaving and painting of the courts as well as new fencing are planned in 2026. This project will be expended from the Parks & Recreation Fund.

Detective Christopher Jones Park - \$100,000

Named for the late Middletown Township Police Department Detective Christopher Jones who tragically lost his life in the line of duty in 2009, the park named in his honor is located on Maple Avenue near Langhorne Borough. The park features a playground that is at the end of its useful life and is due to be replaced in 2026. This project will be expended from the Parks & Recreation Fund.

Twin Oaks Park - \$53,000

Home to the Middletown Athletic Association (MAA), Twin Oaks Park is a large facility featuring several baseball and softball fields. Adjacent to both Trenton Road and Woodbourne Road, safety netting is located along the roads in certain areas to prevent balls from leaving the park. The netting is beginning to show signs of age and is in need of replacement. This project will be expended from the Parks & Recreation Fund.

Facility Improvements - \$50,000

Several buildings associated with the Township's park facilities require various kinds of routine maintenance and system replacement to keep them in proper working order. These include updating systems like heating and air conditioning units and well as restroom fixtures. Some systems are replaced proactively to ensure continuity of operations and reduce maintenance costs while others are replaced upon failure or damage to an existing system. This project will be expended from the Parks & Recreation Fund.

Police

The Police Department requires capital improvements to maintain and enhance their ability to provide public safety. The key driver of capital costs for the Police Department is the vehicle replacement plan, as several vehicles must be replaced each year. The Department will also see several technical upgrades during the scope of this CIP that will increase officer and resident safety, update data systems, and bring down Township operating costs.

Police	2026	2027	2028	2029	2030	Five-Year Total
Vehicles & Equipment	\$ 330,000	\$ 427,500	\$ 385,000	\$ 437,500	\$ 445,000	\$ 2,025,000
Body & In-Car Cameras	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000		\$ 440,000
Weapons & Gear	\$ 45,000	\$ 15,000				\$ 60,000
Indoor Firearm Range	\$ 25,000					\$ 25,000
TOTAL	\$ 510,000	\$ 552,500	\$ 495,000	\$ 547,500	\$ 445,000	\$ 2,550,000

Vehicles & Equipment - \$330,000

Police vehicles experience more wear and abuse than other Township vehicles, and they often must be replaced more frequently. This number includes marked vehicles for patrol officers and unmarked vehicles for detectives and lieutenants. Typically, four or five marked and unmarked vehicles are replaced each year. Vehicles are often shuffled through various assignments within the Police Department to maximize their useful life.



In 2026, the Police Department will purchase and outfit four (4) marked patrol cars and one (1) unmarked car. Patrol cars are used for everyday patrolling and emergency response and are the backbone of the Police Department's ability to provide service.

Vehicle replacement is an ongoing cost. New vehicles require less maintenance investment and suffer less downtime for repairs. The Bucks County Redevelopment Authority (RDA) has become a steady funding source for Police vehicles over the last ten years. The Township again applied for grants from the RDA to fund the purchase of these vehicles. Any remaining costs beyond grant funds will be paid from the Capital Fund.

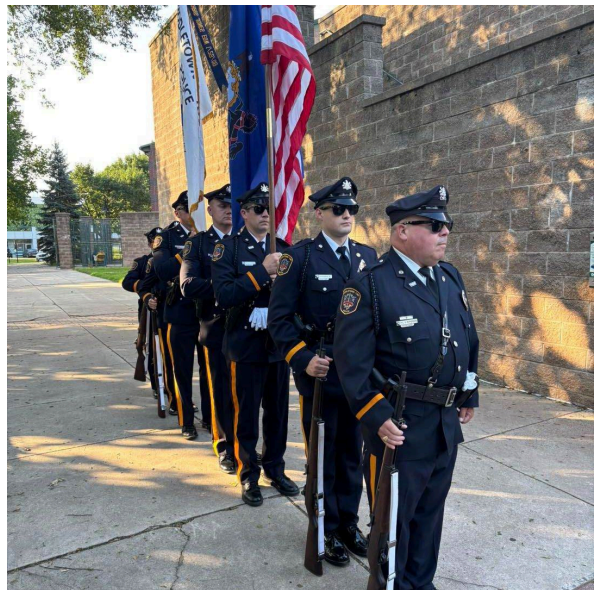
Body & In-Car Cameras - \$110,000

Body cameras are a critical component to policing in the United States. The use of body cameras has increased nationwide over the last ten years, and the footage they capture has become pivotal in solving many crimes where direct interaction between officers and criminals occur. The footage can also be used to provide ongoing training opportunities to other officers.

In 2024, body cameras were implemented for all officers in Middletown Township. Additionally, the aging in-car camera system was also replaced in 2024. The purchase was made with a five-year payment plan, with 2026 representing year three of five. This payment will be made from the Capital Fund.

Weapons and Gear - \$45,000

All police officers are equipped with a variety of lethal and non-lethal weapons for use when facing violent or uncontrollable suspects that need to be subdued. In 2026, tasers and rifles are planned to be replaced as they are at the end of their useful life. Tasers have a limited lifespan set by the manufacturer that requires replacement every few years. This project will be paid for from the Capital Fund.



Indoor Firearm Range - \$25,000

The Middletown Township Police Department is fortunate to have an indoor firearm range for training on-site. While using weapons during an emergency response is fortunately rare, officers are required to perform regular training to ensure their skills, especially when under pressure, remain sharp. The range is also used periodically by other police departments from around the County for training. The planned improvements will continue to keep the facility in proper working order. This project will be paid for by the Capital Fund.

Public Works

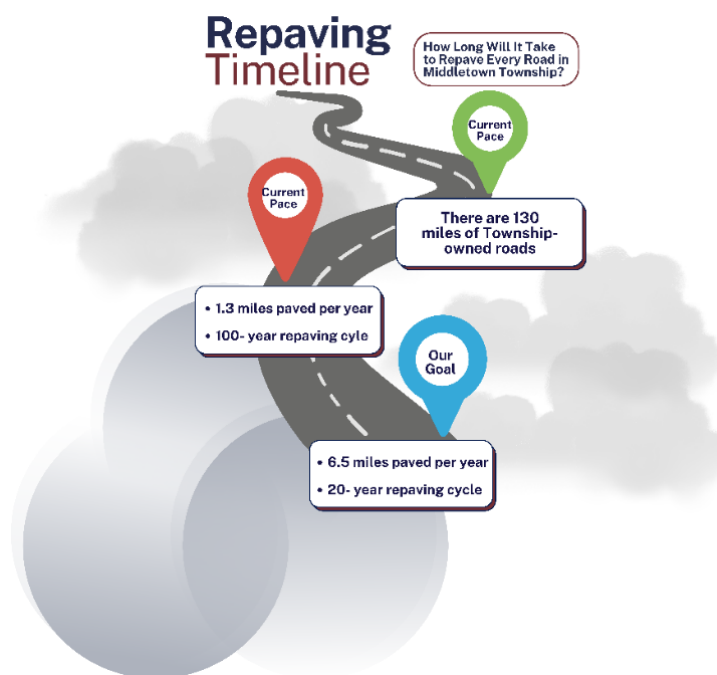
The Department of Public Works is responsible for a wide variety of road and safety projects, and their capital needs reflect the diversity of their responsibilities. Some projects, such as road , are ongoing and have an average budgeted amount each year. Other projects are specific purchases of equipment. Each of the Department's capital projects are geared toward fixing roads, upgrading equipment, traffic safety, and employee safety. General infrastructure improvements are often categorized here as well. Projects are funded through the Capital Fund, Highway Aid Fund, Road Machinery Fund, RDA grants, and bonds.

Public Works	2026	2027	2028	2029	2030	Five-Year Total
Road Program	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$10,000,000
Public Works Building Improvement	\$ 150,000	\$ 3,000,000	\$ 2,000,000			\$ 5,150,000
Vehicles	\$ 881,000	\$ 500,000	\$ 570,000	\$ 28,000	\$ 590,000	\$,569,000
Heavy Equipment	\$ 171,500	\$ 273,500			\$ 65,000	\$ 510,000
Light Equipment	\$ 30,000	\$ 10,000	\$ 32,000	\$ 12,000	\$ 34,000	\$ 118,000
*Guiderail Work	\$ 55,000	\$ 25,000				\$ 80,000
Roadway Striping	\$ 35,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 335,000
Footbridge Repair	\$ 40,000	\$ 50,000	\$ 625,000	\$ 250,000		\$ 965,000
TOTAL	\$ 3,362,500	\$ 5,933,500	\$5,302,000	\$2,365,000	\$2,764,000	\$19,727,000

Road Improvement Program - \$2,000,000

The Road Improvement Program repaves roads on a schedule as pavement wears with use over time. While some repair work is completed with Department of Public Works staff, larger repaving projects are typically contracted out. Roads must be repaired on a schedule because delays cause additional wear to roads, making them more expensive to fix and maintain over longer periods of time.

The Township only paves the roads it owns. State roads are paved by the PA Department of Transportation (PennDOT), and private neighborhoods



maintain their own roads. Improved roads reduce the need for additional maintenance costs. In 2026, the Township plans to significantly increase the volume of road paving performed on a yearly basis—planning four times the resources in 2026 than were allocated in 2025. Several neighborhoods in the Township’s Levittown section are planned for repaving in 2026, including more than nine miles in the Juniper Hill, Cobalt Ridge, Forsythia Gate, and Quincy Hollow neighborhoods. Public Works recently deployed an artificial intelligence-driven software that passively monitors the conditions of roads to help objectively prioritize maintenance efforts.

In 2026, the Highway Aid Fund will cover the full cost of road paving. Projected costs for this project include engineering costs.

Public Works Building Improvements - \$150,000

Parts of Department of Public Works site on Veterans Highway date back to the 1950s, and there are significant parts of the yard that are not being utilized to their full capacity. In 2023, the Township completed relocation of fuel tanks to an above-ground arrangement. In 2024, a new winter operations and salt storage building was completed.

The final phases of the project include demolition of the rear garage building and replacement with a pole barn structure for more effective equipment storage. Improvements to the main office/garage building are also planned. Funding has been requested from the federal government and state government to assist with implementing this project.

The vast majority of these improvements are contingent upon obtaining external funding. The 2026 budget contemplates resources to engineer the improvements for this facility. These design costs will be incurred in the Capital Fund.

Vehicles - \$881,000

The Department of Public Works maintains a fleet of vehicles for transporting supplies, snow plowing, and other road and park maintenance activities. The Department of Public Works owns large and small dump trucks as well as pickup trucks that are used during regular activities. There are also specialty vehicles such as a street



sweeper and bucket truck that are utilized for specific tasks. Vehicles are replaced on average every fifteen to twenty years. It is important that the Department of Public Works vehicles work when performing critical tasks such as road repair and snow removal. Regularly replacing vehicles helps prevent unwanted downtime while also preventing excessive maintenance costs.

Vehicles are purchased on an ongoing basis. In 2026, one (1) large dump truck, one (1) small dump truck, and one (1) pickup truck with all necessary equipment will be purchased. One (1) street sweeper and one (1) enclosed trailer are also planned. The vehicles being replaced are twenty years old and incur significant maintenance costs. The new vehicles will save on that cost while allowing the mechanics to spend more time with other vehicles. The Township has applied for RDA grant funding for these vehicles. If RDA grants are not awarded, vehicles will be purchased using the Road Machinery Fund, a designated fund that exists to pay for Public Works vehicles.

Heavy Equipment - \$171,500

Heavy equipment is defined as any equipment large enough to be operated by a seated driver and usually weighs over one (1) ton. In 2026, the Department of Public Works is planning to purchase an excavator and an open trailer. The excavator will be used to facility construction projects and avoid the need to rent this machine when needed. The trailer will be used to transport the excavator or other pieces of equipment to and from construction sites around the Township. These items are slated for purchase from the Road Machinery Fund.

Light Equipment - \$30,000

Light equipment is defined as any equipment small enough to be operated by hand, or equipment weighing less than one (1) ton, usually items used for specialty tasks. In 2026, two zero-turn mowers will be purchased, critical in mowing the more than 800 acres of grass around the Township. These items will be expended from the Road Machinery Fund.

Roadway Striping - \$35,000

The Township is responsible for maintaining the markings at all major intersections. The Township will remove current, faded markings and repaint them using a long-lasting thermoplastic. Traffic safety is a responsibility and high priority for the Township. Faded markings can be more difficult for motorists to see, potentially causing them to stop in the wrong place or fail to see a crosswalk. This project is not expected to have an impact on operating costs. This project will be funded through the Capital Fund.

Footbridge Repair - \$40,000

Several footbridges throughout the Township span the two sides of area waterways, making it possible for pedestrians to cross between neighborhoods. Located primarily in Levittown, some footbridges are still original from when the area was first developed. A footbridge near Walter Miller Elementary School needs to be repaired in 2026. Fortunately, it is still strong enough to avoid needing a full replacement. This project will be expended from the Capital Fund.

Storm Sewer & Drains

Stormwater management is an essential part of maintenance that helps prevent flooding and environmental hazards in the Township. A rapidly growing capital project category, the Board of Supervisors instituted a Stormwater Impact Fee for 2025 to support the cost of maintaining stormwater management infrastructure and improving the quality of stormwater runoff throughout the community. These projects will be paid for from the Stormwater Fund.

Several specific plans for stormwater management exist for the projects targeted in the coming years. Two major projects—Langhorne Gables and Reetz Avenue—are in progress and have funds allocated from a prior year. Both projects will be completed in 2026. Improvements to Hillside Avenue are also planned in 2026. In addition to construction projects, an ongoing allowance for maintaining infrastructure, such as inlets, is also required. Since the Township holds a Municipal Separate Storm Sewer System (MS4) permit, the Township is obligated to perform storm sewer and drainage improvements and ensure the quality of stormwater runoff meets regulatory standards.

Storm Sewer & Drains	2026	2027	2028	2029	2030	Five-Year Total
Inlet Tops & Collars	\$ 160,000	\$ 150,000	\$ 175,000	\$ 150,000	\$ 200,000	\$ 835,000
*Langhorne Gables Phase II	\$ 644,140					\$ 644,140
*Reetz Avenue Culvert	\$ 450,000					\$ 450,000
Hillside Avenue	\$ 310,000					\$ 310,000
Engineer Future Projects	\$ 198,000	\$ 75,000	\$ 260,000	\$ 11,000		\$ 544,000
Streambank Restorations		\$1,570,000	\$1,890,000	\$ 500,000	\$ 750,000	\$ 4,710,000
Richardson Avenue		\$ 150,000				\$ 150,000
Playwicki Street Culvert		\$ 330,000				\$ 330,000
Wheeler Way				\$ 350,000		\$ 350,000
Sediment Removal				\$1,000,000		\$ 1,000,000
Silver Lake Road					\$ 110,000	\$ 110,000
TOTAL	\$ 1,762,140	\$2,275,000	\$2,325,000	\$2,011,000	\$1,060,000	\$ 9,433,140

Inlet Tops & Collars - \$160,000

Stormwater inlets in neighborhoods consist of several specialty components. Much of the routine maintenance on the Township's stormwater infrastructure is performed in-house by the Department of Public Works. This allows the Township to greatly curb maintenance costs compared to hiring a contractor to complete the work. However, this means that these components must be procured so they are available when needed. In 2026, the Township is planning to significantly increase the number of stormwater inlets purchased and installed—more than three times as many as were installed in 2025. This purchase will be made from the Stormwater Fund.

Hillside Avenue – \$310,000

Hillside Avenue, a small residential street adjacent to the Neshaminy Creek between Penndel Borough and Hulmeville Borough, routinely experiences flooding during major rain events due to the lack of adequate stormwater management infrastructure. Improvements are planned in this neighborhood in 2026. The project has been partially design and is planned for construction. The estimated project cost includes engineering. This project will be expended from the Stormwater Fund.

Engineer Future Projects - \$198,000

Many stormwater projects require extensive planning and permitting, ultimately spanning more than one budget year. Several projects are planned for construction in 2027 and 2028, including streambank restoration projects in Mill Creek and Queen Anne Creek, as well as stormwater management projects on Richardson Avenue and Playwicki Street. This allocation ensures there is adequate funding available to prepare these projects for future implementation. This will be expended from the Stormwater Fund.

Transportation & Signals

Middletown Township undertakes several projects throughout the year geared toward improving the transportation infrastructure of the community. These projects may include road construction at intersections, installing signals, adding sidewalks or crosswalks, and other projects aimed at allowing better movement of vehicles and pedestrians. Additionally, the Township is responsible for ensuring that traffic signals are compliant with the permits from the Pennsylvania Department of Transportation (PennDOT) and that intersections are safe for commuters. While many traffic signal maintenance projects are ongoing operating costs, some larger projects are included in the Capital Plan and are funded through the Capital Fund and grants.

Transportation	2026	2027	2028	2029	2030	Five-Year Total
ADA Curb Ramp Program	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 3,750,000
*Langhorne-Yardley/Maple Pt. Xing	\$ 200,000					\$ 200,000
*School Zone Improvements	\$ 500,000					\$ 500,000
*Maple Ave/N. Flowers Mill Signals	\$ 175,000					\$ 175,000
*Pedestrian Signal Equipment Upgrades	\$ 229,000					\$ 229,000
Traffic Signal Mast Arm Replacemnt	\$ 150,000	\$ 100,000	\$ 125,000	\$ 150,000	\$ 150,000	\$ 675,000
S. Flowers Mill Bridge Clearance	\$ 200,000					\$ 200,000
Bike Lane and Sharrow Additions		\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,000,000
Illuminated Traffic Signal Signs		\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 80,000
Sidewalk Construction		\$ 200,000	\$ 600,000	\$ 1,500,000		\$ 2,300,000
Turn Lane Addition		\$ 50,000				\$ 50,000
Adaptive Signal System Expansion			\$ 300,000	\$ 300,000	\$ 500,000	\$ 1,100,000
TOTAL	\$2,204,000	\$1,620,000	\$2,295,000	\$3,220,000	\$1,920,000	\$11,259,000

ADA Curb Ramp Program - \$750,000

The Americans with Disabilities Act (ADA) requires public facilities to have ramps to allow access to all residents. This project funds the addition or replacement of ramps throughout the Township. Repairing and replacing ramps protects both the Township and residents. In 2026, the Township is planning to significantly increase the number of ramps being installed. Currently, more than 570 ramps are missing or non-compliant. At the current rate, it would take more than 30 years to complete this backlog. With this increased budget, nearly 80 ramps can be completed. Improvements will be focused in the Cobalt Ridge and Ivystream neighborhoods.

Ramps that are in good condition and meeting the most current standards of the ADA will both require less maintenance and reduce potential future liability costs. The project will be paid for by the Capital Fund. Projected costs for this project include engineering costs.

Traffic Signal Mast Arm Replacement - \$150,000

A mast arm is the metal pole jettisoning out over a roadway, often used at intersections for traffic signals. The Pennsylvania Department of Transportation (PennDOT) recently required all communities in the state to inspect mast arms for repairs or replacement due to several failures in other parts of the state. The Township completed mast arm inspections and identified some that are approaching the end of their useful life. The Township plans to replace mast arms gradually in the coming years to reduce a large one-time expense, and to mitigate any potential accidents from occurring.

This project will impact operating costs by reducing traffic signal maintenance over time. This project will be funded by the Capital Fund. Projected costs for this project include engineering costs.

S. Flowers Mill Bridge Clearance - \$200,000

The low-clearance railroad bridge on South Flowers Mill Road is one of the most problematic roadways in the Township. The less-than 10-foot clearance bridge is often the cause of many trucks getting stuck or almost stuck, resulting in significant delays and a major burden on first responders as they work to restore the road to service. Despite abundant signage in the area, trucks often get stuck on average once per month.



Design efforts are currently underway for implementation in 2026. PennDOT permitting for signal systems may be required.

This project will be funded by the Capital Fund and will be funded by an allocation from the state.

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Glossary of Terms

Accrual- A charge for work that has been done but not yet invoiced, for which provision is made at the end of a financial period.

Advance Refunding- The process by which bonds are issued to refinance an outstanding bond issue before the date the issue is due. Proceeds from an advance refunding are deposited in an escrow account with a fiduciary and invested to redeem the underlying bonds at their maturity or call date, to pay interest on the refunded bonds or to pay interest on the advance refunding bonds.

Americans with Disabilities Act (ADA)- A 1990 federal civil rights law that prohibits discrimination against disabilities and requires facilities to be updated to be more accessible to disabled persons.

Amusement Tax- Enabled by Act 511, a tax on places of amusement or entertainment, such as theme parks and golf courses.

Apparatus- Usually in reference to fire services, apparatus is a general term for any large vehicle used in emergency response, such as a fire engine, tower, pumper, or rescue truck.

Appropriation- A legal authorization granted by the Township Board of Supervisors to make expenditures and to incur obligations for the purposes specified in the annual budget appropriation ordinance. An appropriation is limited in amount and to the time in which it may be spent.

Assessed Valuation- The valuation set upon real estate by the county tax assessor as the basis for levying real estate taxes.

Assets- Property owned by the Township which has a monetary value.

Audit- A financial review performed by an external accounting firm to assure funds are being dispensed and accounted for in accordance with state laws and best management practices. Audits can be performed comprehensively across all Township funds for a given time period, or for specific subset, such as a grant or state appropriation.

Authority- A governmental entity created by one or more political subdivisions to administer a specific service or set of services to a fixed geographic area, empowered to raise funds to finance the delivery of this service. Governmental authorities commonly handle water, waste water, and stormwater management, among other services.

Automated Clearing House (ACH) - A system used to facility electronic payments between banking institutions.

Balanced Budget- Revenues and expenditures are balanced for a given fiscal year, particularly in the General Fund.

Benefits- A term used to describe forms of compensation given to employees in addition to direct pay. This typically includes a pension, earned leave time, and medical and dental insurance, among other things.

Bond- A written promise to pay a specified sum of money at a specified future date along with periodic interest paid at a specified rate. Bonds are typically sold to finance long-term debt.

Bond Rating- The credit worthiness of the Township as evaluated by independent agencies relating to the repayment of debt. The Township currently has a AA+ rating by S&P. The term “credit rating” is synonymous.

Bucks County- Bucks County is the county Middletown Township is in. The county is in southeastern Pennsylvania, north of Philadelphia and west of Trenton, NJ, along the New Jersey border.

Bucks County Water and Sewer Authority (BCWSA)- The primary water and waste water company servicing Township residents. The Township ran its own water and waste water services before selling it to BCWSA in 2002.

Budget- A plan of financial operation setting forth an estimate of proposed revenue and expenditures for a given period of time, typically one year.

Budget Message- A general discussion of the proposed budget presented in writing as a part of the budget document. The budget message explains major budget issues, describes the financial experience during the past period and presents recommendations regarding the financial policy during the coming period.

Capital- A general term for most physical assets that are usable for more than a single fiscal year. Capital can include buildings, furniture, equipment, vehicles, and more.

Capital Improvement Plan (CIP)- The plan for capital expenditures to be incurred by the Township each year over six future years setting forth each capital project, the amount to be expended in each year, and the method of financing those expenditures.

Capital Projects- Projects which purchase, construct, or reconstruct capital assets, and are typically nonrecurring and in excess of \$5,000.

Cash Balance- Total amount of money in a financial account, calculated by adding all deposits to the initial deposit and deducting all disbursements or payments made. Net cash balance can be positive, if money is available; or negative if the account has been overdrawn.

Census- Also referred to as a decennial census, it is an official survey of the population of a country that is carried out to determine how many people live there and to obtain details such as persons' ages and occupations.

Census-Designated Place- A populated area drawn out by the United State Census Bureau that provides similar statistical information to an incorporated place.

Chart of Accounts- A chart of accounts is a financial organizational tool that provides a complete listing of every account in an accounting system. An account is a unique record for each type of asset, liability, equity, revenue and expense.

Collective Bargaining Agreement- An agreement in writing between an employer and a labor union setting forth the terms and conditions of employment or containing provisions in regard to rates of pay, hours of work, or other working conditions of employees.

Common Level Ratio (CLR)- The ratio of assessed value of taxable real property to market value for each county in the Commonwealth of Pennsylvania for the prior calendar year. The establishment of the CLR is the function of the Pennsylvania State Tax Equalization Board (STEB).

Community Development Block Grant (CDBG)- A federal program established to provide municipalities with grant funds needed to address local community development needs in the areas of housing, community facilities, economic development, and public services.

Comprehensive Annual Financial Report- The official annual financial report of the Township. It includes management discussion and analysis of the financial activities of the year, financial statements, supporting schedules and required supplementary information and statistics on the Township.

Consumer Price Index (CPI)- The Consumer Price Index is a statistical figure determined by the US Bureau of Labor Statistics that quantifies inflation and deflation. When comparing several years of revenues and expenditures, adjusting dollar amounts to account for inflation provides a more accurate conclusion of financial growth or attrition.

Crossing Guard Association- The Middletown Township Crossing Guard Association is a labor union representing collective interests of all Township crossing guards.

Culvert- A pipe or box-shaped tunnel that carries stormwater or a waterway under a road.

Curb Ramp- Also referred to as an ADA curb ramp, this is a short ramp cutting through a curb designed to allow pedestrians and wheelchair users to easily transition from a sidewalk to the street.

Debt Limit- The State-set maximum amount of legally permitted outstanding net debt.

Debt Service- Payment of interest and principal on an obligation resulting from the issuance of bonds.

Debt Service Fund- A fund used to account for the accumulation of resources for the payment of interest and principal on the Township's general obligation bonds.

Deficit- The difference between expenditures and revenues, particularly when expenditures are higher than revenues.

Delaware Valley Regional Planning Commission (DVRPC)- Regional planning organization that facilitates inter-municipal and intergovernmental cooperation on topics such as land use, environmental impact, and public transportation.

Delaware Valley Trusts (DVT)- A regional risk sharing pool providing property and liability, workers compensation, and health insurance coverage to its participating members which consists of municipalities in Southeastern Pennsylvania. The Trust was formed under the authority granted by the Pennsylvania Intergovernmental Cooperation Act and the Pennsylvania Political Subdivision Tort Claims Act.

Department- A major administrative segment responsible for the provision of services within a functional area.

Department of Community & Economic Development (DCED)- The department charged with the development and enhancement of communities within the Commonwealth of Pennsylvania. DCED provides a variety of assistance programs including housing, water and sewer infrastructure, public facilities, and community and economic development.

Depreciation- Expiration of the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence. In accounting, it refers to the method by which the cost of a large item (usually capital) is broken up and expended over the useful life of that item.

Earned Income Tax (EIT)- A tax levied on Township residents and employees of businesses in the Township. All Township residents pay the tax. Employees of businesses in the Township pay the EIT to their municipality of residence, unless said municipality does not collect an EIT, in which case Middletown Township would collect the tax.

Encumbrance- Commitment of funds for valid obligations for goods and services to be obtained.

Enterprise Fund- A fund that provides a specific good or service to the public for a fee that makes the entity self-supporting such as, for example, trash collection.

Expenditures- Where accounts are kept on the modified accrual basis of accounting, the cost of goods received or services rendered whether or not cash payments have been made.

Federal Insurance Contributions Act (FICA)- The federal law enabling the collection of payroll taxes for contributions to Social Security and Medicare.

Fee- An amount of money charged in exchange for a specific service rendered. The Solid Waste & Recycling Fee is a local example.

Fire Company- A not-for-profit entity contracted with one or more units of government to provide fire protection services to a jurisdiction, oftentimes in exchange for taxpayer resources.

Fiscal Year- A year determining the beginning, ending, and duration of a budget or taxation year. In Pennsylvania, the fiscal year matches the calendar year (January-December). In the federal government and other states, fiscal years often begin in April, July, or October.

Fixed Assets- Long-lived tangible assets obtained or controlled as a result of past transactions, events, or circumstances. Fixed assets include: buildings; building improvements; machinery and equipment; infrastructure; land and land improvements. In the private sector, these assets are referred to most often as property, plant, and equipment.

Fringe Benefits- Expenditures for benefits on behalf of employees. These benefits include health and dental insurance, life insurance, disability insurance, retirement, FICA and Medicare, prescriptions, vision care, unemployment compensation insurance, and workers compensation insurance.

Full-Time Equivalents (FTE)- The number of hours per year scheduled and budgeted for part-time employees divided by the number of hours of the full-time 40 hour per week employee.

Fund- A fiscal and accounting tool with a self-balancing set of accounts to record revenue and expenditures.

Fund Balance- The excess of a fund's assets over its liabilities. A negative fund balance is sometimes called a deficit. A positive fund balance is sometimes called a surplus. A portion of the Township's General Fund estimated actual ending fund balance may be re-appropriated as a source of funds to balance the following year's budget.

Fund Balance, Assigned- includes amounts intended to be used by the Township for specific purposes but do not meet the criteria to be classified as committed. The governing body, the Board of Supervisors, has by resolution authorized the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action

does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Fund Balance, Committed- includes amounts that can only be used for the specific purposes determined by a formal action of the Township's highest level of decision-making authority, the Board of Supervisors. Commitments may be changed or lifted only by the Township taking the same formal action that imposed the constraint originally (for example: resolution).

Fund Balance, Non-Spendable- includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Fund Balance, Restricted- includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Fund Balance, Unassigned- this residual classification is used for all negative fund balances in Special Revenue, Capital Projects, and Debt Service funds; or any residual amounts in the General Fund. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned. In all cases, encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

Government Accounting Standards Board (GASB)- The authoritative accounting and financial reporting standard-setting body for state and local governments.

General Fund- An accounting entity used to account for all revenue and expenditures applicable to general operations of the departments of the Township and to record all financial transactions not account for in another fund.

General Obligation Bonds- When the Township pledges its full faith and credit to the repayment of the bonds issued. Sometimes the term may refer to bonds which are to be repaid from taxes and other general revenues.

Generally Accepted Accounting Principles (GAAP)- Uniform minimum standards and guidelines for financial accounting and reporting which govern the form and content of the financial statements of an entity. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practice and procedures at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations. The primary authoritative body on the

application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).

Geographic Information System (GIS)- A collection of computer hardware, software, and geographic data for capturing, managing, analyzing, and displaying geographically referenced information.

Goal- A clearly described target or accomplishment which can be achieved within a given time frame.

Government Finance Officers Association (GFOA)- A association of government finance professionals which establishes industry best practices and award programs for financial publications of governmental entities.

Governmental Fund- Any fund used for core governmental activities, often supported by revenues from one or more taxes levied by the jurisdiction.

Grant- A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to municipalities by the state and federal government. Grants are usually made for specified purposes.

Independent Association of the Department of Public Works- Labor union representing collective interests of Middletown Township Department of Public Works staff.

Infrastructure- Long-lived public assets that are vital for the functioning of the community, such as roads, bridges, water systems, sewer systems, stormwater systems, and other utilities.

Inlet- A stormwater management structure that collects surface stormwater runoff from roads and other impervious surface areas and directs it into an underground storm drain system.

Intern- A student hired on a temporary basis that assists staff in various Township departments with general duties.

Key Performance Indicator (KPI)- A quantifiable measure of performance over time for a specific objective.

Local Services Tax (LST)- A tax on individuals for the privilege of engaging in an occupation in the Township.

Maintenance- Cost of upkeep of property or equipment.

Mill- The real estate tax rate is based on the assessed valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of assessed property valuation. One mill is equivalent to 0.1%.

Minimum Municipal Obligation (MMO)- the smallest amount a municipality must contribute to any pension plan established for its employees regulated by the Commonwealth of Pennsylvania.

Modified Accrual Basis- The basis of accounting under which expenditures are recorded at the time liabilities are incurred and revenue is recorded when received in cash or when measurable and available. This is the most common basis of accounting used in government.

Municipal Separate Storm Sewer System (MS4)- A program administered by the Pennsylvania Department of Environmental Protection (DEP) aimed at regulating water runoff and preventing contamination in local communities.

Municipality- Also called a political subdivision, it is a general term for a local government. This can include townships, cities, and boroughs of all classes.

Net Investment in Capital Assets- This category groups all capital assets, including infrastructure, into one component of Net Position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance of this category.

Non-Operating- Refers to a fund used for a single or very specific use, instead of as part of the day-to-day operating budget.

Ordinance- A law created by a local government to regulate a specific area of the local government's jurisdiction. Referred to collectively as the Code of Ordinances, they prescribe specific limitations on a range of topics, including zoning, land development, traffic enforcement, property maintenance, and more.

Pennsylvania Department of Transportation (PennDOT)- The department of the Pennsylvania state government that oversees transportation. All highways of the Township are maintained by PennDOT.

Part-Time Employee- An employee of the Township who works on average less than 29 hours per week. In some circumstances, part-time employees are afforded limited benefits such as leave time and longevity pay.

Pension- A regular payment made during a person's retirement from an investment fund to which that person or their employer has contributed during their working life.

Performance Measure- A quantifiable indicator of progress achievement and efficiency.

Police- Law enforcement officers sworn to enforce state and federal laws and municipal ordinances.

Police Benevolent Association- Labor union representing collective interests of uniformed police officers.

Procurement- The process of finding, purchasing, and acquiring goods and services. The Commonwealth of Pennsylvania establishes laws to control which purchases and services must undergo a public bidding process, a request for proposals process, or a quotation process.

Proprietary Fund- A fund established to account for operations that are financed and operated in a manner similar to a private business enterprise. The intent is that the costs of providing goods and services to the public on a continuing basis will be financed primarily through user fees.

Real Estate- Real property including the land and buildings or improvements on it.

Redevelopment Authority of the County of Bucks (RDA)- assists municipalities, businesses, private developers, and homeowners located in the County of Bucks in the rehabilitation of blighted and deteriorated properties and reuse of abandoned or underutilized industrial, commercial and residential sites. The RDA is the largest grant funder of the Township.

Resolution- Equivocal to an Act of Congress in the federal government, a local government resolution is a piece of legislation reflecting a decision made by the legislative body. Resolutions can cover a range of topics from grant applications to tax levies.

Restricted Net Position- This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Sanitary Sewer- The network of underground pipes used to carry sewage waste from residences and businesses to treatment facilities.

Second Class Township- Townships of the Second Class are governed by three to five elected supervisors for six-year terms. Township Supervisors typically appoint a professional manager to administer daily operations. The Commonwealth of Pennsylvania has general guidelines to determine the scope and reach of township.

Services- Professional or technical expertise purchased from external sources, or the output provided to taxpayers by Township departments.

Sinking Fund- a fund containing money set aside or saved to pay off a debt, bond, or financial obligation.

Solicitor- The Township Solicitor is the lawyer and chief legal counsel of the Township. The Solicitor is contracted annually by the Board of Supervisors. The Solicitor is present at all formal open session and closed session meetings of the Board of Supervisors, as well as other meetings as required by staff.

Southeastern Pennsylvania Transportation Authority (SEPTA)- A regional transportation agency that serves the Philadelphia metropolitan area. SEPTA operates buses, trolleys, above-ground trains, below-ground subway trains, and a rapid transit train.

Special Revenue Fund- A fund established to collect money to be used for a specific purpose.

Storm Sewer- The network of underground pipes where stormwater drains into as is diverted to designated basins and waterways.

Stormwater Impact Fee- A fee assessed by a municipal government or municipal authority to maintain and finance improvements to stormwater management infrastructure.

Structural Deficit- A persistent fiscal imbalance where a government's recurring operating expenditures consistently exceed its recurring revenues, even when the economy is performing well.

Taxes- Compulsory charges levied by the Township for the purpose of financing services performed for the common benefit of citizens.

Teamsters- Labor union representing collective interests of non-uniformed unionized Township employees.

Uniform Construction Code (UCC) – A Pennsylvania-wide building code that regulates construction, repair, renovation, and maintenance of buildings and structures to ensure public safety and welfare.

Unrestricted Net Position- This category represents net position of the entity, not restricted for any project or other purpose.

Volunteer- A person who performs a job or service without receiving direct pay.